

TECHSNABEXPORT

TENEX

ROSATOM STATE CORPORATION COMPANY



ANNUAL REPORT

2009



ANNUAL REPORT

JOINT STOCK COMPANY
TECHSNABEXPORT

2009

Approved by the resolution of the sole
shareholder on June 30, 2010

Pre-approved by Resolution of the Board
of Directors on May 28, 2010

Director General

Alexey. A. Grigoriev

Chief Accountant

Galina. A. Lysova

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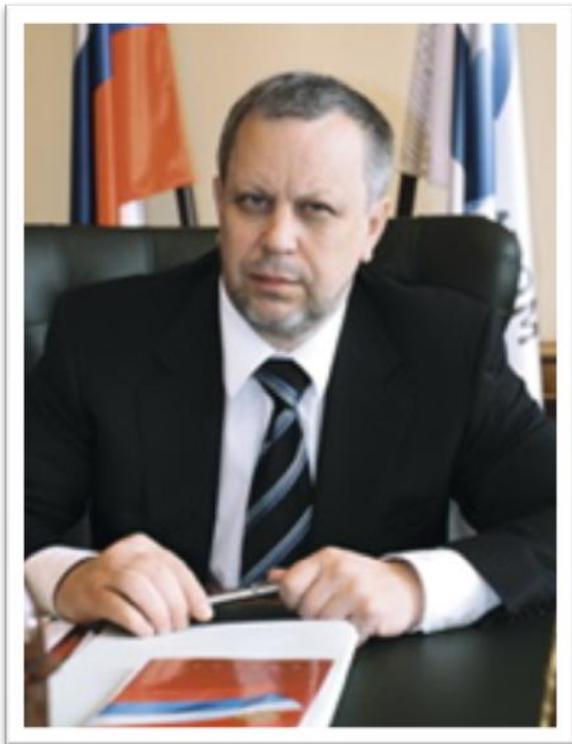
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1. TOP MANAGEMENT ADDRESS

1.1. Chairman of the Board of Directors



JSC Techsnabexport is the main export company of the State Corporation Rosatom which for several decades has supplied uranium enrichment services and enriched uranium to more than 15 countries thus ensuring over half of export revenues of the entire industry.

I would like to note positive results of the Company's business in long-term contracting in all key segments of the uranium market: American, European and Asian. This has also become a substantial component of the industry's anti-crisis program. We have fully performed our current obligations under commercial contracts and our obligations under the HEU-LEU Agreement.

JSC Techsnabexport successfully completed 2009, having demonstrated a stable growth of business and having achieved over 100 percent under all key performance indicators established by the State Corporation Rosatom.

Impeccable reputation of JSC Techsnabexport for many years makes the Company's trademark. I am sure that the Company will maintain this high quality standard in the international uranium market in the future.

In line with the restructuring policy of the entire industry, in the reporting year the Company transferred to the State Corporation Rosatom its equity stake in JSC IUEC (International Uranium Enrichment Center) and prepared for the further transfer the industrial assets in the areas of the carbon materials and gas centrifuges production, which were previously consolidated by the company. In addition, in 2009 the business activity related to the export of isotope products and equipment leasing was assigned to the specialized enterprises of the nuclear industry.

I would like to wish the Company's employees to maintain high standards of business and enhance the Company's successful performance.

Vladimir V. Travin

1.2. Director General



In the reporting year, although the financial and economic environment remained challenging, JSC Techsnabexport was successful in achieving good results. Its five year term contract portfolio for export of the nuclear fuel cycle products exceeded US\$8 billion (net of supplies under HEU-LEU

Agreement), and the total order volume approached close to US\$ 20 billion benchmark.

The Company's operations in US, in addition to traditionally irreproachable performance under the HEU-LEU contract, achieved breakthrough results: under Amendment of February 01, 2008 to the Agreement Suspending the Antidumping Investigation the Company has entered into first contracts with the major US utility companies for the amount in excess of US\$ 3 billion.

The Company has entered into new and signed amendments to the existing long-term contracts for the supply of low-enriched uranium into the European and the Asian countries for a total amount of around US\$ 7.5 billion.

I sincerely would like to thank the Company's employees for their excellent performance as well as all of our partners – both Russian and foreign – for their constructive cooperation which made this success possible.

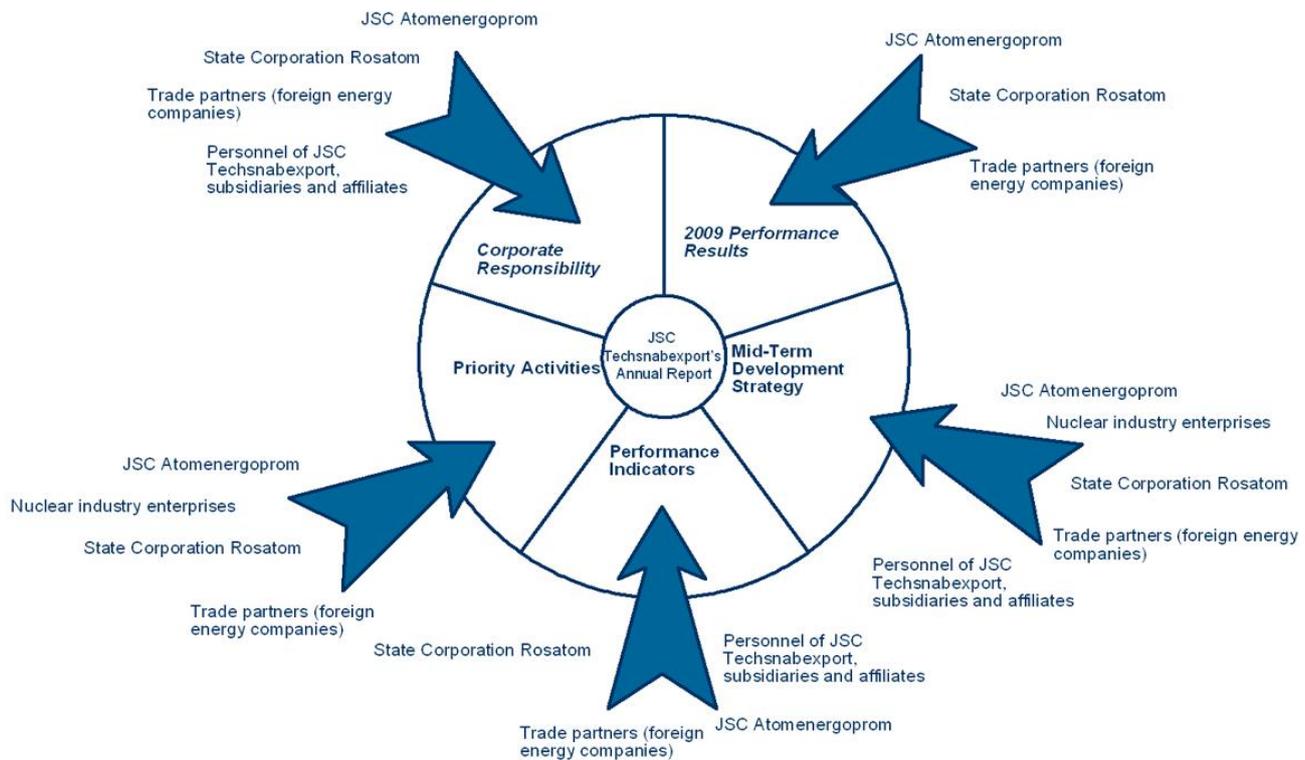
I am confident that the strategy chosen by the Company, the fundamental basis of which is formed by a principle of sustainable development, focus on the reliability of supplies and strengthening of the market positions, - is the guarantee of our future success.

Alexey A. Grigoriev

2. INFORMATION ABOUT THE REPORT

This Report of JSC Technabexport was prepared in accordance with the requirements of the Russian law as a part of the industry Project of the development and implementation of a Public Reporting System of the State Corporation Rosatom and its entities, designed to ensure maximum transparency of the industry, increase its investment attractiveness and expanding of a dialogue with the stakeholders.

During the preparation of the Report and its stage-by-stage discussion the Company interacted with all stakeholders presented in general in the chart below. Opinions of some stakeholders are referenced in Exhibit 8.11. to the present Report. The Draft Report was posted on the corporate intranet portal for the purpose of public discussion by the Company's employees.



All stakeholders received personal notices of the approved Report posted on the Company's web-site and were requested to review and fill in a Feedback Questionnaire. The results of the completed questionnaires processing will be provided and also taken into account in preparing the 2010 report.

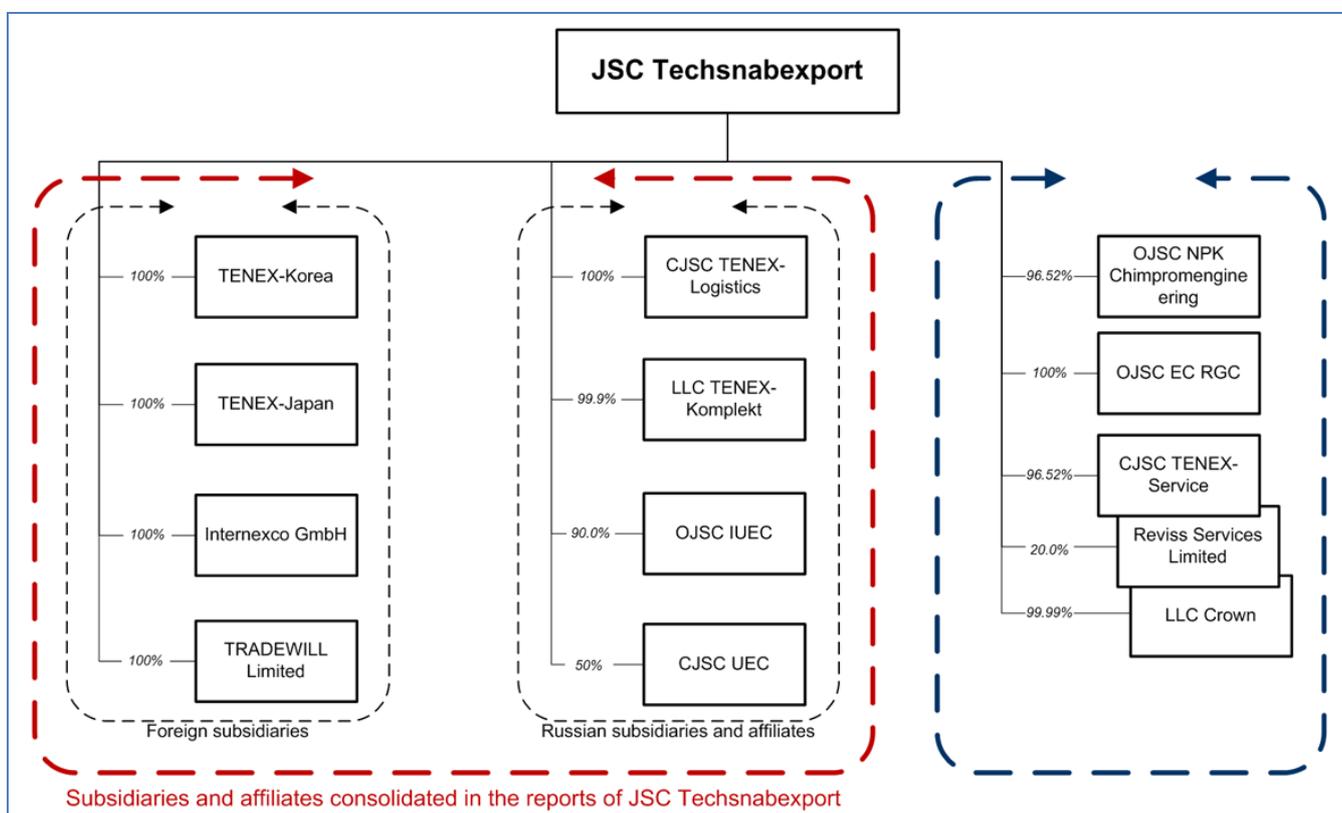
For the first time ever, this Report reflects not only the results of operations of the Company, but some of its subsidiaries and affiliates included into the present Report. The total number of subsidiaries and affiliates during the reporting period decreased from 26 to 13, as the shares of 12 companies were transferred to other entities within the frames of implementation of the Nuclear Industry Project with the purpose of setting-up the Engineering companies by the particular products lines of their core business - Carbon Fiber and Gas Centrifuges, while Fuel Logistic GmbH (Germany) was liquidated in December 2009 pursuant to the resolution of its members.

The chart below illustrates the scope of the frames of the Report which include:

- four foreign marketing subsidiaries,
- two service companies, and
- two companies with foreign equity participation – JSC IUEC¹(International Uranium Enrichment Center) and JSC UEC (Uranium Enrichment Center).

Business results of the other five subsidiaries and affiliates are not reflected in the Report since their operations were beyond the core business profile of the Company.

Financial and non-financial data for subsidiaries and affiliates covered by this report is reflected in Section 6.3. Taking into account the peculiarities of reporting of foreign subsidiaries and affiliates it is not appropriate to consolidate their financial results for the purposes of this Report. At the same time, the Report provides a fair outlook of their financial results.



This report has been prepared on the basis of information being available to JSC Technabexport. It covers strictly the period of 2009. Preceding and future periods are mentioned only in connection with the description of the Company's strategy, comparison of material factors, business results and performance, and in connection with forecasts and risk assessment.

¹ Although pursuant to a resolution of its sole shareholder the Company transferred on October 25, 2009 to the State Corporation Rosatom all of its shares in OJSC IUEC (90%), it was decided to include OJSC IUEC in this report, since the Company was the Center's co-founder from the Russian side in 2007, and continued to remain its majority shareholders for the most part of the reporting period. In addition, JSC Technabexport's Director General A.A. Grigoriev until January 14, 2009 continued to serve as the general director of OJSC IUEC and currently serves as the chairman of its Board of Directors.

In addition to information which describes the actual facts, the Report contains a forecast of the future events which have to be considered as probable in nature as well as their evaluation. Any statements in this annual report which are not statements of historic facts, represent forecasting statements. Such forecasting statements are valid only when they are publicly announced. JSC Techsnabexport (except when the law expressly requires otherwise) undertakes no obligations to revise or update such statements as well as take into account the results, when any new information appears after the expiration of the reporting year period.

Neither the Company, nor its shareholder, any of its directors, officers, employees or any other persons assume any liability for any loss which may be incurred as a result of the use and/or application of this annual report and/or its contents, or otherwise in connection herewith.

3. GENERAL INFORMATION ABOUT THE COMPANY

3.1. Name and Contact Details

JSC Techsnabexport was registered by the Moscow Registration Chamber on January 28, 1994, under the registered number 029.427. On July 11, 2002 the Company was re-registered by the Moscow Department of the Ministry of Taxes and Excise of Russia under the main State Registration Number 1027700018290.

Table No. 1. Summary Information about the Company

Full name	Open Foreign Economic Joint Stock Company Techsnabexport
Short name	JSC Techsnabexport
Registered and mailing address	Russia, 115184, Moscow, Ozerkovskaya nab., 28, bldg. 3
Corporate web-site	http://www.tenex.ru
E-mail address	mailto:tenex@tenex.ru
Contact phone	+7 (499) 949-2683, +7 (495) 545-0045
Fax	+7 (495) 951-1790, +7 (495) 953-0820
Branches and representative offices	None

3.2. Information about the Audit and Registrar

Limited Liability Company Nexia Pacioli was elected as the Company's Auditor for 2009 (Resolution of the Sole Shareholder No. 12 dated June 24, 2009), a company with its principal place of business at:

Russia, 119180 Moscow, Ul. Malaya Polyanka, 2,

Telephone: (495) 221 -24 -15; Fax: +7 (495) 221-24-15.

Russia, 127473 Moscow, Ul. Krasnoproletarskaya, 16, bldg. 3, suite 5/9;

Telephone: +7 (495)785-94-76, +7 (495) 780-62-50; Fax: + 7 (495) 785-94-61.

The Company's charter capital in 2009 amounted to Five Hundred Three Million Ninety-Seven Thousand Rubles (RUR 503,097,000) and represents the aggregate nominal value of the Company's shares acquired by the sole shareholder of the Company, in the amount of Twenty-One Thousand (21,000) common registered shares with a nominal value of Twenty-Three Thousand Nine Hundred Fifty-Seven Rubles (RUR 23,957) each. The Company has not issued any preferred stock.

The registration number and the state registration date of the common share issuance: 1-02-01817-A dated August 22, 2001. The registration number and the state registration date of additional common share issuance: 1-02-01817-A 002D dated February 28, 2008.

In 2009 the Company's Registrar was the Open Joint Stock Company Registrar R.O.S.T., with its headquarters being located at the following address: 107996, Moscow, Ul. Stromynka, 18, bldg. 13; Telephone: +7 (495)771-73-35, +7 (495) 771-73-36; Fax: +7 (495) 771-73-34.

3.3. Information about Shareholders

Since August 13, 2007 the sole shareholder of JSC Techsnabexport has been JSC Atomenergoprom (pursuant to Decree No. 556 of the President of the Russian Federation dated April 27, 2007, On Restructuring of the Nuclear Power Industry Complex of the Russian Federation, and Order of the Government of the Russian Federation No. 319 dated May 26, 2007 On Measures to Create the Open Joint Stock Company Nuclear Power Industry Complex).

The Russian Federation does not have a special right to participate in the management of JSC Techsnabexport ("golden share").

3.4. Key Events of the Reporting Year

- 2009 was marked by an important milestone in the implementation of the HEU-LEU Agreement. By the end of the reporting period from the first LEU shipment which occurred on May 31, 1995 about 11,049 tons of material were supplied to the US received as a result of processing of 382 tons of HEU or 3/4 of its total amount of 500 tons under the HEU-LEU Agreement. Thus, Megatons to Megawatts program reached its final stage.
- In 2009 JSC Techsnabexport after a long break resumed cooperation with the US utilities, having executed the first six contracts for supply of low-enriched uranium for a total amount of about US\$ 3 bln.
- During the year the Company entered into new and signed additional delivery addendums to the existing long-term contracts for supply of low-enriched uranium to the countries of the European Union and Asian-Pacific Region for a total amount of about US\$ 7.5 billion.
- As of the end of 2009 the portfolio of the export orders for the uranium products with five-year term (net of supplies under the HEU-LEU Agreement) exceeded US\$ 8.0 billion.

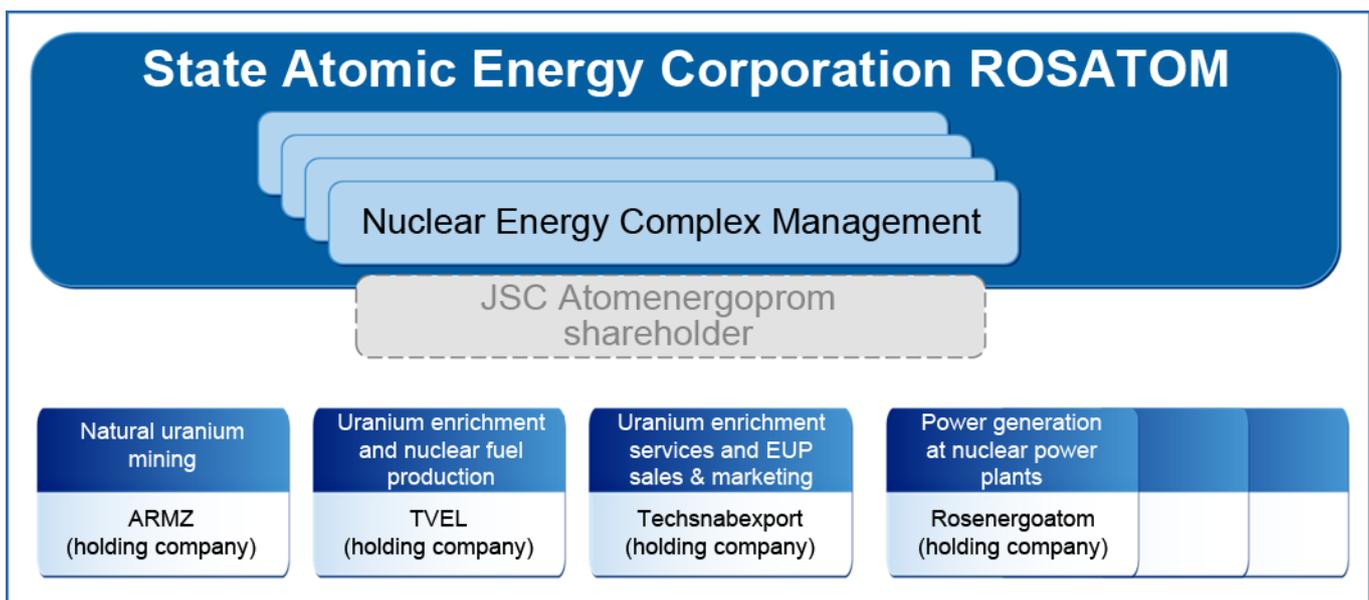
- In 2009 the Company's supplies of the uranium products under commercial contracts with its foreign customers were in excess of US\$ 2.0 billion.
- Close to US\$ 1.0 billion of revenues gained by the Company from the execution of the HEU-LEU program were transferred to the Russian Federal Budget.
- In 2009 Techsnabexport supplied about 60% of primary equipment and transferred over 45% of the design and engineering documentation under its contract with CNEIC (China) for assistance in construction of the 4th phase of the uranium enrichment plant in China.
- In October 2009 Techsnabexport transferred its shares in OJSC IUEC (International Uranium Enrichment Center) to the State Corporation Rosatom keeping at the same time the ability of the operational control and influence over this company's business activity through the presence of the Company's General Director being in its Board of Directors. The decision to transfer OJSC IUEC to Rosatom was a normal logical action required as the IUEC project is to a greater extent an instrument organized for implementation of the political initiative in non-proliferation of nuclear weapons, rather than just a commercial business project.
- In December 2009 the Swedish Svea Court of Appeal dismissed the appeal claim filed by Globe Nuclear Services and Supply GNSS, Limited (an intermediary which was previously involved in the execution of the HEU-LEU Agreement in connection with sales of the LEU natural component) against JSC Techsnabexport to decline the arbitration award in favor of Techsnabexport that had been rendered by the International Commercial Arbitration in Stockholm (Sweden). The judgment of the Court of Appeal is final and dismissed with prejudice.
- In June 2009 in London, UK, Techsnabexport incorporated Tradewill Limited as its wholly owned subsidiary with the main mission to assist in promoting of Nuclear Fuel Cycle products and services, exported by the Company and other entities of the State Corporation Rosatom into the international market.
- In October 2009 in Madrid, Spain, Techsnabexport was awarded Europe's International Prize For Quality (New Millennium Prize) awarded by Editorial Office publishing group jointly with the Trade Leaders Club.

4. EXECUTIVE SUMMARY OF THE COMPANY'S BUSINESS

4.1. Company's Industry Position

JSC Technabexport is positioned as a main company engaged in the area of the sales and marketing of uranium enrichment services and enriched uranium products within the organizational structure of the business units which have been being formed by the State Corporation Rosatom.

The core business of Technabexport is the export of conversion/uranium enrichment services (SWUs) and enriched uranium product (EUP) produced by the companies of the Nuclear industry.



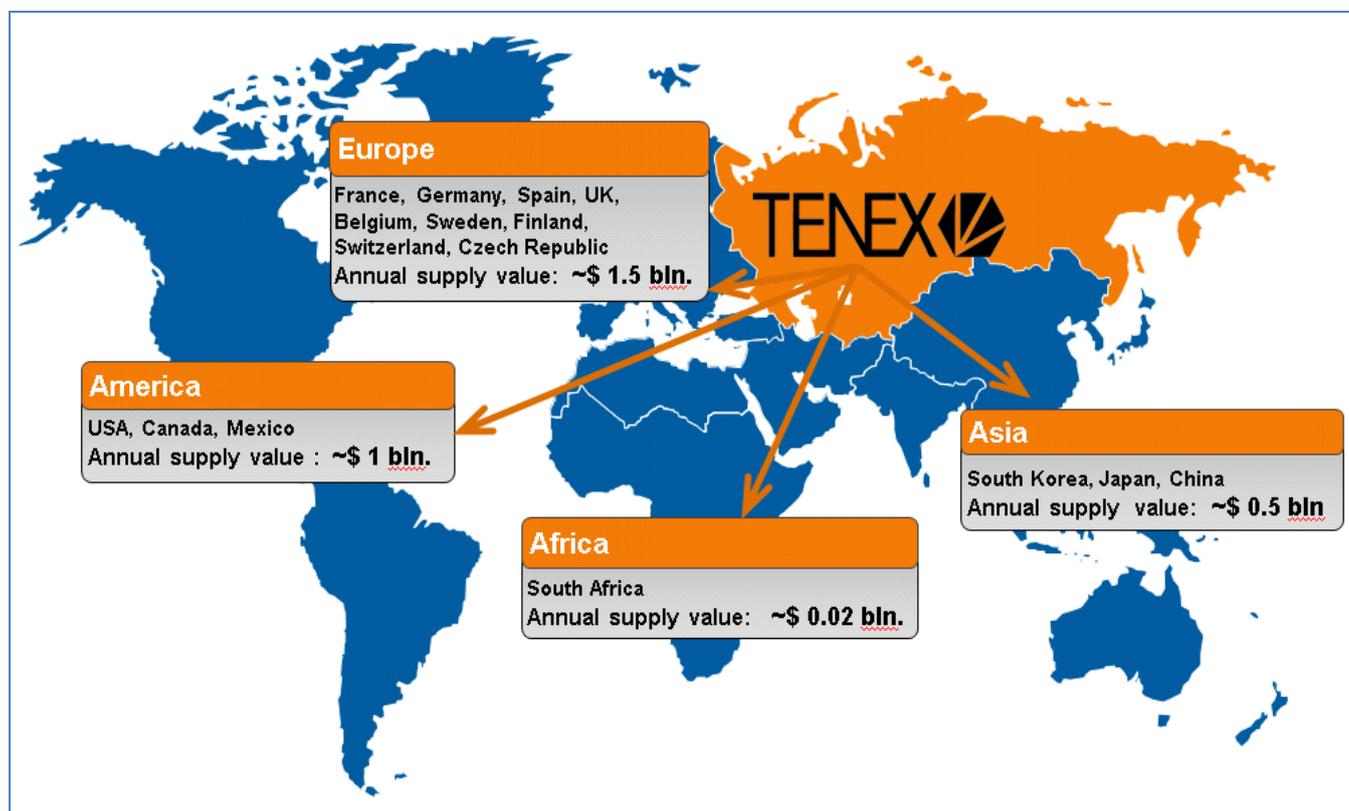
A very prospective area of the Company's business is the implementation and realization of engineering projects related to the creation of the Nuclear Fuel Cycle production enterprises, including the plants located abroad. Good examples which might illustrate such type of projects are: construction of a gas centrifuge uranium enrichment plant in China, a Russian-Kazakhstan company JSC Uranium Enrichment Center, and projects of the transportation and logistics infrastructure development.

4.2. Techsnabexport's Position in the International Nuclear Fuel Cycle (NFC) Products and Services

Successful implementation of its market strategy developed and realized in 2009, has allowed Techsnabexport, for the first time in its history, to achieve a record result – to gain 40% share in the world supplies covering the needs for low-enriched uranium of all Western design reactors.

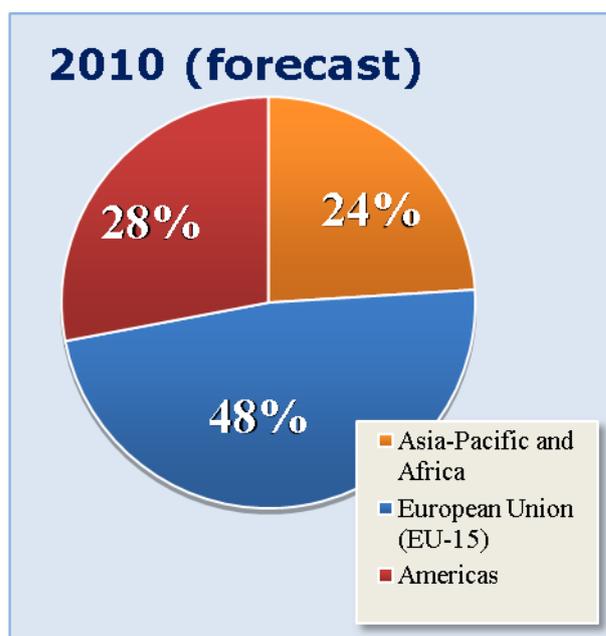
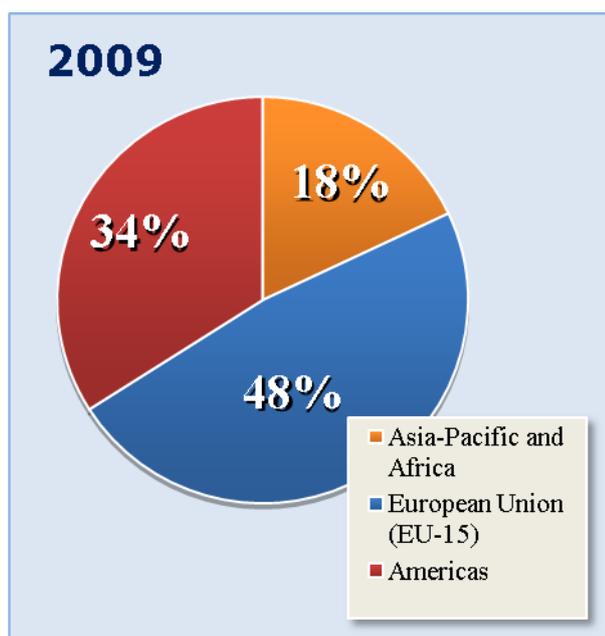
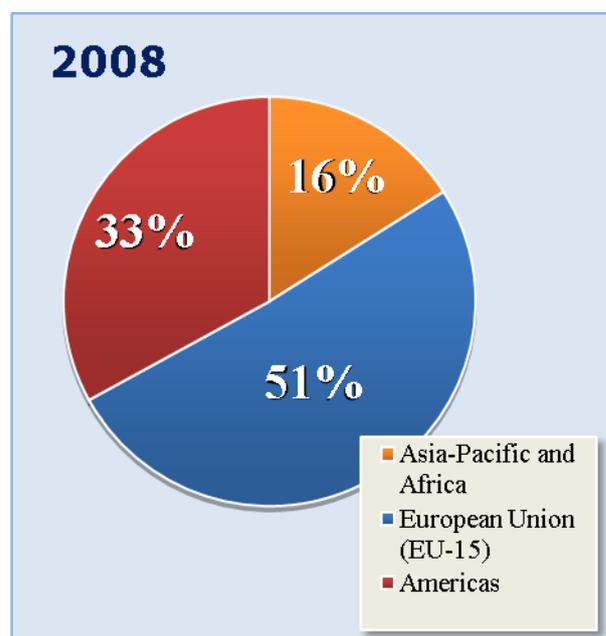
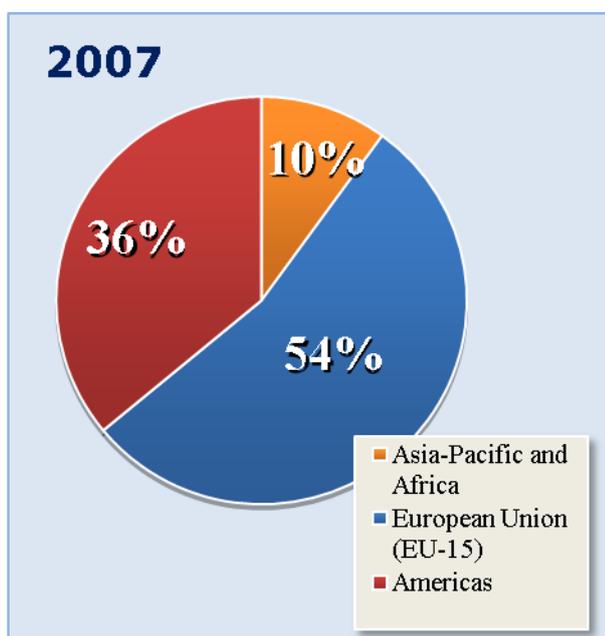
The Company supplies the uranium products to all key regional segments of the world market.

Geography of Techsnabexport's Supplies



The long-term contract portfolio, obtained by the end of 2009, has been increased by more than 60% over the volume realized in the preceding year, which indicates that the Company maintains its position as one of the leading NFC products and services suppliers in the long term prospective.

The diagrams below reflect the Company's uranium product sales structure (at the cost value) with a breakdown by regions in 2007-2009 and the sales forecast for 2010.



The Company's key competitors continue to be AREVA (France), URENCO (UK, Germany, the Netherlands) and USEC (USA) which are at the same time the Company's long-standing business partners.

The Company maintains substantial export sales to Europe and not only through the direct supplies to end users – utility companies, but also by providing of enrichment services to AREVA and URENCO. USEC is the Company's business partner on the US market, and low-enriched uranium (LUE) supplied by Techsnabexport under the HEU-

LEU Agreement has been delivered through USEC to the end users – US utility companies.

The factors determining the competitiveness of the products exported by the Company include:

- availability in the Russian nuclear industry of all processing forms of technological conversion of the NFC initial phase allowing to provide and supply NFC services in package or on the differentiated basis, depending upon the customer needs;
- availability and use of highly efficient gas centrifuge technology for uranium enrichment;
- significant uranium stock and the world's largest enrichment facilities;
- relatively low production costs;
- strong long-standing partnership relations established with the end users of uranium products.

4.3. International Operations

In 2009 the focus of the Company's international operations was concentrated on the following main areas:

- participation in activities of various specialized international organizations;
- participation in international conferences and exhibitions;
- interaction with the government authorities on matters which influence the foreign economic interests of the industry related to efforts to implement modifications to the existing legal framework and agreements governing the international cooperation.

In 2009, same as in the preceding years, the Company participated in the work of the World Nuclear Association, World Nuclear Fuel Market, Nuclear Energy Institute, Japan Atomic Industry Forum, Korea Atomic Industrial Forum, International Isotope Society.

The Company's Director General is the active member of the Management Board of the World Nuclear Association. Techsnabexport's representatives participate on a regular basis in the activities of most of the working groups of the Association. This contributes to strengthening and enhancement of the Company's relations with the leading players of the global uranium market and increases the world community's awareness of the Russian nuclear industry development.

In 2009 the Company continued to participate in the work to improve the existing international legal framework for cooperation consistently promoted by the State Corporation Rosatom. In this context it should be specially noted that the Company's specialists have affording a special interest and actively participated in the development and negotiation of the Administrative Arrangements into the intergovernmental

agreements with Australia (signed in 2007) and Canada (signed in 1989, in connection with the Amendment to such agreement coming in force in 2009). The adoption of such Administrative Arrangements will allow to import uranium products of Australian and Canadian origin into the Russian Federation for conversion and enrichment.

For the purposes of implementation of the Amendment to the RSA (Russian Suspension Agreement - Agreement on Suspending the Antidumping Investigation on Uranium from the Russian Federation) of 2008 the Company with the State Corporation Rosatom support has extensively interacted with the US Department of Commerce in order to develop a Statement of Administrative Intent², establishing the approval procedure of the concluded export contracts and procedures for accounting/control over the use of export quotas.

In May 2009 the Company signed a Memorandum of Understanding with Toshiba providing for development and implementation of business concepts in manufacturing and supplies of the nuclear fuel cycle products and services.

4.4. Nuclear and Radiation Safety

In 2009 the Russian Federal Environmental, Industrial and Nuclear Supervision Service (Rostekhnadzor) expanded the list of activities authorized under one of the three Company's nuclear licenses, namely the license to handle nuclear materials in the course of their transportation, to the extent relating to safety control over casings with regenerated uranium oxide inside.

Pursuant to the agreements entered into by and between Techsnabexport and the enterprises of the State Corporation Rosatom and FSUE Emergency & Technical Center, such enterprises arrange and provide the required interaction with Emergency & Technical Center and are engaged in by accident prevention and mitigation during the uranium products transportation by Techsnabexport.

In 2009 JSC United Separation and Sublimate Complex was formed and put in charge of prevention and liquidation of accidents in the course of transportation operations with nuclear materials and products under Techsnabexport's contracts.

The Company has developed and implemented the Radiation Protection Program During Transportation of Radioactive Materials.

No violations of the nuclear and radiation safety requirements related to transportation of nuclear materials owned or used by Techsnabexport were recorded in 2009.

Safety of transportations is also ensured, without limitation, by the special shipping container packaging structure inspected and certified in Russia with a Release-Certificate being issued for each shipping container used by Techsnabexport, and by the national certificates of the destination countries of the enriched uranium products. The Russian

² Adopted by the US DoC in February 2010.

certificate is approved by the State Corporation Rosatom in conjunction with Rostekhnadzor and the Federal Agency for Medicine and Biology - 'Medbioextrem'.

5. Strategy

5.1. Company's Strategy

In the past the Company's business strategy was primarily focused on the need to engage with production orders of the Nuclear industry's enrichment facilities, after they were released from the defense programs by promoting the uranium products into the international market.

Today, the Company's strategy is based on the strategic objectives of the State Corporation Rosatom which is striving to become a global diversified company – a leading provider of civil nuclear technologies.

In line with the industry-wide strategy Techsnabexport is aiming to secure a stable leadership in the world uranium market and places a stake on long-term cooperation with the international operators of the utility companies.

In view of the growing trend of 'nuclear renaissance' the Company's strategy may be formulated as the strategy of sustainable development – strengthening of its market position through ensuring guaranteed supplies, expansion of their volume and geography, creation of new marketing instruments, improvement of the marketing infrastructure, creation of long-term trans-national alliances, assistance to the efforts made by other enterprises of the State Corporation Rosatom to increase the efficiency of the Russian business in the world nuclear energy market.

Our vision of the future is that by 2020 the Company will satisfy at least one fourth of the world reactor needs for uranium enrichment services, having the aggregate export portfolio reach \$30 billion, doubling the presence of the Russian nuclear fuel cycle products in the Asia-Pacific countries.

Our mission is to satisfy to the largest possible extent the needs of our customers with reasonable commercial terms in strict compliance with the quality, safety and social responsibility standards.

The important elements of the Company's sustainable development strategy are its existing employee incentive motivation system based on key performance indicators, quality management and environmental management systems, and its risk management mechanisms which are being implemented.

In the medium term the Company's plan is to:

- continue using its active marketing policy;
- develop sales infrastructure (transportation and logistics assets, materials accounts system, supplies reliability enhancement mechanisms etc.);
- implement a set of measures aimed at improving the trading regime for Russian uranium products in the key sales markets.

5.2. Reaching Strategic Objectives of the Company and Performance in Achieving the Targets set by Rosatom State Corporation

Increase of the Company's share in the sales market, growth of the long-term contracts portfolio, expansion to the most rapidly developing regional segments of the world uranium market, consecutive cost reduction, - became the result of implementation of the Company's strategy during the reporting period which allowed to achieve the key performance indicators (KPIs) set by the State Corporation Rosatom.

KPIs represent a modern tool of performance management which allows to the maximum extent mobilize the professional potential of managers to achieve the business objectives set by the State Corporation Rosatom.

The table below illustrates the KPIs established for 2009, which are the most important for reaching of the strategic objectives of the Company and the State Corporation Rosatom and have been achieved.

Key Performance Indicators

KPI Name	KPI Weight (* %)	Target Value for 2009	Actual 2009 Value	Annual KPI Achievement
KPI 1. Exports, US\$ million,	15%	3 204	3 233	101%
KPI 2. Uranium product export orders for a five-year term, US\$ million	20%	7 711	8 056	104%
KPI 4. Achievement of targets under HEU-LEU contracts, %	-	100%	100%	100%

6. OPERATING RESULTS

JSC Techsnabexport successfully completed the year of 2009, having demonstrated a stable growth of business and having achieved 100 or more percent under all key performance indicators (KPIs), established by the State Corporation Rosatom.

6.1. Business Activity

Growth of the Techsnabexport business' key performance indicators has been a stable trend in the Company's operations for the last few years. Last year was no exception. As compared to similar indicators achieved in a preceding 2008, the total uranium products turnover in 2009 increased by 1.5% and amounted to US\$ 3.45 billion. The total value of the uranium products export sales, including trading operations of the Company's subsidiaries and affiliates and deliveries under the HEU-LEU Agreement³ (non-commercial export), grew-up by 1.64% and reached US\$3.23 billion.

The Company's volume of export sales during the reporting year was mainly provided by the supplies of commercial uranium products, including sales of the Company's subsidiaries and affiliates, despite some decrease thereof from US\$2.33 bln in⁴ to US\$2.20 bln. In 2009⁵ (or by 5.6%).

In 2009 the uranium product supplies of the Company have covered about 40% of reactor requirements of Western Nuclear Power Plants. Geographically, the export sales are fairly diversified with the EU-15 countries accounting for its major part (48% of the export structure). This trend is supported by the results of the long-term contracting campaign of 2009.

Although Euratom maintained its quota policy for foreign supplies in 2009 Techsnabexport succeeded in concluding the new and extending a number of existing long-term contracts for the export of uranium products with the leading European utility companies.

For the US market, in terms of long-term contracting, the year of 2009 could be described as a break-through year: The Company has entered into its first six long-term contracts for the supplies of the Russian EUP with the major US utilities for the total amount of about US\$ 3.0 billion.

³ Net of sales of natural component of low-enriched uranium supplied to the USA under the HEU-LEU Agreement.

⁴ 2008 witnessed soaring commercial exports due to supplies to Palmco under the Stockholm arbitration award.

⁵ In 2009 the Company assigned exports of uranium feedstock for \$59.4 mln. in favor of JSC ARMZ

In Asia-Pacific Region the Company traditionally focuses on the business activity with utility companies in Japan and the Republic of Korea. The results achieved in 2009 allowed Technabexport to strengthen its positions in this market both in terms of wideness of the utility companies' needs coverage, as well as for contracted volumes of uranium products.

The Company's uranium product export portfolio for a five-year term (net of HEU-LEU supplies) amounted to 104% of the budgeted value, while the general portfolio of long-term contacts, which was provided as of the end of the reporting year is estimated at approximately US\$ 18.0 billion, including contracts for the supplies after 2020.

6.1.1. Logistics

JSC Technabexport is responsible for the management and coordination of transportation of uranium products under export and import contracts (24 contracts in 2009).

In 2009 transportation and forwarding services were obtained under the effective contracts with JSC SPb Isotope. In 2009 the scope of services provided by JSC SPb Isotope to the Company increased 1.5-fold in terms of value and realized from the additional operations of handling of the Company's own protective covers fleet, packing of cylinders into the protective covers for further transportation to RSK (United Separation and Sublimate Complex) facilities.

Below is the list of the shipping and forwarding companies contracted by the Company to ensure EUP, raw materials and empty cylinder packages transportation: Transport Logistics International, Inc. (USA), Nuclear Cargo+Service (Germany), TN Internationale (France), Uranium Asset Management, Ltd (UK).

For the sea transportation of the uranium products to Europe and the USA, the vessels of JSC North Shipping Company and Atlantic Ro-Ro Carriers, which have all of the necessary permits are used.

The use of the Company's own UX-30 protective covers fleet (100 psc.) allowed significant reduction in the Company's transportation and forwarding services costs.

6.1.2. Engineering

Phase 4 of Gas Centrifuge Facility Construction in China

In realization of the August 2008 agreement concluded with China Nuclear Energy Industry Corporation (CNEIC) relating to the technical assistance in Phase 4 of the project for construction of a gas centrifuge plant (GCP) in China, having the total capacity of 500,000 SWUs per year, Technabexport delivered within 2009 the primary

technological process and auxiliary equipment and was providing all the services under the agreement.

In 2009 about 45 percent of all design and engineering and works documents and about 60 percent of primary process and auxiliary equipment was delivered to the Chinese party.

In May 2009 the Management team of the Russian technical experts commenced direct operations at the construction site.

JSC Uranium Enrichment Center

As part of the Russia-Kazakhstan project involving creation of a joint venture engaged in the uranium enrichment, which Uranium Enrichment Center (UEC) is in charge, the Company completed development of the feasibility study and received a favorable report thereon from Federal State Department for Design and Construction Projects Compliance Expertise 'Glavgosexpertiza' of Russia. Public hearings on the project were conducted.

The Company obtained a favorable 'Glavgosecologiya' State Environmental Auditors' report on the project and the license to build a nuclear facility designated to separate uranium isotopes.

Thus, the preparation phase of the project was completed. However, its construction phase implementation was postponed because the parties are now reconsidering its format, - that is to buy stakes in an operational Russian separation facility rather than construct the new one. This opportunity is reserved in the Road Map signed in November 2009 between State Corporation Rosatom and JSC NAK Kazatomprom which addresses the additional implementation activities in respect of the Comprehensive Russia-Kazakhstan Cooperation Program in the area of Peaceful Use of Nuclear Energy, which was adopted on December 7, 2006.

6.2. Financial and Economic Results

6.2.1. Sales

The Company's sales in 2009 increased as compared to 2008 by 1.5% and amounted to US\$ 3.45 billion.

The Company has a traditionally stable positive foreign trade balance - in 2009 the export surplus over the importation amounted to US\$ 2.64 billion with the overall exports of US\$ 3.05 billion.

Table No. 2. US\$ mln.

Item	2007	2008	2009	2009 to 2008, %
Sales	2 651	3 402	3 454	101.5%
Export, total	2 370	3 059	3 048	99.6%
including:				
▪ HEU-LEU Agreement	759	818	886	108.3%
▪ uranium containing materials	1 576	2 205	2 011	91.2%
▪ isotope products	17	33	21	63.6%
Import, total	282	343	406	118.4%
including:				
▪ import of LUE Natural Component under HEU-LEU Agreement	0	0	37	-
▪ uranium containing materials	227	330	352	106.7%
Foreign trade balance	2 088	2 716	2 642	97.3%

A decrease of commercial export of uranium products in 2009, as compared to 2008, was due to the fact that in 2008 there was an outburst of commercial export indicators due to supplies of additional EUP quantities for Palmco, USA, under the arbitration award (the volume of such supplies in 2008 amounted to US\$116 mln). In 2009 no such additional supplies took place and they were partially offset by new contracts.

A 8.3% increase of exports in value terms in 2009 under the HEU-LEU contract as compared to 2008 was caused by price growth for SWUs and NC within LEU. The Company in its capacity of an executive agent of the State Corporation Rosatom for implementation of the HEU-LEU Agreement in 2009 fully met the budget targets of the State Corporation Rosatom for the transfer to the Federal Budget of the export revenues received.

Export of isotope products accounted for an insignificant portion in the total exports of the Company decreased in 2009 as compared to 2008 which was due to a gradual transfer of isotope business from Techsnabexport to a specialized nuclear industry company JSC V/O Isotope.

Import operations of the Company are ancillary in nature which is mainly determined by the peculiarities of fulfillment of export orders.

Purchases of uranium feedstock to secure performance of the export program dominate within the Company's import structure.

Import of NC of LEU under the HEU-LEU agreement is performed under the program of moving the LEU NC from the USA to Russia and is driven by the return schedule for the period up to 2014.

6.2.2. Revenues Structure break-down by Key Operating Segments

Table No. 3. RUR mln.

Area of Business	2007	2008	2009	2009 to 2008, %
Revenues from uranium operations	24 116	42 065	76 346	181.5%
▪ domestic market	2	826	12 402	-
▪ international market	24 114	41 239	63 944	155.1%
Revenues from isotope operations	33	42	42	100.0%
Other revenues	1 031	98	3 929	-
TOTAL	25 180	42 205	80 317	190.3%

Main revenues of the Company are traditionally generated by sales of uranium products (95% of the total revenues in 2009).

A substantial growth of revenues from uranium business (an 81.5% increase in 2009 as compared to 2008, was due to the following factors:

- decision of the industry's management to change the procedure for performance by the Company of export orders for supply of uranium products: in 2008 ~70% of export orders were performed by the Company on a contractual basis: the Company accounted for revenues under its contracts on the basis of RAS (Russian Accounting Standard), while ~30% of orders were fulfilled by the Company on the basis of agency arrangements (revenues under the contracts were accounted for by the RSK (United Separation and Sublimate Complex) companies, while the Company recorded only the revenues that represented its agency commission). In 2009 100% of export orders were performed by the Company on a contractual basis.

- growth of the Ruble equivalent of the Company's currency proceeds revenues due to a decrease of the Ruble to US Dollar exchange rate;
- domestic supplies of products to satisfy the needs of JSC TVEL and JSC ARMZ.

6.2.3. Costs and Expenses

Table No. 4. RUR mln.

Expenses	2007	2008	2009	2009 to 2008, %
Production cost	12 119	24 789	54 243	218.8%
Sales expenses	557	825	1 686	204.3%
Administrative expenses⁶	4 220	2 561	2 294	89.6%

Growth of sales expenses in 2009 as compared to 2008 was mainly due to the following reasons:

- increased expenses for the feedstock, enrichment and conversion services to secure domestic supplies of products to JSC TVEL and JSC ARMZ;
- increased volume of manufactured and purchased products, works and services and increased expenses to deliver finished products to customers in connection with a change of the procedure for fulfillment of export orders for uranium product supplies;
- increased cost of enrichment and conversion services purchased from the RSK (United Separation and Sublimate Complex) entities and the growth of prices for transportation services;
- business risks insurance in connection with the world financial crisis (in 2008 no such expenses were incurred);

A decrease of administrative expenses in 2009 as compared to 2008 by 10.4% was mainly caused by the following factors:

- strict savings policies and administrative expenses optimization in the financial crisis environment;
- staff reduction, implementation of a new Unified Industry-wide Remuneration System;
- implementation of new goods, works- and services purchasing procedures.

⁶ Administrative expenses are shown in this section in line with their meaning. The financial statements (exhibit hereto) such expenses are distributed among Administrative Expenses and Other Expenses lines pursuant to RAS

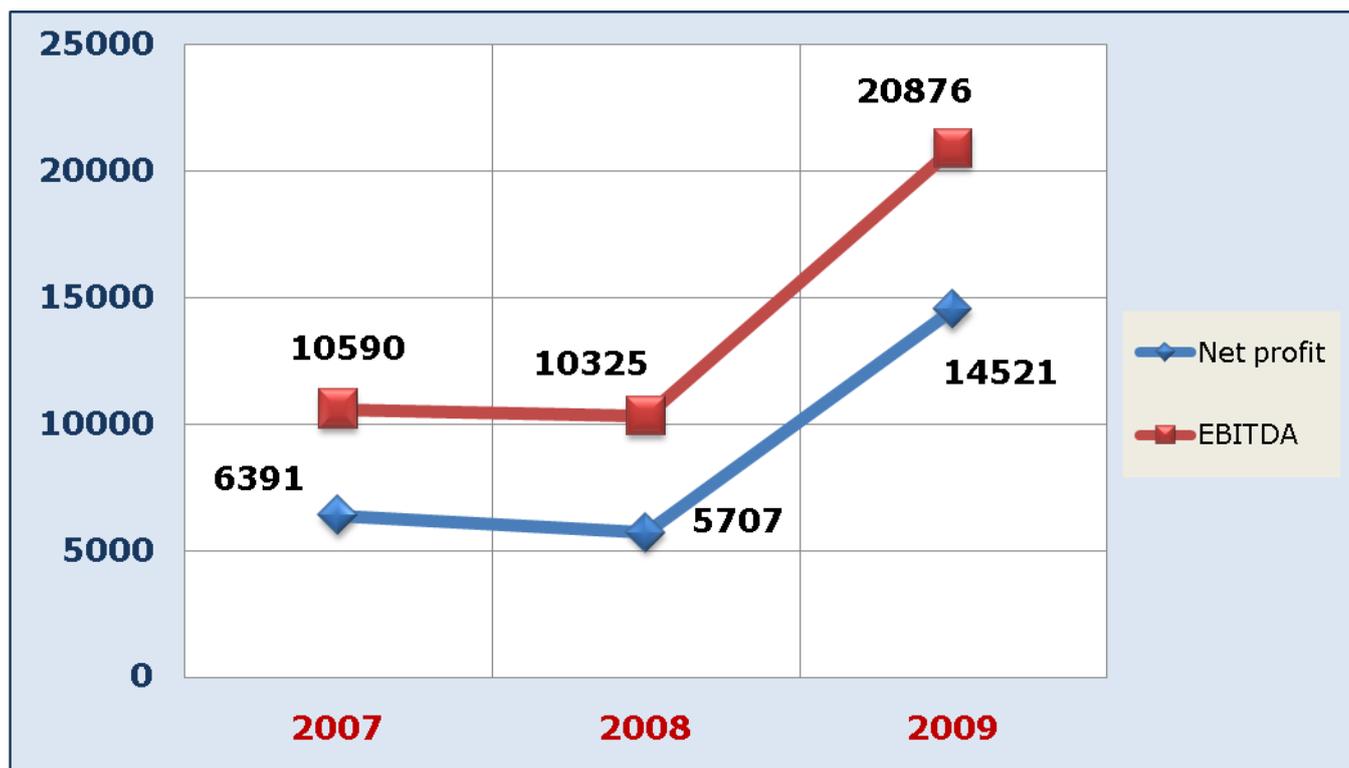
6.2.4. Key Financial Indicators

6.2.4.1. EBITDA, Net profit

Table No. 5. RUR mln

Item	2007	2008	2009	2009 to 2008, %
Revenues by Key Operating Segments	25 180	42 205	80 317	190.3%
Production cost	-12 119	-24 789	-54 243	218.8%
Gross revenues	13 061	17 416	26 074	149.7%
Sales expenses	-557	-825	-1 686	204.3%
Administrative expenses ⁷	-2 005	-1 850	-1 700	91.9%
Gross sales profit/(loss)	10 499	14 741	22 689	153.9%
Other revenues and expenses	91	-4 416	-1 813	41.1%
EBITDA	10 590	10 325	20 876	202.2%
Depreciation of fixed assets and intangible assets	-62	-63	-70	111.1%
Earnings before interest and tax (EBIT)	10 528	10 261	20 806	202.8%
Loan interest expense	-1 737	-2 595	-2 344	90.3%
Profit before tax	8 791	7 666	18 462	240.8%
Profit tax, including deferred tax assets and deferred tax liabilities	-2 400	-1 959	-3 924	200.3%
Other payments from profit	0	0	-17	
Net profit	6 391	5 707	14 521	254.4%

⁷ Administrative expenses are presented by reference to the financial statements (attached hereto)



In 2009 a substantial growth of EBITDA and net profit as compared to 2008 was mainly due to positive influence of the following factors:

- growth of operating revenues;
- decreased profit tax rates coming in effect since January 01, 2009.

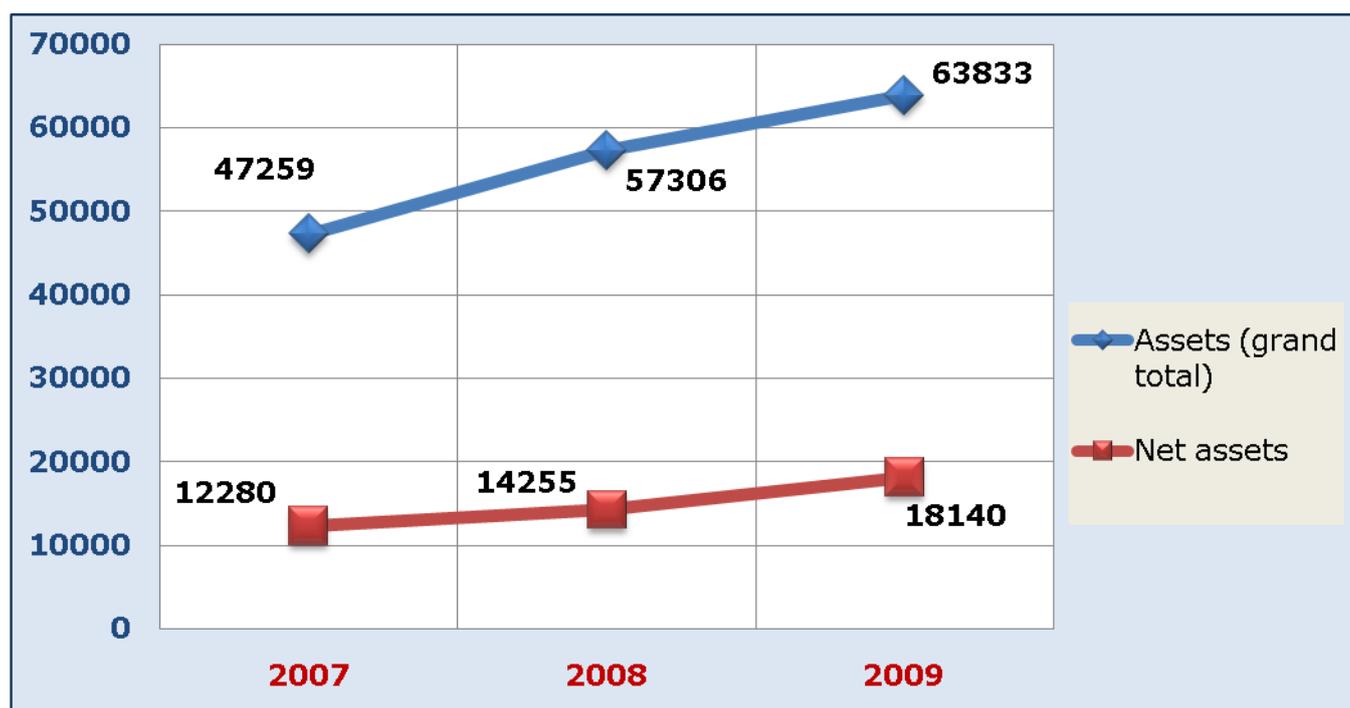
6.2.4.2. Assets and Liabilities

Table No. 6. RUR mln.

Item	2007		2008		2009		2009 to 2008, %
	as of 31 December 2007	% to the balance sheet total	as of 31 December 2008	% to the balance sheet total	as of 31 December 2009	% to the balance sheet total	
Assets							
Fixed assets	7 067	15.0%	13 312	23.2%	13 977	21.9%	105.0%
Current assets	40 192	85.0%	43 994	76.8%	49 856	78.1%	113.3%

Item	2007		2008		2009		2009 to 2008, %
	as of 31 December 2007	% to the balance sheet total	as of 31 December 2008	% to the balance sheet total	as of 31 December 2009	% to the balance sheet total	
Liabilities							
Capital and Reserves	12 279	26.0%	14 255	24.9%	18 140	28.4%	127.3%
Liabilities, including:	34 980	74.0%	43 051	75.1%	45 692	71.6%	106.1%
▪ long-term borrowings	21 462	45.4%	7 745	13.5%	12 010	18.8%	155.1%
▪ short-term borrowings	1 053	2.2%	17 223	30.1%	9 458	14.8%	54.9%
▪ Accounts payable	11 642	24.6%	16 306	28.5%	21 103	33.1%	129.4%
▪ Other	823	1.7%	1 777	3.1%	3 121	4.9%	175.6%
Grand total	47 259	100.0%	57 306	100.0%	63 833	100.0%	111.4%
Net Assets	12 280	26.0%	14 255	24.9%	18 140	28.4%	127.3%

Growth of assets and net assets of the Company in 2007-2009 was mainly due to growth of sales.



6.2.4.3. Dividends Paid

In 2007-2009 dividends were accrued and paid in accordance with the resolutions of the sole shareholder (until August 2007 – the Russian Federation represented by the Ministry of Property of the Russian Federation, since August 2007 – JSC Atomenergoprom).

Item	2007	2008	9 months of 2009
Net profit, RUR mln	6 391	5 707	8 610
Dividends accrued for the period, RUR mln	1 504	5 707	8 610
Dividends accrued, in % of net profit (for the period)	24%	100%	100%
Dividends paid, % (of accrued for the period)	100%	100%	100%*

* interim dividends for 9 months of 2009 pursuant to the resolution of the sole shareholder were paid in December 2009 and January 2010

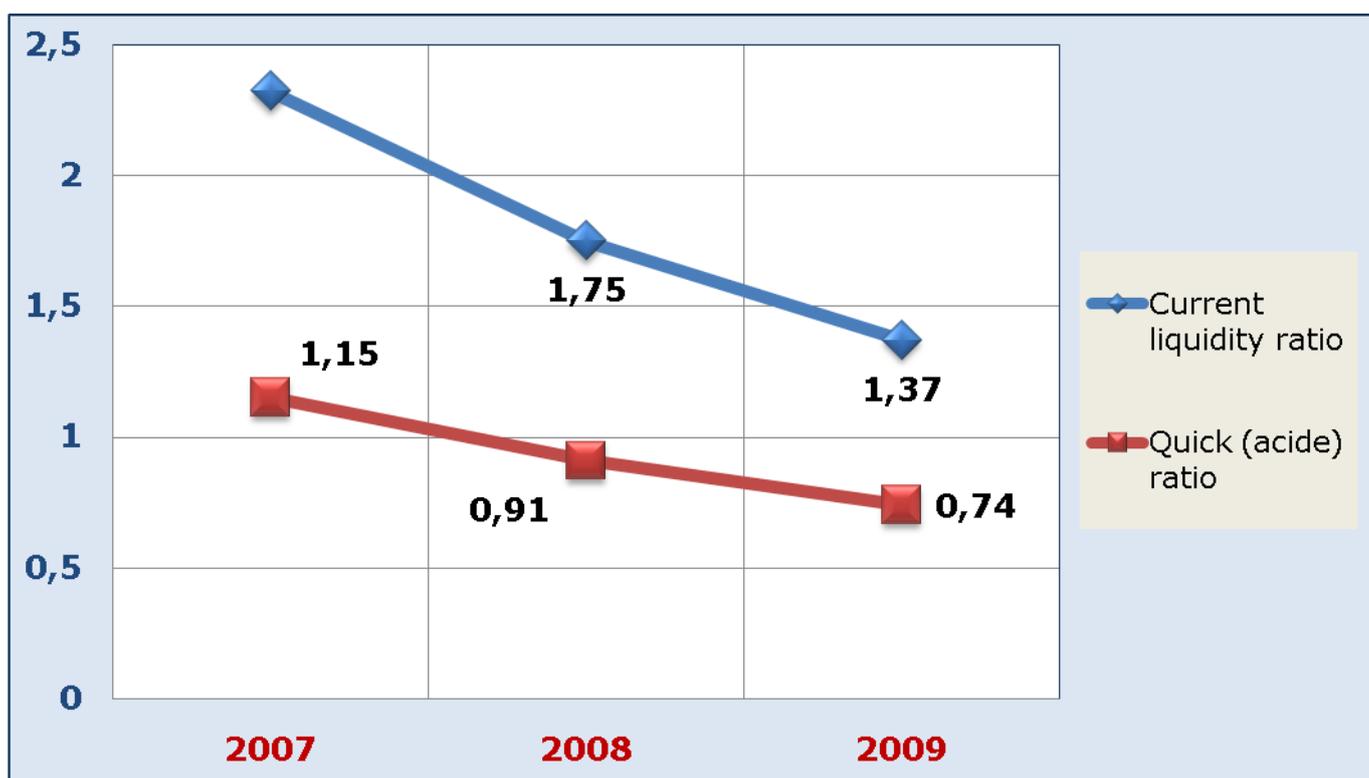
6.2.4.4. Financial Ratios

Generally, the Company's operations in 2009 had satisfactory liquidity, financial stability and profitability indicators.

Table No. 7. Liquidity Ratios*

Item	2007	2008	2009
Current liquidity ratio	2.32	1.75	1.37
Quick (acid) ratio	1.15	0.91	0.74

* the values are average annual



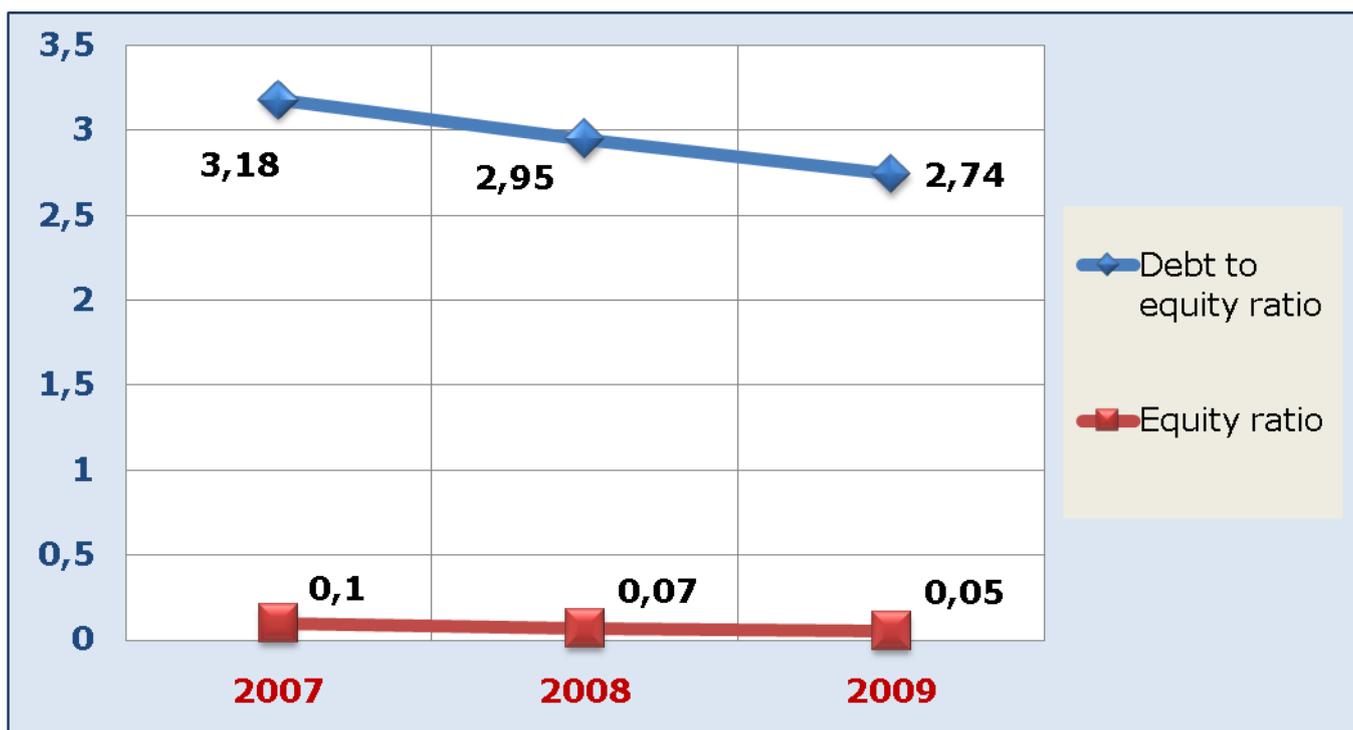
Decrease of current and quick liquidity ratios in 2009 as compared to 2008 on the average annual basis was mainly due to the negative impact of the world financial crisis. At the same time, stabilization in the banking sector allowed the Company by the end of 2009 to restructure its credit loans portfolio to increase the share of long-term borrowings and to decrease the short-term liabilities.

The current liquidity ratio today is at a level acceptable to the Company and does not raise any concerns.

Table No. 8. Financial Stability Ratios*

Item	2007	2008	of 2009
Debt to equity ratio	3.18	2.95	2.74
Equity ratio	0.10	0.07	0.05

* the values are average annual



Positive dynamics of the debt to equity ratio is a result of the equity growth rate being higher than that of the borrowings.

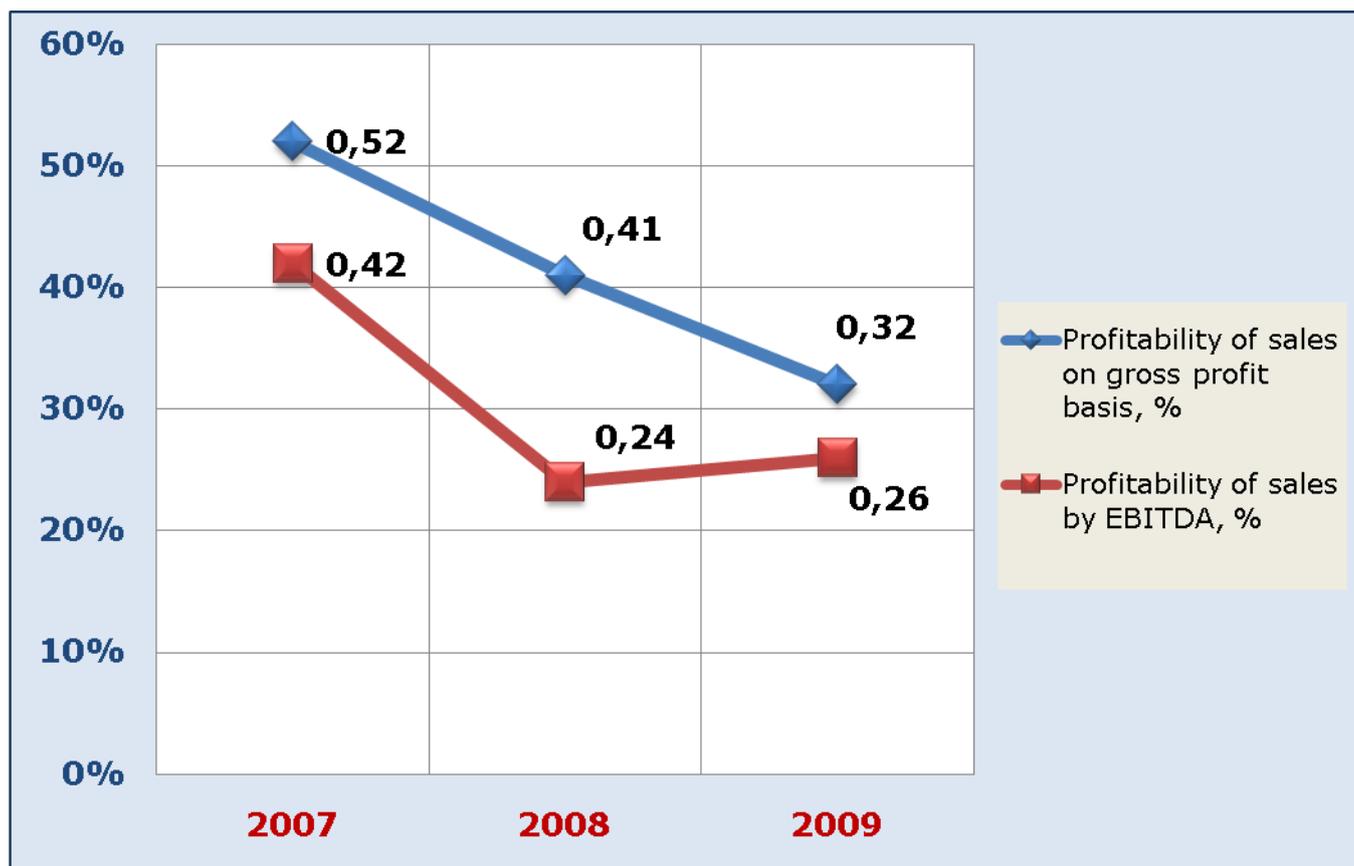
Decrease of the average annual equity ratio is mainly explained by the payment of interim dividends to the shareholder in the amount of 100% of net profit. In 2009 the equity capital growth ratio was substantially higher than that of the working assets.

In 2009 the debt structure changed: the share of long-term loans increased substantially (to 56%) and the share of secured loans decrease which is an indication of growing financial stability of the Company.

In connection with this a decrease of the equity ratio raises no concerns of the Company and is under control.

Table No. 9. Profitability Ratios

Item	2007	2008	of 2009
Profitability of sales from operations on gross profit basis, %	52%	41%	32%
Profitability of sales from operations on earnings before interest, tax and amortization (EBITDA) basis, %	42%	24%	26%



Decrease of profitability of sales on the gross profit basis is due to the following reasons.

In 2007 use of relatively inexpensive batches of uranium feedstock resulted in soaring profitability of sales on the gross profit basis, with additional efficiency resulted by the growth of prices and sales volumes.

In 2008 this indicator declined to an increase in variable (direct) expenses as a result of the prices growth for the main services and purchases of a more expensive uranium feedstock. This trend continued in 2009 due to the growth of the main operating expenses related to a decrease of market quotations for natural uranium, change of the performance procedure on the export orders for uranium products, growth of the prices for uranium enrichment and conversion services and other services.

Such decrease in sales profitability on the gross profit basis is not viewed as critical and is under control of the management of the Company and the State Corporation Rosatom.

6.3. Annual Operating Results of Subsidiaries and Affiliates Consolidated for the Purposes of the Report

6.3.1. Tenex-Korea

Year and Place of Incorporation:

TENEX-Korea Co., Ltd. was incorporated and registered in 2003 in Seoul, Republic of Korea, and is a wholly-owned subsidiary of JSC Techsnabexport.

Scope of Business:

provision of intermediary services in connection with promotion to the Korean market of the NFC products and services exported by Techsnabexport and other entities of the State Corporation Rosatom.

Main 2009 results include assistance to the Company in negotiations with a South Korean utility company KHNP and ensuring performance of the existing contract for the supply of EUP to this company.

Preliminary 2009 Operating Results:

Item	
Net revenues (net of VAT, excise and similar charges), mln. KRW/mln. US\$	5 040/4.4
Profit margin, mln. KRW/mln. US\$	922/0.79
Net profit, mln. KRW/mln. US\$	419/0.45
Gross profit margin	18%
Net profit margin	8.3%
Average staff count	3 persons

6.3.2. TENEX-Japan Co.

Year and Place of Incorporation:

TENEX-Japan Co. was incorporated in 2004 in Tokyo, Japan, as a wholly owned subsidiary of JSC Technabexport; its office was opened in 2005.

Scope of Business:

- intermediary services in connection with promotion to the Japanese market of the NFC products and services exported by Technabexport and other entities of the State Corporation Rosatom;
- assistance in implementation of joint projects of the State Corporation Rosatom with Toyota, Toshiba, Mitsubishi;
- sales of uranium feedstock in the international market.

Main 2009 Results:

- assisted in execution of new long-term contracts for supply of EUP/SWUs between Technabexport and Japanese utility companies;
- consummated a sale transaction of uranium products to one of the European companies.

Preliminary 2009 Operating Results:

Item	
Net revenues (net of VAT, excise and similar charges), JPY '000/US\$ mln.	1 041 360/11.3
Gross revenues, JPY '000/US\$ mln	259 026/2.8
Net profit, JPY '000/US\$ mln	47 532/1.0
Gross profit margin	25%
Net profit margin	4.5%
Average staff count	8 persons

6.3.3. Internexco

Year and Place of Incorporation:

INTERNEXCO GmbH was incorporate and registered in 1989 in Frankfurt am Main, Germany, and is a wholly-owned subsidiary of JSC Techsnabexport.

Scope of Business:

sale of uranium products in the international market.

Main 2009 Results:

- a new long-term contract for supply of natural uranium was concluded with a European utility company with the validity through 2020;
- an agreement with ConverDyn, USA, was signed on opening for INTERNEXCO GmbH of materials accounts for natural uranium in the form of U3O8 and UF6;
- in 2009 the company reached the highest ever level of sales;
- assisted in raising financial loans to fund the current operations of TENEX group of companies.

Preliminary 2009 Operating Results:

Financial Indicator

Net revenues (net of VAT, excise and similar charges), EUR '000	375 191
Gross revenues, EUR '000	10 413
Net profit, EUR '000	6 696
Gross profit margin	3%
Net profit margin	1.8%
Debt to equity ratio	1.6
Average staff count	5 persons

6.3.4. Tradewill Limited

Year and Place of Incorporation:

Tradewill Limited was incorporated and registered in June 2009 in London, United Kingdom, as a wholly owned subsidiary of JSC Technabexport; its office was opened in October 2009.

Scope of Business:

provision of intermediary services in connection with promotion in the international market of the NFC products and services exported by Technabexport and other entities of the State Corporation Rosatom.

Main 2009 results include assistance to the Company in organization of negotiation process with a number of European companies which resulted in reaching an agreements in principle with respect to conclusion of the new contracts.

Preliminary 2009 Operating Results:

Item	
Proceeds from sales	-
Operating loss British pounds sterling	-135 883
Average staff count	2 persons

6.3.5. Tenex-Logistics

Year and Place of Incorporation:

JSC Tenex-Logistics was registered on January 31, 2006 in Moscow and is JSC Technabexport 100% subsidiary.

Scope of Business:

- organization of cargo transportation;
- realization of Investment Project for Creation of a Temporary Storage Point (TSP) for Hazard Class 7 Cargo Near Ust-Luga Port (Leningrad Region);

The TSP will form part of the logistics process chain for delivery of uranium products to the customers. The cargo lots will be prepared for sea, railway and road transportation at the TSP.

It is assumed that after commissioning of the TSP near Ust-Luga Commercial Sea Port the uranium products flow (with the exception of the supplies under HEU-LEU program) will be moved from Saint Petersburg Sea Port (TSP on the basis of FSUE Isotope) to Ust-Luga Commercial Sea Port (TSP near Ust-Luga Commercial Sea Port).

In line with the Federal Law on Environmental Expert Evaluations, in 2009 a public environmental expert review of the project was held which revealed no material environmental hazards relating to implementation of the project.

In March 2009 an official Presentation of the findings and the results of the public environmental expert review of Ust-Luga TSP was held at the Administration of Ust-Luga Rural Settlement with participation of Soyuz Environmental and Analytical Information Center, the All-Russian Green Movement, Rodina, Inter-Industry Center for Nuclear and Radiation Safety, National Environmental Safety Fund, the Green Cross, Russian Green Environmental Movement, the Public Chamber at the Plenipotentiary Representative of the President of the Russian Federation in the North-Western Federal District.

Ust-Luga municipality officers were satisfied with the results of the expert review and noted that they are ready to assist with the implementation of the project within the settlement's area.

Additionally, in 2009:

- technical terms and specifications for the hook-up of the TSP to external utilities were obtained: communication lines network, power, water supply and railway;
- the town-planning layout for the TSP designated land was approved;

- a tender was held to select the contractor for provision of registration services with regard to TSP construction and operation lots;

Preliminary 2009 Operating Results:

Item	
Net revenues (net of VAT, excise and similar charges), RUR '000	15 651
Gross revenues, RUR '000	2 858
Net profit, RUR '000	1 643
Gross profit margin	19%
Asset value	113 451
Net asset value	112 985
Average staff count	18 persons

6.3.6. IUEC (International Uranium Enrichment Center)

Year and Place of Incorporation:

JSC IUEC was registered in Moscow on September 05, 2007; as of the moment of its registration 90% of its shares were held by Techsnabexport, 10%– by JSC NAK Kazatomprom. On October 26, 2009 Techsnabexport transferred title for its equity interests in IUEC to the State Corporation Rosatom.

Scope of Business:

- provision of the uranium enrichment services;
- export, import and other operations, including export and import of nuclear materials and radioactive substances;

- handling, including the use, storage and transportation of nuclear materials, radioactive substances and their derivative products.

Main 2009 Results:

- agreements were concluded with the Government of the Republic of Armenia and the Cabinet of Ministers of Ukraine on participation of interested organizations of the Republic of Armenia and Ukraine in the operations of IUEC;
- the IAEA's Board of Governors reviewed and approved draft Agreement between the Government of the Russian Federation and the IAEA on establishment on the basis of JSC IUEC of a secured LEU stock-reserve which might provide the supply of low enriched uranium to the IAEA member states on request of the Agency, and the Director General of IAEA was authorized to execute the agreement.

2009 Operating Results:

Item	
Net revenues from sale of goods, products, work, services, RUR '000	4 900
Gross revenues, RUR '000	4 900
Debt to equity ratio, %	4
Dividends accrued	-
Total amount of taxes to be paid to budgets of various levels	1 316
Asset value	30 250
Net asset value	29 143

Investments in fixed assets during the reporting period	-
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6.3.7. Tenex-Komplekt

Year and Place of Incorporation:

LLC Tenex-Komplekt was incorporated and registered on October 26, 2004 in Moscow; 99.9% of its shares are owned by Techsnabexport, 0.1% – by JSC Tenex-Logistics.

Key Types of Business:

- supply of equipment for the nuclear industry enterprises;
- wholesale of goods and products of general assortment;
- organization of cargo transportation;
- storage and warehousing of products.

Main 2009 Results:

- participation in supplies of auxiliary equipment under Techsnabexport's contract with CNEIC (China) for assistance in construction of the 4th phase of gas centrifuge plant in China;
- import of machine-tools equipment for the nuclear industry enterprises.

Preliminary 2009 Operating Results:

Item	
Sales revenues, RUR '000	443 447
Cost of sales of products, RUR '000	402 143
Gross revenues, RUR '000	41 304
Gross profit margin	9.3%
Net profit	2 999
Debt to equity ratio, %	0%

Net asset value	16 528
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Average staff count, persons	9
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6.3.8. UEC (Uranium Enrichment Center)

Year and Place of Incorporation:

JSC UEC was registered on October 27, 2006; 50% of its shares are owned by Technabexport, 50% - by JSC NAK Kazatomprom, Kazakhstan.

Key Types of Business:

production of nuclear materials (enriched uranium product).

Main 2009 Results:

- the project feasibility study was developed;
- public hearings on the project were conducted;
- a favorable report of the State Environmental Expert Board was received for the project;
- a favorable report of the State Expert Board was received for the project feasibility study.

Preliminary 2009 Operating Results:

Item	
Net revenues from sale of goods, products, work, services, RUR '000	-
Gross revenues, RUR '000	-
Debt to equity ratio, %	3
Dividends accrued	-
Total amount of taxes to be paid to budgets of various levels	5 710
Asset value	342 848

Net asset value	331 720
Investments in fixed assets during the reporting period	22 411
Average staff count, persons	14

7. Efficiency Performance Management

7.1. Key Management Tools Facilitating to Reach Efficiency Performance

7.1.1. Corporate Governance

7.1.1.1. Management Bodies, Structure and Key Management Processes

Management Bodies of JSC Techsnabexport:

General Shareholders Meeting (sole shareholder of the Company – JSC Atomenergoprom).

Board of Directors of JSC Techsnabexport

Director General of JSC Techsnabexport (sole executive body).

Financial and Operational Controlling Body of JSC Techsnabexport is its Audit Commission.

General Shareholders Meeting

The General Shareholders Meeting of JSC Techsnabexport is its supreme management body.

Resolutions on matters related to the competence and authority limits of the General Shareholders Meeting are passed solely by the only shareholder and are performed in writing.

Competence of the General Shareholders Meeting of JSC Techsnabexport is determined in section 12 of its Charter <http://www.tenex.ru/company/> which is posted on <http://www.tenex.ru/company/>.

Matters referred to the competence of the General Shareholders Meeting may not be delegated for consideration to the Board of Directors or the Director General.

Information on resolutions of the sole shareholder in the reporting year is provided in **Exhibit 8.2.1**.

Board of Directors

The Board of Directors of JSC Techsnabexport is responsible for general management of the Company's activities to the extent of its authority provided for in the Federal Law On Joint Stock Companies and the Charter of JSC Techsnabexport.

Members of the Board of Directors, other than the Company's Director General, are not employees of JSC Techsnabexport.

Members of the Board of Directors of JSC Techsnabexport do not own any shares in the Company.

Information on the members of the Board of Directors, biographies of the Board members, information on their attendance of the meetings and resolutions of the Board of Directors are set forth in **Exhibit 8.2.2**.

Director General

The Director General of JSC Techsnabexport is the sole executive body of the Company whose authority includes all issues relating to the day-to-day operations management of Company, except for those related exclusively to the authority of the General Shareholders Meeting and the Board of Directors of JSC Techsnabexport.

The Director General of JSC Techsnabexport does not own any shares in the Company.

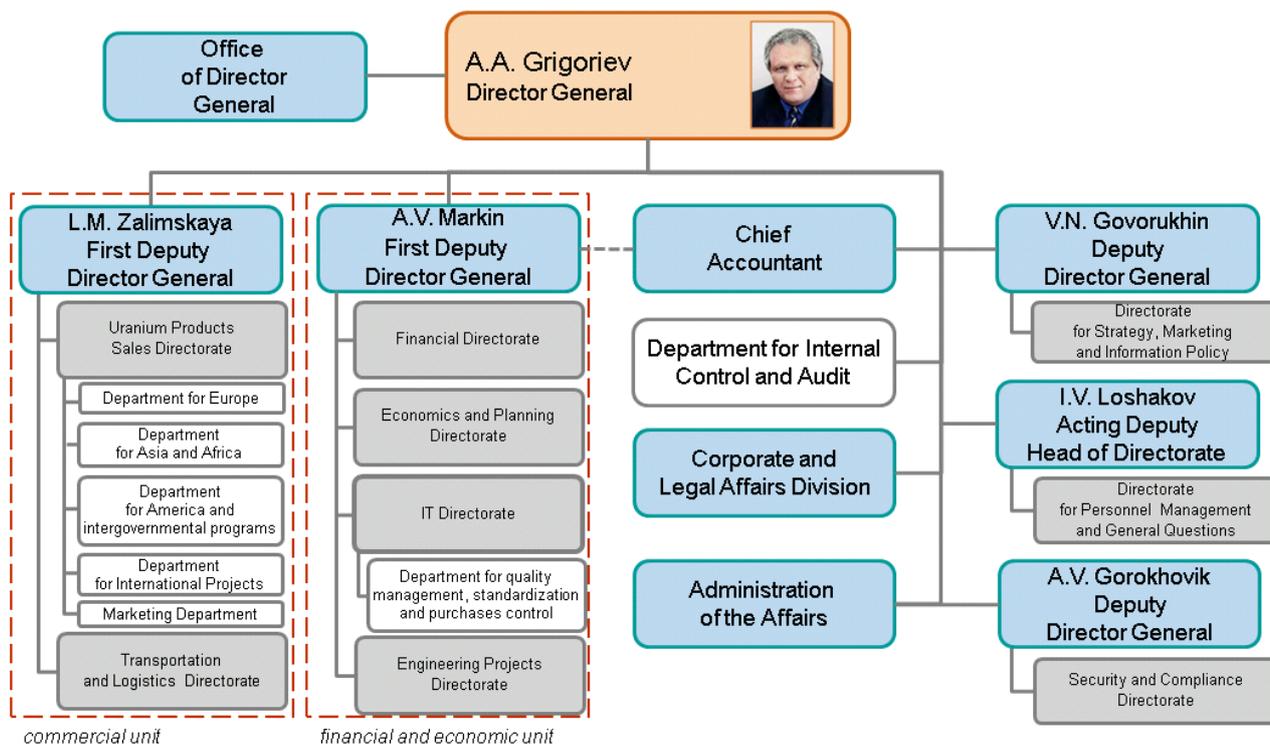
Audit Commission

The Audit Commission consisting of three members is responsible for control of the financial and business activities of the Company. List of members and information about the members of the Audit Commission are given in **Exhibit 8.2.4**.

Management Structure

Pursuant to the Clause 13.2 of the Company's Charter, approval of the Company's organizational structure and modification thereof is a reserved matter of the Company's Board of Directors.

The Board meeting held at the end of 2009 (minutes of the meeting No. 42 dated November 18, 2009) reviewed and approved a new organizational structure chart, which is in effect as of the date of this annual report.



For each structural unit at all levels of the organizational subordination of the Company separate Regulations for each unit, governing its operations have been developed.

Management Processes

One of the priorities of the Company's business is to synchronize and provide conformity between the corporate governance and interaction of the Company with its subsidiaries and affiliates to the system established in the State Corporation Rosatom.

In 2009 the Company accomplished the works focused on updating of the distribution of authority and particular responsibility limits, determined by the key functional areas of interaction of the Company, its subsidiaries and affiliates, between the Company's executives (operational interaction, budgeting and financial control, projects and investments).

With the aim to build a corporate governance system to be uniform with that of the State Corporation Rosatom, in 2009 the Company initiated and completed an update and unification of the Charters of some of its key subsidiaries and affiliates, optimized management procedures, developed and released new standards:

- regulations on corporate interaction between JSC Technabexport and JSC Atomenergoprom;
- regulations on participation of JSC Technabexport's representatives on the management bodies of its business entities.

7.1.1.2. Quality Management

Technabexport is continuously improving its certified quality management system (QMS).

In 2009 the Company arranged for certification of the Company's engineering business, and currently QMS covers the management of projects involving construction of the nuclear fuel cycle facilities.



In December 2009 the Company had a supervisory and expanded audit of the QMS and received a Certificate of the International Service for Certification of Management and Personnel Systems TUV THURINGEN e.V. (Erfurt, Germany) which confirms compliance of Techsnabexport's QMS with the international standard ISO 9001:2008.

For all of the processes the Company developed indicators which allow to make at established time intervals the assessment of the degree of attainment of the targets and, where necessary, timely adjust the QMS. A comprehensive analysis of the QMS performance is undertaken at least once a year.

In 2009 as part of preparation for certification of its integrated management system for compliance with ISO 9001 and ISO 14001 the Company started to work towards development, implementation and certification of the Environmental Management System (EMS). In January-February 2010 a certification audit of the EMS was performed and the Company received a correspondent certificate from TUV THURINGEN e.V.

The Company continues to develop its management systems and plans that by 2011 it will pass certification for compliance with the requirements of the International Standard ISO 28000 - Supply Chain Security Management System. This standard is intended to minimize the risks (economic, contractual, technical, technological and environmental) in connection with the management, production and logistics activity of businesses.

7.1.1.3. Investment Management

In 2009 in the area of investment management the Company achieved the following:

- a regulation of Techsnabexport's investment policies was approved;
- an investment committee of JSC Techsnabexport was set up (a collegium working body);
- standards governing the investment activity of the Company were developed or updated.

In addition, during the reporting year an Investment Memorandum of JSC Techsnabexport – a program document regulating a long-term investment policy of the Company was prepared (and approved at the meeting of the Investment Committee of JSC Atomenergoprom on February 19, 2010).

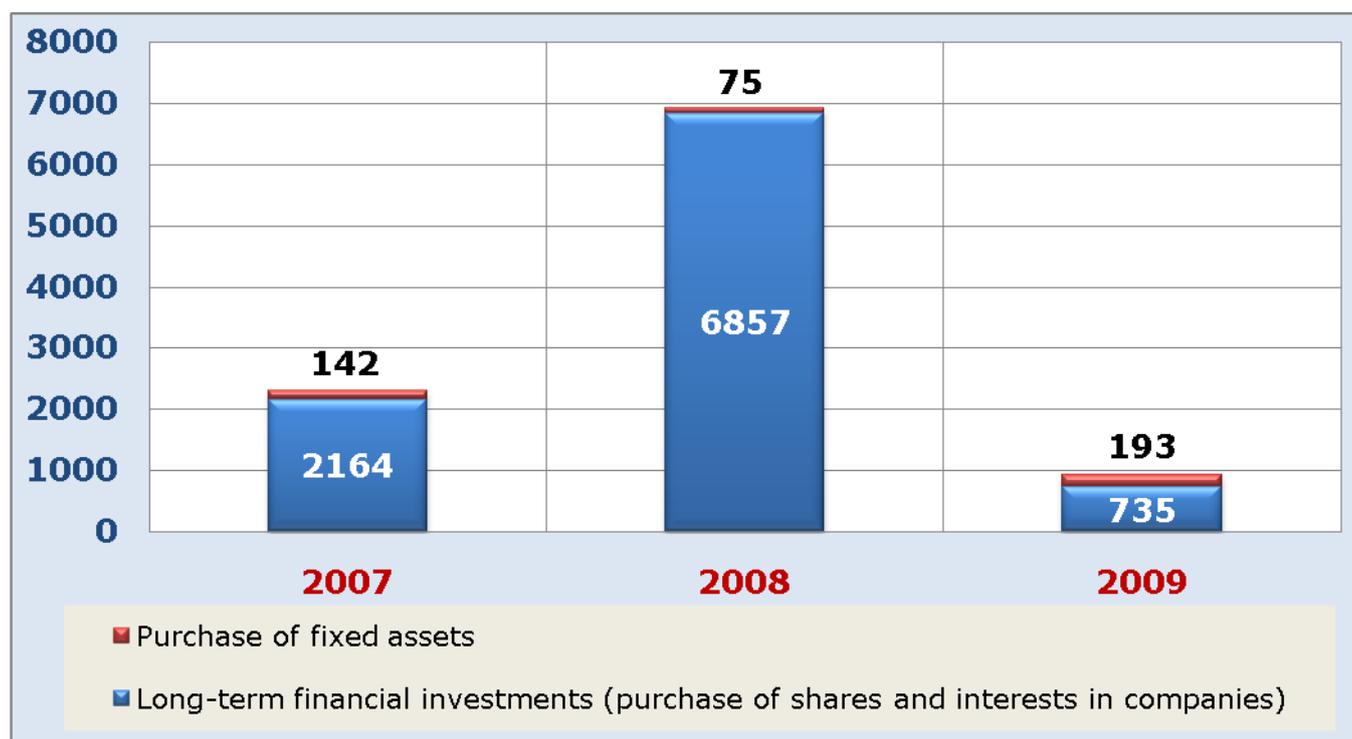
The primary objective of the Company's investment activity is, first of all, to implement economically viable investment projects and solutions which are in line with the Company's strategic objectives, and achievement of the goals formulated by the State Corporation Rosatom.

The Company's investment activity effected within the framework of the approved Investment Memorandum is performed primarily in the form of financial investments into the equity of its subsidiaries, and acquisition of assets pursuant to the guidelines of its sole shareholder and for the interests of the State Corporation Rosatom.

The Company's fixed assets acquisition expenditures are not substantial and mainly represent investments in upgrade of office infrastructure and in the equipment purchases necessary to support the Company's business activities: in 2009 – protective covers for transportation of uranium products.

Investments in acquisition/creation of intangible assets in 2008-2009 were intended to build an automated system of planning of the Company's production program.

2007-2009 Investments Structure (RUR mln, net of VAT)



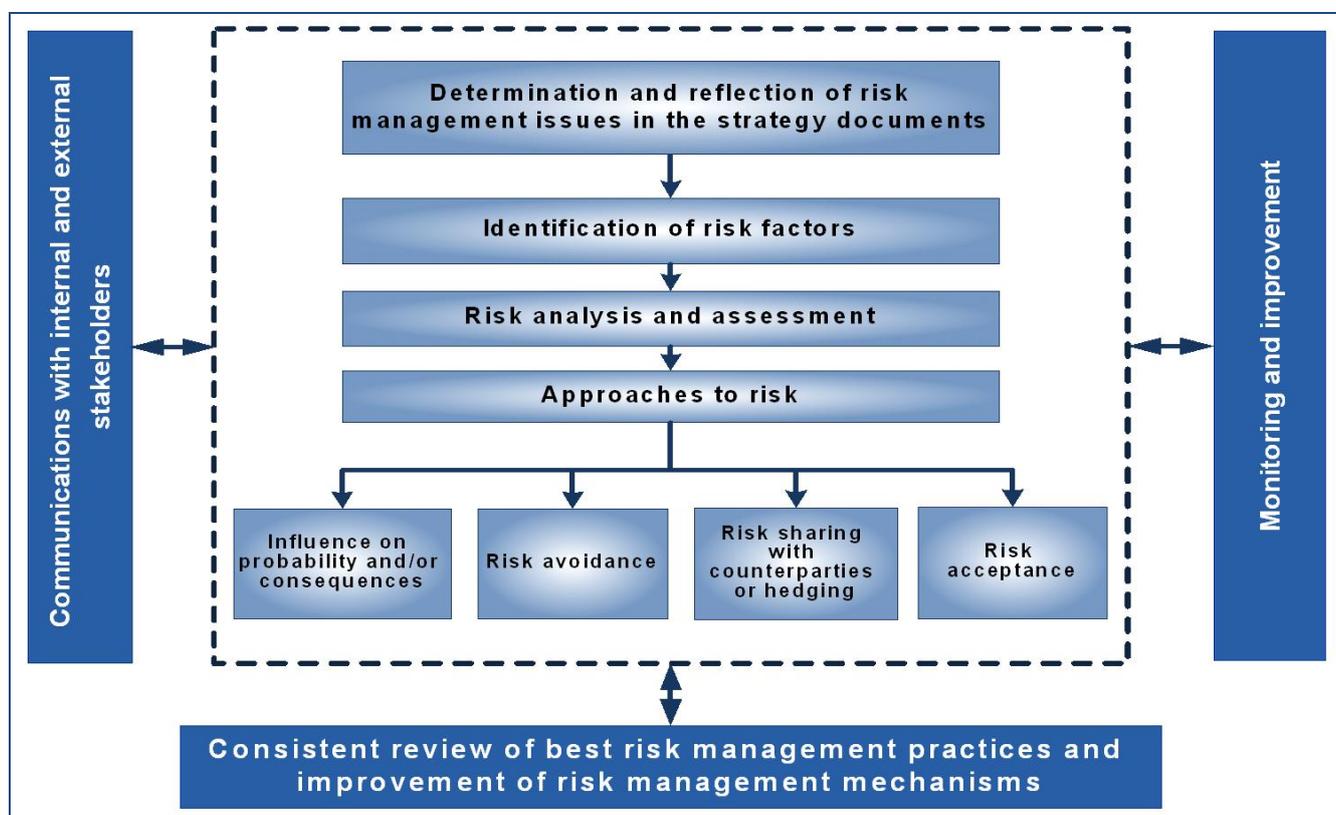
7.1.2. Risk Management

The Company strives to build its policy and business processes in the area of risk management on the basis of approaches established by ISO/DIS 31000 Standard: 'Risk Management – Principles and Guidelines on Implementation'⁸ and with consideration of the international and domestic experience in this area. The following are the fundamental principles of the Company's risk management policy:

- a permanent and inseparable dependence between the level of risk and the opportunities development appearing before the Company;
- systematic nature, structured approach and appropriate timeliness;
- the management resources involved must be adequate to the level of risk and selected distribution of decision-making authority, related to risk management, among middle and top management of the Company depending upon the probability of risk and assessment of consequences of its materialization;
- encouraging the Company's employees towards timely risks identification, reporting of the potential risk to the Company's management levels adequate to the risk for their assessment and decision making;
- commitment to ongoing studies and modification of technologies and business processes of risk management, training of the Company's employees on the subject.

⁸ ISO/DIS 31000 standard does not provide for certification for compliance with its requirements

Risk management in the Company is an ongoing, cyclic process separated by particular management levels and which the main stages of are presented in the chart below:



The Company makes special emphasis on risk management at the early stages of transactions and projects, i.e. before it assumes the obligations to counterparties.

For the purposes of review of transactions and projects the Company always applies such risk assessment methods as sensitivity analysis, stress testing and comparative analysis of projects subject to possible changes of macroeconomic and market parameters.

Also, as part of the QMS the Company's focuses on identification of incompliance to the standards, documenting the same, analysis of the causes and undertaking measures to reduce the Company's exposure to similar risks in the future. In particular, in 2009 such work was performed with respect to 11 instances of such incompliance.

The short-term plans of the Company include a full-scale implementation of the risk management business process on the basis of ISO/DIS 31000 and its integration with the QMS and Supply Chain Security Management System pursuant to the requirements of ISO 28000 for which the Company plans to obtain certification.

7.1.2.1. Key Risks and Risk Management Methods

Risk factors are classified by the area which they arise in and not by the area where their consequences manifest themselves. Pursuant to such classification the risk factors are divided into: market, political, macroeconomic, financial, structural and management, technological, transport and logistics and social.

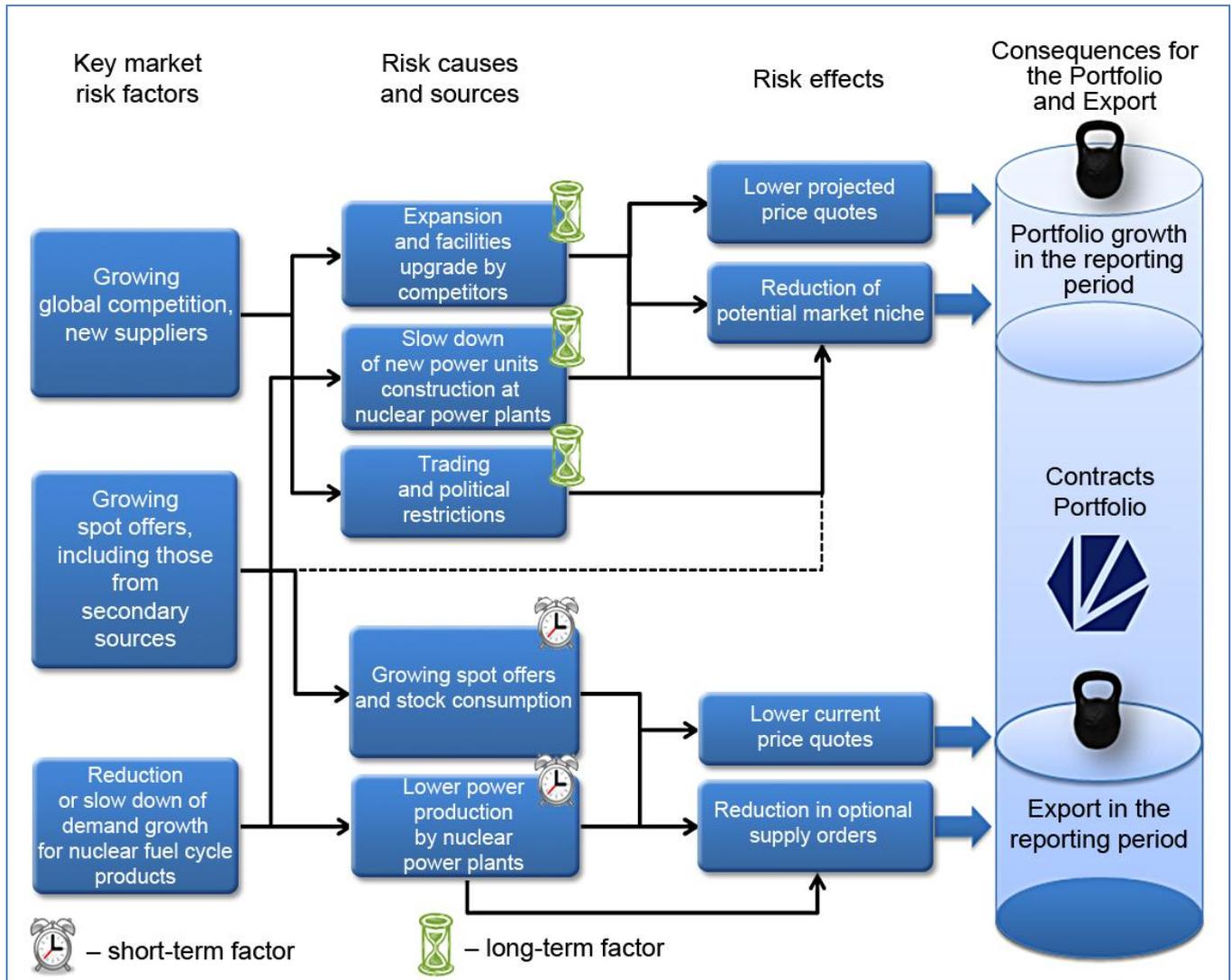
This Report only deals with the key risks from the standpoint of their adverse effect on the Company's business.

Market Risks

The factors of the market uncertainty materially affect the deviation from target KPIs of the Company – portfolio of contracts (Portfolio) and annual export volume in the reporting period (Export). Such factors include: reduction of the aggregate demand in the sales markets, increase of competition, decline of market prices and unfavorable development of macroeconomic indicators used to determine the contract prices.

The practice of long-term contracting dominating in the NFC market increases sensitivity of the Company's portfolio to the long-term market factors. The dominating long-term contracting practice determines the Export indicator – mostly long before the reporting period. At the same time the long-term contracts providing for options to the buyers, and the contract prices being dependent upon the market quotations and macroeconomic indicators, make the Export very sensitive to market uncertainties of a short-term nature.

The main factors of the market risks, their sources and a degree to which they affect the Portfolio and Export of the Company are shown in the chart below:



Key market risk factors

Growing global competition, new suppliers

Growing spot offers, including those from secondary sources

Reduced or slowing-down demand growth for nuclear fuel cycle products

Risk causes and sources

Expansion and facilities upgrade by competitors

Slow-down in construction of new power units of nuclear power plants

Trading and political restrictions
Growing spot offers and stock consummation
Lower power production by nuclear power plants
Risk effects
Lower projected price quotes
Reduction of potential market niche
Lower current price quotes
Reduction in optional supply orders
Consequences for the Portfolio and Export
Portfolio growth in the reporting period
Contracts Portfolio
Export in the reporting period
- a short-term factor
- a long-term factor

A strategically important market factor for the Company is that the accelerated development of separation facilities capacities being set-up by the foreign suppliers are higher than the growth rate of the capacities of the main end-users - the NPP facilities which has been showing substantial slow-down as a result of the global financial and economic crisis.

Foreign suppliers may be able to achieve a dominating position as they deploy their separation facilities in the major markets. However, during the reporting period this factor positively affected the build-up of the Company's Portfolio as the utility companies perceived substantial risks in concentrating their orders with suppliers who have just begun to construct new separation facilities. Thus the buyers and the end-users have to make preference entering into contracts with the Company, which relies on existing and operating Russian facilities. However, in the future this situation may result in a reduction of the Company's Portfolio and Export volume after 2020 both in quantity and value terms.

Management of this risk is based on developing a market strategy designated to create instruments enhancing the levels of security, flexibility and 'delivered in full' nature of services offered by the Company to its customers to the level comparable to or exceeding the one ensured by the domestic suppliers.

Management of short-term market risks mainly affecting the Export (volatility of the market quotations and reduced orders for optional quantities under the long-term contracts) is performed through the following:

- hedging of market quotation uncertainties influence by utilizing balanced pricing mechanisms;
- use of the short-term (spot) sales opportunities;
- forecasting of market quotations fluctuations and the value of optional quantities to be purchased, including the use of economic and mathematical modeling in such forecasting.

Political Risks and Trade Restrictions

International trading in nuclear materials is strictly tied to the requirements and provisions of the non-proliferation international agreements and national legislations related to non-proliferation. Some countries allow nuclear materials, controlled by them, for importation with the purpose of processing or end consumption into the other countries, including Russia, only if the international agreements with such countries on peaceful use of nuclear energy and observance of particular administrative procedures are in place.

In 2009 the Company participated in negotiation of the Administrative Arrangements to the existing Russian-Australian intergovernmental agreement. By this time the agreements between the Russian Federation with the USA ("Agreement 123") and Japan, entered into in 2008-2009, have not been ratified. As a result, it is impossible to import into Russia uranium feedstock controlled by the USA and Japan for processing. Although this fact does not materially affect the Portfolio and Export, removing this restriction appears very important.

Upon execution on February 01, 2008 of the Amendment to RSA, the anti-dumping restrictions in US ceased to be a major impediment to development of the Company's export to the US market. However, the so called 'Domenici Amendment' passed in the US Congress in October 2008 contains a number of additional restrictions restraining full use of opportunities provided under the Amendment to RSA. To address this risk, the Company in coordination with the State Corporation Rosatom interacts with the US Department of Commerce in connection with the development by US DOC of the administrative arrangements for the Amendment to RSA and the adopted Domenici bill.

An increasingly major obstacle for the development of the Company's export, first of all, to the Asia-Pacific markets, is the so-called "re-export" quota, initially introduced in the RSA in 1992-1994 – the maximum quantity of Russian uranium which may be temporarily imported to the US for process uranium fuel products for non-US reactors and its further export to third countries. In its continued dialogue with the US Department of Commerce the Company intends to seek an increase of such quota.

The Company's competitiveness in the EU market continues to be artificially suppressed by the quota limitation policy for the Russian uranium products supplies. However, with the assistance of an ongoing dialogue with the major EU utility companies and the Euratom Supply Agency this issue has become less impacting for Company's business for a certain period of time. At the same time, in the future this still problematic issue may become more acute.

Macroeconomic Risks

The Company's efficient performance may also experience a negative influence from the macroeconomic risks: increase of inflation processes in Russia, Ruble appreciation to US Dollar and Euro, reciprocal volatility of US Dollars and Euro exchange rates, growing cost of loan capital, decrease of inflation and deflation processes in the USA and EU countries and other risks. The peculiarity of macroeconomic risks consists in the fact that their probability and scope are totally out of the Company's control, and as a result the Company has to focus and concentrate the efforts on minimizing the adverse consequences. The key macroeconomic risks, their impact upon the Company's performance and measures to mitigate the same are shown in the table below:

Risk Factors	Consequences for the Company	Risk Management Methods:
<p>Growth rates of prices for production inputs in Russia exceed the inflation rate in the USA and Euro countries</p>	<p>Inflation growth of market prices for uranium products is lagging behind the growth of costs of conversion and uranium enrichment services at the Russian enterprises, decrease of the profit margin, sales profitability and derivative indicators</p>	<p>This risk is mitigated through upgrade and modernization of primary separation and conversion facilities equipment and through implementation of cost reduction programs by the enterprises. The Company participates in the development and implementation of such programs under the guidelines of the State Corporation Rosatom.</p>

Risk Factors	Consequences for the Company	Risk Management Methods:
<p>Appreciation of Ruble to US Dollar and Euro – contractual price currencies of the Company</p>	<p>Reduction of Rubles revenues from the Company's sales and derivative indicators thereof, which decreases the Company's ability to finance current and investment expenses</p>	<p>Partial transformation of the Company's liabilities and expenditures into the export contracts currencies through raising loans in the export contracts currencies</p>
<p>Fluctuation of US Dollar and Euro exchange rates against each other.</p>	<p>As the contracts with prices and payments in US Dollars prevail, weakening of Euro against the US Dollar may affect the Company's efforts to achieve the KPIs fixed in US Dollars.</p>	<p>Optimization of the share of contacts with the price and/or payment currency in US Dollars and Euro to the extent possible subject to the regional export structure and potential and preferences of potential counterparties.</p>
<p>Low reliability of forecasted macroeconomic indicators in the global economic crisis environment.</p>	<p>Substantial deviation of actual key indicators of the Company's performance from the budgeted ones. Inaccurate assessment of performance indicators and cash flows under the Company's long-term programs.</p>	<p>If identified that the official forecasts of macroeconomic parameters are inaccurate (for example, if the ratio between the Russian inflation forecast and the US Dollar exchange rate is inconsistent with the purchasing power parity), subject to approval by the State Corporation Rosatom, the Company performs an adjustment of official forecasts (for example, if the official inflation forecast is used, the US Dollar rate is determined on the basis of the purchasing power parity).</p>

Financial, Credit and Tax Risks

The key risks of this category, their impact and mitigation methods are shown in the table below:

Risk Factors	Consequences for the Company	Risk Management Methods:
<p>Increase of the refinancing (prime) rate.</p>	<p>Increase of the interest rate applicable and accrued to the Company's loans, decrease of net profit and investment resources of the Company.</p>	<p>Optimization of the Company's loans and credits portfolio and interaction with financial institutions aimed to obtain the best financing terms available. Increase of the share of long-term borrowings within the Company's loans portfolio.</p>
<p>Decrease of the net working capital and liquidity ratios of the Company as a result of uranium stock financing with long turnover period, through attracting short-term loans with higher and growing interest rates thereon.</p>	<p>Decrease of financing facilities limits available to the Company and interest rates increase applicable to loans which adversely affects the Company's ability to provide outside financing of its current and investment operations.</p>	<p>Optimization of the scope and structure of the Company's uranium stock, mechanisms and methods of transferring the stock into production;</p> <p>Restructuring of the borrowed loans portfolio with a target to maximize the long-term borrowings share and minimize of the volume of short-term liabilities;</p> <p>As a result of the measures undertaken in 2009 to increase financial stability of the Company this risk was minimized.</p>

Risk Factors	Consequences for the Company	Risk Management Methods:
<p>Increase of a time gap difference between the products payments period to vendors (creditors) and the time of the payments receipts from foreign customers (debtors) as a result of a transformation of the products delivery terms to foreign enterprises with payment deferral, consistent with the international practices, selected by the customers.</p>	<p>Net cash flow growth rate is lagging behind the growth of operations, which negatively affects the ability of the Company to finance its current operations.</p>	<p>Negotiations with debtors and creditors of the Company with a view to decreasing the payment gap;</p> <p>Optimal structuring of transactions.</p>
<p>Refusal of export operations VAT recovery or increase of the VAT recovery terms and other tax risks.</p>		<p>Structuring of transactions to minimize tax risks;</p> <p>Ongoing monitoring and tracking changes in the tax laws and obtaining necessary explanations from tax authorities;</p> <p>Thorough and timely preparation of documents required to have the export VAT recovered.</p>

Transportation and Logistics Risks

The key risk of this category is that currently the Company uses the only Russian port of Saint Petersburg for the shipments of the Company's export products. The Company manages this risk through the efforts to accomplish the projects of diversification of the product shipping points: in the North-West it is realizing the project of Ust-Luga TSP, while in the Russian Far Eastern coast it is also reviewing the opportunities to create of a transportation and logistics hub.

The Company also works more actively towards creation and maintenance of the secured consignee's products stocks at foreign enterprises – producers of nuclear fuel – and enters into agreements establishing materials accounts with such enterprises. In the United States these efforts have been facing an obstacle of restrictions for creation of secured stock the imposed by the same 'Domenici Amendment' specified above.

Technological Risks

The probability of technological risks is extremely low due to the fact that the Company relies in its activity on four Russian uranium enrichment facilities, two main and one auxiliary enterprises for uranium conversion that apply technologies reliability of which is beyond any question, similar as a sufficient maneuver capability of the Company to engage capacities of the said production facilities and outsource the uranium feedstock.

Corporate and Management Risks

The Company is directly involved in the restructuring processes of the entire Russian nuclear industry. To mitigate the Company's exposure to the risks inherent in such processes the Company analyzes the effects of the corporate governance procedures developed and implemented by the State Corporation Rosatom to its stable operation and sustained development, elaborates proposals regarding the required adjustments to such procedures and adapts its business processes, HR and social policies accordingly.

7.1.2.2. Crisis Management Procedures

The key instrument preventing the operations and sustained development of the Company from the negative influence of the current and future crises in the global economy is the concentration of Technsnabexport's consistent efforts focused on the long-term contracting campaigns for the supply of enriched uranium products which would insure a guaranteed operating income for the Company for ten or more years. The Company is committed to geographic diversification of its export and prudent in reasonably hedging any market pricing uncertainties in a way that does not impair its competitiveness.

The Company continued its efforts in reducing its conditionally standard (fixed) costs, including administrative and business expenditures. The Company has optimized its business processes, improved the organization structure and implemented substantial staff reduction.

7.1.2.3. Pending Litigations

As of December 31, 2009 the Company was involved in a number of litigations in Russia and in one case in the USA. In the US litigation the Company, on instruction of the State Corporation Rosatom, seeks the costs recovery from the Globe Nuclear Services and Supply, Limited incurred by the Company in the arbitration process held at the Arbitration Institute of the Stockholm Chamber of Commerce, which Techsnabexport won in 2007.

Pending litigations in Russia include a number of disputes with ROSFINNADZOR - The Russian Federal Service of Financial and Budgetary Oversight and the Moscow State Health Insurance Fund. The total amount claimed in such disputes does not exceed 120,000 Rubles.

7.1.3. Corporate Responsibility

Techsnabexport's corporate responsibility comes through multiple ways and manifests itself both within internal corporate actions (HR management, enhancement of corporate culture, etc..) and in the outside events and useful measures – through its charity activities and interaction with RSK (United Separation and Sublimate Complex) entities. The Company places export orders to such entities and thus ensures employment security and enterprise profitability, which consequently, reflects in the possibility to accrue and provide significant taxes to the local regional budgets. This contributes to improvement of social and economic situation in the regions where the production plants are located.

7.1.3.1. Staff Number Optimization

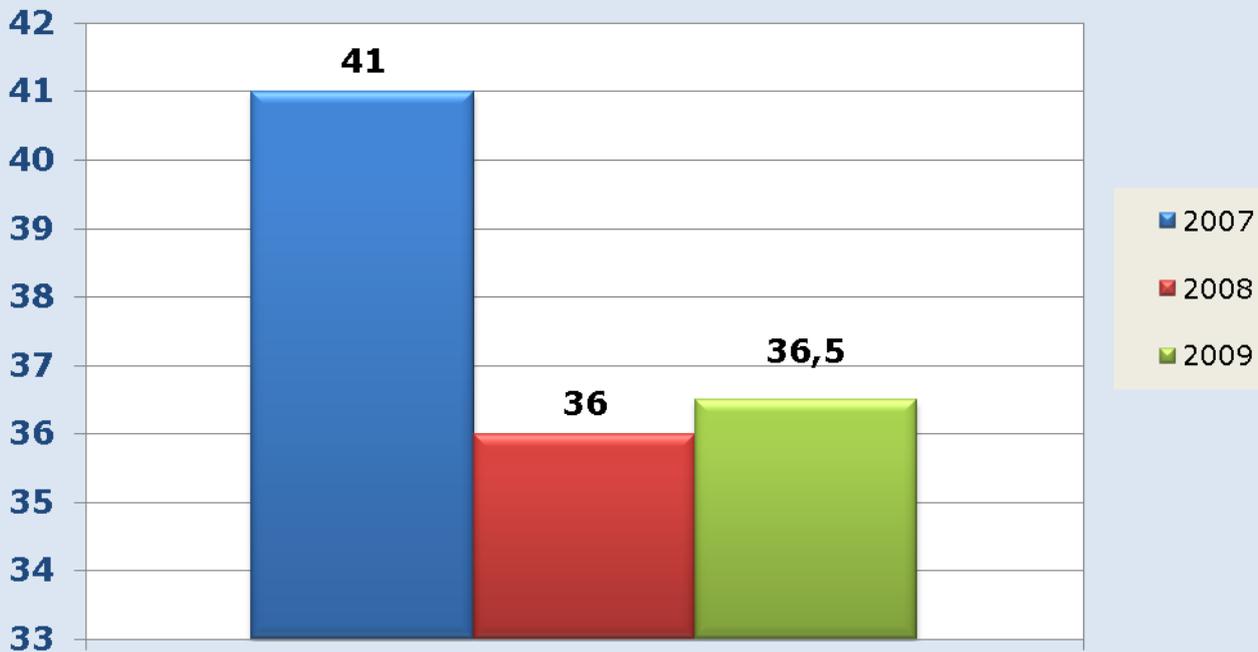
The Corporate measures on the staff number optimization were accomplished in 2009 in accordance with the standard set-up by the sole shareholder. As a result, the staff count was reduced by 162 employees, of which 37 employees were transferred to the Company subsidiaries.

The table below shows the staff number count and average dynamics within 2007-2009

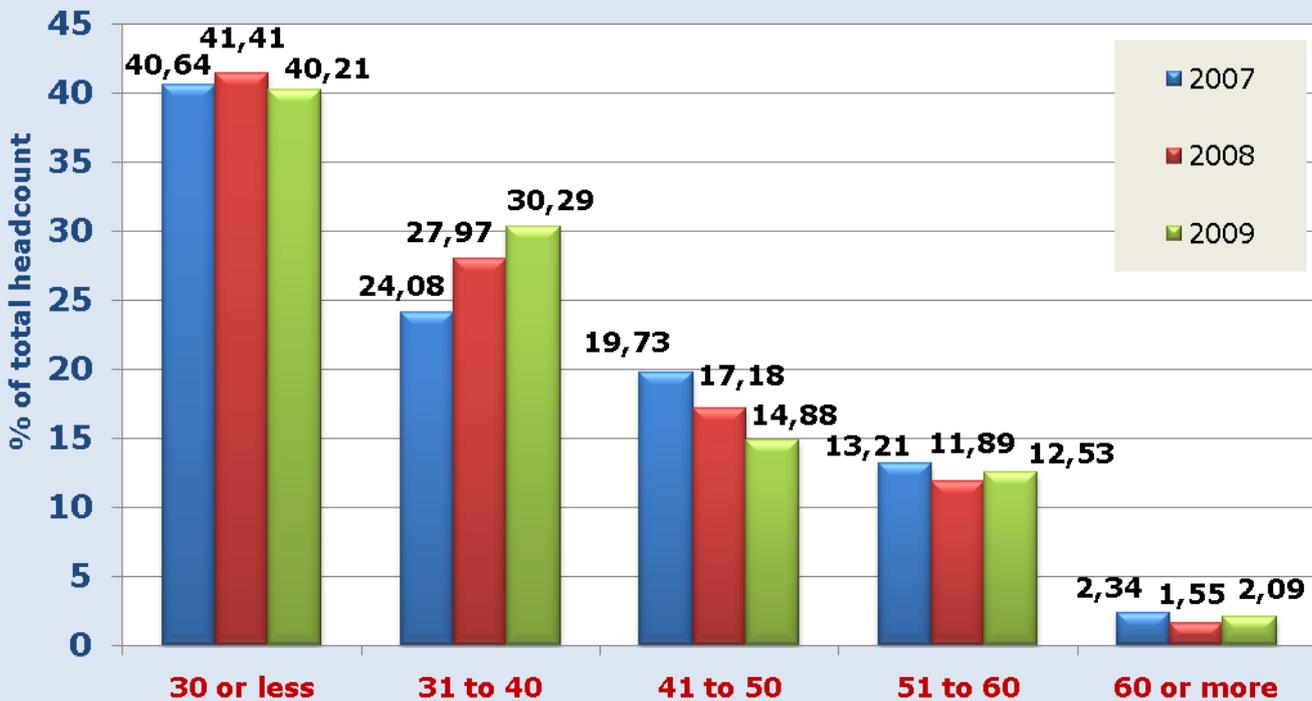
	As of 31.12.07	As of 31.01.09	As of December 31, 2009
Normal Staff number (budget)	809	455	377
Actual staff count	598	454	383
Average staff count	574	547	390

7.1.3.2. Staff Differentiation

JSC Techsnabexport Average Employee Age

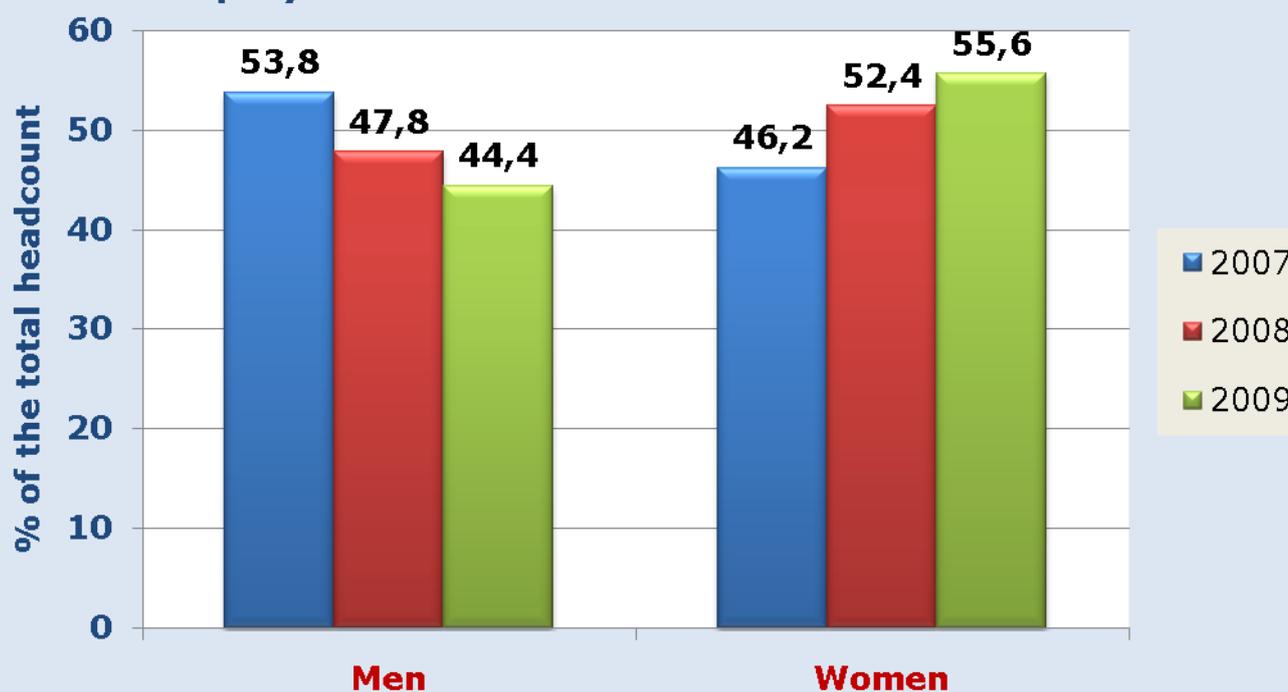


JSC Techsnabexport Employee Age



The average age of the Company employees has reduced to 36.5 years.

Gender Diversification of JSC Techsnabexport Employees



7.1.3.3. Development and Introduction of Employee Efficiency Control Procedures

Introduction of The Industry Remuneration System at the Company, its Subsidiaries and Affiliates

As part of the project involving introduction of the Unified Standard Remuneration System (USRS) implemented by the State Corporation Rosatom the Company has developed the policy of level grades formation, job descriptions evaluation and differentiation of jobs by established grades. The USRS was completely implemented as of May 18, 2009. As a result, the average monthly salary fund savings exceeded 20%.

The USRS was also introduced at the Company's Russian subsidiaries and affiliates: JSC Tenex-Service, JSC Tenex-Logistics, Tenex-Komplekt LLC, Crown LLC.

Concurrently with the USRS, an incentive motivation program for the executives of the Company, its subsidiaries and affiliates was introduced on the basis of the performance achievement of KPIs, established for the reporting year.

In 2009 the Company started to develop a professional qualifications and competence model. The key objectives of the project are to assess the efficiency of employees' performance, enhance the unprejudiced annual performance evaluation, identify the required particular areas of the employee's professional development, which was

required for the Annual Employee Training Plan development, interact with the selected candidates backup reserve of the Company and create a system of special knowledge and capacities management.

7.1.3.4. Development of the Company's Corporate Culture

Corporate Intranet Portal

In 2009 the Company started to actively operate the Corporate Intranet Portal to improve the internal communications system and to keep the employees informed of the developments in the industry, the Company and the International uranium market.



Recreation and Sports Events. Charity

The Company encourages its employees' interest in sports and reimburses a portion of the cost of membership at fitness centers.



In 2009 the first summer one-day Olympics among the Company employees were conducted which included football matches, chess, ping-pong, volleyball, sport shooting and other contests.

The football training and tournament program was introduced at the stadium of the Sports Center named after E.A. Streltsov.



Within a number of years JSC Techsnabexport has been engaged in charitable activities. In 2009 the Company held traditional celebration meetings with the veterans of the War in connection with Victory Day and New Year's Day public holidays.



One of the key areas of such activities involves the Company's support of non-commercial public organizations engaged in cultural and educational activities. Since 2005 JSC Techsnabexport has been paying five personal scholarships to the winners of International Contests to develop *Energy of the Future* Research and Educational Projects arranged by Autonomous Non-commercial Society (ANCS) Nuclear

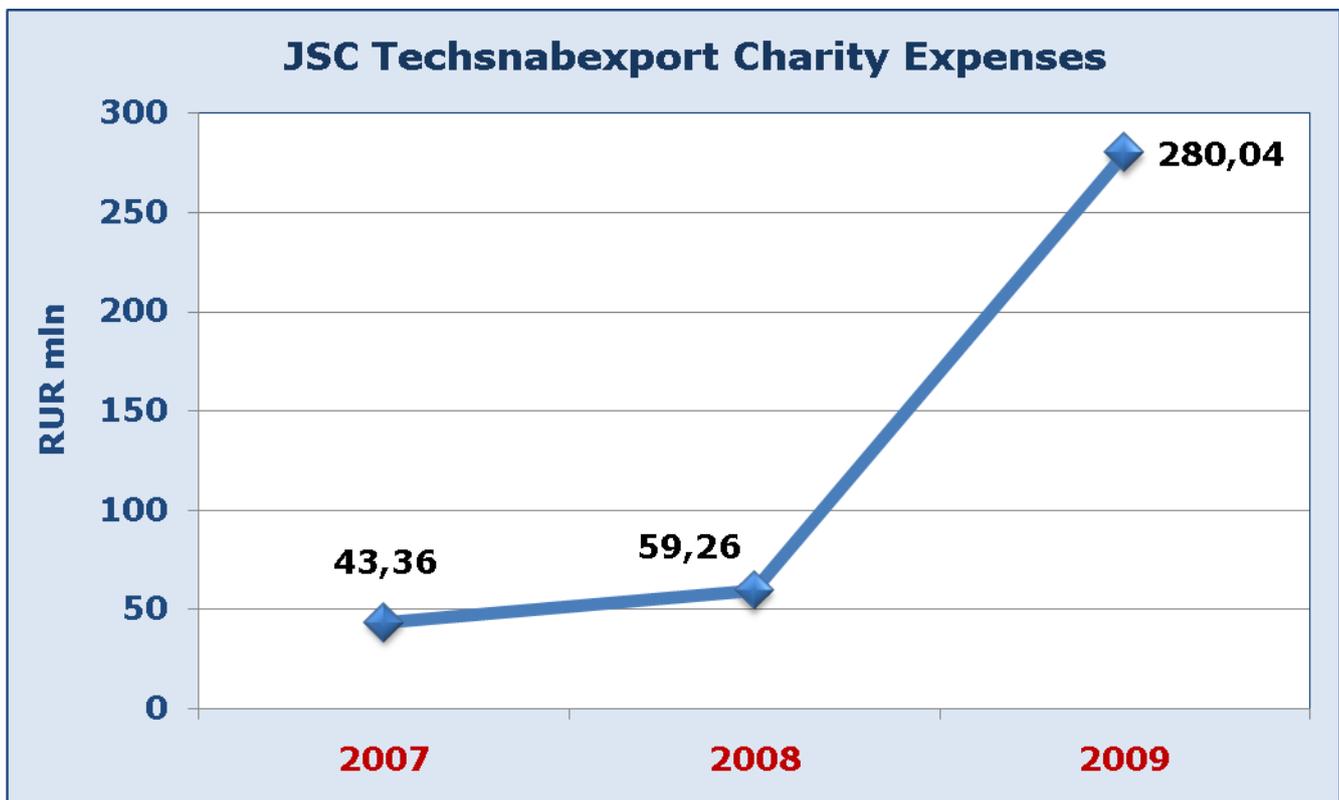
Academy – Center for Training of Nucleonics and Nuclear Power Experts.

JSC Techsnabexport's charity costs have increased almost seven-fold over the last three years.

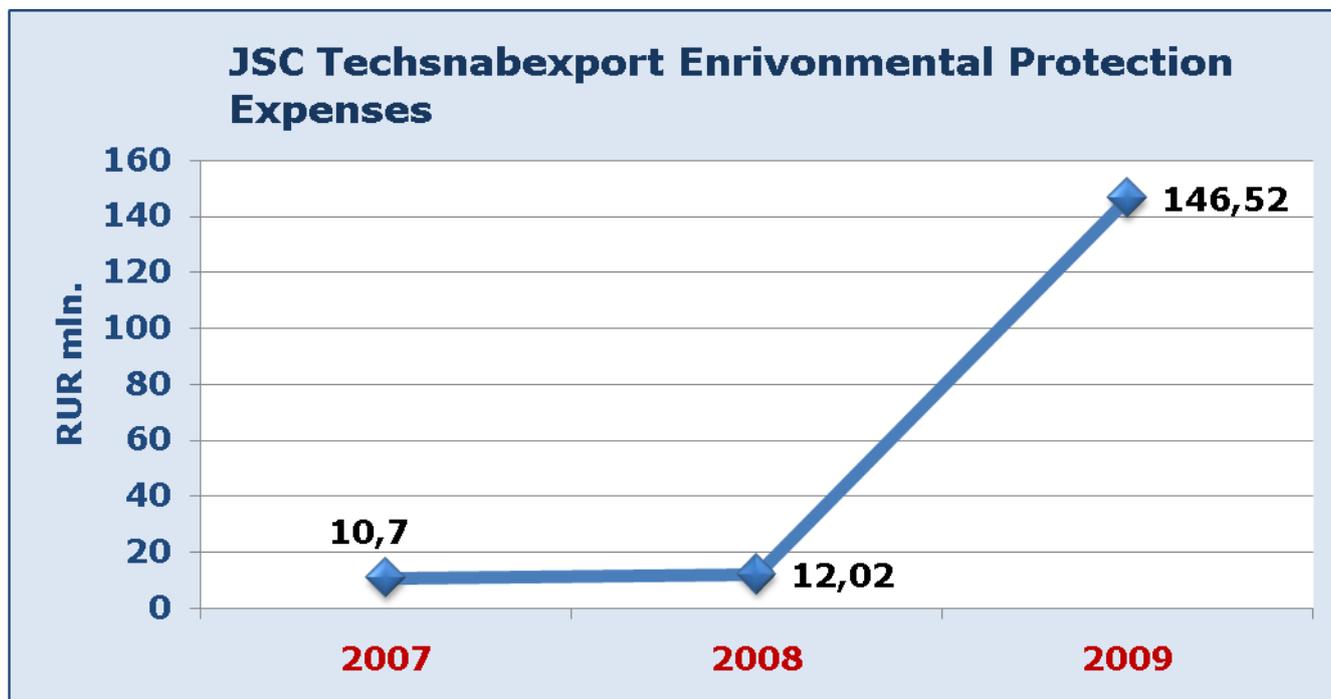
In 2009 in accordance with the action plan of the Patronage and Charity Board of the State Corporation Rosatom JSC Techsnabexport transferred funds to the following organizations:

- All-Russia Public Movement *Environmental Task Force*;
- Institute of Environmental and Evolution Studies named after A.N. Severtsov, Russian Academy of Sciences;
- Environment Restoration and Protection Society of the city of Moscow;
- All-Russia Union of Public Associations *Russian Union of Martial Arts*;
- ANCS *Territory of Nuclear Industry Culture*;
- ANCS *Center for Support of Social and Environmental Initiatives in Nuclear Industry*;
- Primary trade union of the State Corporation Rosatom within the Russian Nuclear Energy and Industry Trade Union.

The environmental spendings (relating to charity activity) of JSC Techsnabexport in



2007-2009 increased almost 15 times.



The environmental charity expenses are recognized as imputed costs. The State Corporation Rosatom has sole discretion in authorizing such spendings and determining the list of organizations/funds to which financial support is rendered.

In developing and implementing charitable programs the Company relies on the following documents:

- Company's budget
- decisions of the Board of Directors of the Company (approval of charitable programs and budget)
- decisions of the Charity Board of the State Corporation Rosatom (approval of charitable programs and the cost structure)
- decisions of the Chief Executive Body of the State Corporation Rosatom - the NPC Directorate (approval of charitable programs and the cost structure)
- relevant requests/letters from officers of the State Corporation Rosatom (deputy general director of the State Corporation Rosatom, heads of departments) seeking charitable aid for specific organizations/funds.

Based on instructions/decisions of the above management bodies and officers and pursuant to the approved budget of the Company and the charitable programs (also adding the approved special purpose funds) the Company enters into the relevant agreements on charitable aid with organizations/funds.

Under such agreements the recipients of charitable aid submit to the Company on agreed dates the reports on the use of funds provided to them, stating/listing the specific events/programs completed and the results/goals achieved.

The above procedure for development and realization of the charitable programs will apply to the next reporting period.

7.1.3.5. Development of HR Practices and HR Management Tools

Personnel Training

In 2009 99 employees participated in regular and advanced training under 63 programs, including *Foreign Economic Activities, Customs, Shipment, Currency Control; Efficiency and Quality Management, Quality Management Training and Environmental Management; Sales and Negotiations.*

Due to a more than 50% reduction of the training budget in 2009 an allocation structure for the employees training expenses was developed which was based on the type of functional activity of each subdivision. The chart below shows the dynamics of the employee training costs and the number of employees involved in regular or advanced training during the last three years.

Indicators	2007	2008	2009
Total training expenses, RUR	20 276	19 232	9 895
Training costs per one employee, RUR'000	35	35	24
Number of training hours per employee	19	39	28
Average staff count	574	547	390

Year	Number of employees involved in training and advanced training	% of the total number of employees	Including			
			Seminars, training, business classes, , short courses	Training forums and conferences	Foreign language courses	Private seminars (corporate training))
2007	513	89	213	17	11	192

2008	324	59	281	29	27	128
2009	99	25	80	39	9	49

Social Policy

133 employees of the Company expressed their willingness to participate in the Corporate Pension Plan of the Company (38% of the total number of employees entitled to participate) introduced in 2009.

In 2009 mandatory medical insurance policies were issued, re-issued and modified.

A voluntary medical insurance agreement with SOGAZ insurance company and a mandatory medical insurance agreement with MAKS insurance company for 2009-2010 were prepared. 50 employees received treatment under the rehabilitation treatment programs. 30 employees were vaccinated. The table below contains information on financial aid provided:

	2007	2008	2009
Number of employees who received financial aid	44	59	51
Amount of financial aid, RUR'000	2 673	2 565	1 402
% of the total number of employees	8 %	10 %	13 %

In 2009 26 employees of the Company were nominated for industry awards, and one employee - for state award for excellent performance, successful completion of assignments of utmost importance, contribution to the Company's development, improvement of operational reliability and efficiency and other achievements.

The staff turnover rate in 2009 was 6%, being within the standard limits and representing a natural turnover rate (up to 7%), which contributes to natural personnel replacement.

In 2009 362 medical sick leave certificates (sick-leave slips) were issued.

Actual staff count in 2009	Absent from work on sick leave in 2009	Total number of days under sick-leave slips in 2009	Number of sick man-days per employee
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Actual staff count in 2009	Absent from work on sick leave in 2009	Total number of days under sick-leave slips in 2009	Number of sick man-days per employee
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383

152

2170

5,67

8. Exhibits

8.1. Report of the Audit Commission of JSC Techsnabexport on Accuracy of Data Contained in the Annual Report

Techsnabexport Audit Commission Report on Fairness of Data Presentation for the Annual Report

Moscow

May 18, 2010

Pursuant to the Resolution of the sole shareholder of JSC Atomenergoprom No. 12 dated June 24, 2009, the following persons were elected to the audit commission of JSC Techsnabexport (the "Company"):

Olga N. Sarenkova – Deputy Director of the Internal Audit Department of JSC Atomenergoprom (- Director of the Internal Audit Department of JSC Atomenergoprom beginning February 1, 2010);

Tatiana S. Milovidova – Chief Expert of the Nuclear Radiation Safety and NFC Coordination Department of JSC Atomenergoprom (- Deputy Director and Head of Department for Coordination and Development of NFC at State Corporation Rosatom beginning March 2, 2010).

Alexei V. Volzhanin – Director of the Department for Subsidiaries Financial Control of Techsnabexport.

Exercising its right granted under Clause 4.6 of the Regulation on JSC Techsnabexport Audit Commission approved by Resolution No. 15 of the sole shareholder of JSC Techsnabexport dated December 22, 2009, A.V. Volzhanin, as a member of the audit commission, informed by the written notice to the Chairman of the audit commission of voluntary abdication of his powers as the member of the audit commission of JSC Techsnabexport beginning March 12, 2010.

The audit commission of the Company, subject to the powers determined by the Federal Law on Joint-Stock Companies, the Company's Charter, the Regulation on the Company's Audit Commission, has reviewed the information contained in the JSC Techsnabexport's 2009 Annual Report.

The Annual Report is signed by the General Director and the Chief Accountant.

The Chairman of the Board of Directors considers the results of the Company's operations in the major fields of activities in 2009 to be successful.

2009 Annual Report has been prepared in accordance with the Russian law as part of the industry project for development and implementation of a public reporting system of the State Corporation Rosatom and its entities.

The following sections of information have been verified while reviewing the Annual Report:

1. General information about the Company;
2. Executive summary of the Company's business
3. Strategy;
4. Performance results;
5. Performance results of the subsidiaries and affiliates included in the report;
6. Performance Management
7. Exhibits.

The audit commission based on the undertaken review confirms that the information contained in the JSC Techsnabexport's 2009 Annual Report is true.

Chairman of the Audit Commission

Olga N. Sarenkova

Member of the Audit Commission

Tatiana S. Milovidova

8.2. Corporate Governance

8.2.1. General Shareholders Meeting

In 2009 the Company's sole shareholder adopted five resolutions.

On June 24, 2009 the sole shareholder passed a resolution on the matters to be considered at the Annual General Shareholders meeting by which:

2008 Annual Report of JSC Techsnabexport was approved.

The annual accounting statements, including profit and loss statement of Techsnabexport and profit distribution were approved, and a decision was made on the payment of the dividends for 2008.

The auditor of Techsnabexport was approved for 2009.

The Board of Directors of JSC Techsnabexport was elected.

The Audit Commission of JSC Techsnabexport was elected.

The 2009 general shareholders meeting also considered payment of the interim dividends by Techsnabexport and approval of a new Regulations on the Audit Commission of the Company.

All resolutions passed in 2009 by JSC Atomenergoprom, the Company's sole shareholder, were fulfilled by the Company within the reporting year.

8.2.2. Board of Directors

There are five members of the Board of Directors of JSC Techsnabexport Pursuant to its Charter.

Until June 23, 2009 the Company's Board of Directors included the following members elected pursuant to the resolution of the Company's sole shareholder dated June 27, 2008 No. 6:

Vladimir V. Travin – director of JSC Atomenergoprom.

Vladislav I. Korogodin – Deputy Director of JSC Atomenergoprom.

Alexei A. Grigoriev – Director General of JSC Techsnabexport.

Vadim L. Zhivov – Director General of JSC Atomredmetzoloto (ARMZ).

Yury A. Olenin – President of JSC TVEL.

The following new members were elected to the Company's Board of Directors at the Annual General Shareholders Meeting of Techsnabexport (resolution of the sole shareholder dated June 24, 2009 No. 12):

Vladimir V. Travin – director of JSC Atomenergoprom.

Vladislav I. Korogodin – Deputy Director of JSC Atomenergoprom.

Alexei A. Grigoriev – Director General of JSC Techsnabexport.

Vladimir A. Fedoseev – Director General of JSC United Separation and Sublimate Complex.

Yury A. Olenin – President of JSC TVEL.

All positions are specified as of the date of resolutions of the General Shareholders Meeting of the Company.

In 2009 23 meetings the Board of Directors of Techsnabexport were held which had considered matters related to approval of Techsnabexport's 2009 budget and adjustments thereto, approval of performance targets of Techsnabexport's for 2009 and adjustments thereto, charity spendings, approval of real estate transactions, approval of Techsnabexport's participation and withdrawal by from other companies, approval of the Company's organizational structure, approval of internal regulations of the Company (Regulation on Mandatory Disclosure of Information by JSC Techsnabexport).

Table No. 1. Attendance by the Board Members at the Board Meetings of the Company from 01.01.09 to 23.06.09

Member of the Board of Directors	Total Number of the Board Meetings	Number of the Board Meetings Attended by the Member of the Board
Vladimir V. Travin	7	7
Alexei A. Grigoriev	7	6
Vadim L. Zhivov	7	5
Yury A. Olenin	7	7
Vladislav V. Korogodin	7	6

Table No. 2. Attendance by the Board Members at the Board Meetings of the Company from June 24, 2009 to December 31, 2009

Member of the Board of Directors	Total Number of the Board Meetings	Number of the Board Meetings Attended by the Member of the Board of Directors
Vladimir V. Travin	16	14
Alexei A. Grigoriev	16	15
Vladimir A. Fedoseev	16	16
Yury A. Olenin	16	12
Vladislav V. Korogodin	16	16

BRIEF BIOGRAPHIES OF BOARD MEMBERS

Table No. 3. Brief Biography of Vladimir V. Travin, Chairman of the Board of Directors of JSC Techsnabexport

Category	Biographical Data
Date of Birth	June 07, 1960
Place of Birth	B.Kozino, Balakhna district, Gorky Region
Education and Profession, Scientific Rank (if applicable)	Higher professional Experimental nuclear physics Accounting, audit and analysis of commercial business operations
Educational Establishments, Departments, Year when Completed	Moscow Institute of Physics and Engineering, 1983 Arzamas Polytechnic College, 1995
Language Proficiency	English
Governmental Awards (if any)	Russian Government Letter of award for extensive contribution in development and realization of the Special Federal Program International Nuclear Fusion Reactor ITER Order of Merit for Country of the II Degree

Category	Biographical Data
Track Record (places of work, positions, time in each position)	<p>Russian Federal Nuclear Center – VNIIEF (engineer, 1983-1985)</p> <p>Komsomol's City Committee (secretary, 1985-1986)</p> <p>Russian Federal Nuclear Center – VNIIEF (engineer, junior research fellow, research fellow, 1986-1991)</p> <p>Arzamas Experimental Company, AOZT (director, 1991-1994)</p> <p>JSCB Sarovbusinessbank (Finance Director, 1994-1996)</p> <p>JSC Oil Company NORSI-OIL (Vice-President Finance, Vice-President - strategic development, 1996-1998)</p> <p>JSC AK Transneft (Vice-President Finance, 1998 – -1999)</p> <p>JSCB Sarovbusinessbank (Director Strategic Development and Foreign Economic Relations, 1999-2000)</p> <p>JSC OAO National Commercial Bank «Guarantija» (First Deputy Of the Board's Chairman, 2000)</p> <p>JSC Region-Invest-Consult-Privolzhie (General Director, 2000-2005)</p> <p>JSC Arzamas Experimental Company (Director, 2005)</p> <p>Federal Agency for Nuclear Energy (Advisor to the Chief Executive, Deputy Chief Executive Officer, 2005 – 2007)</p> <p>JSC Nuclear Power Industry Complex Atomenergoprom (director, 2007 – present)</p>

Table No. 4. Brief Biography of Vladislav I. Korogodin, Member of the Board of Directors of JSC Techsnabexport

Category	Biographical Data
Date of Birth	October 25, 1969
Place of Birth	Moscow
Education and Profession, Scientific Rank (if applicable)	Higher education Applied mathematics and physics
Educational Establishments, Departments, Year when Completed	Moscow Institute of Physics and Engineering, 1992
Language Proficiency	English
Track Record (places of work, positions, time in each position)	<p>JSC Techsnabexport (Head of the unit, Department Director, 1999-2004)</p> <p>Federal Agency for Nuclear Energy (Deputy Head of Department, 2004-2007)</p> <p>JSC Atomenergoprom (Director of marketing and sales markets department, Deputy Director, 2007 – January 2010)</p> <p>State Corporation Rosatom (Deputy General Director, Nuclear Power Complex Directorate, February 2010 – present)</p>

Table No. 5.***Brief Biography of Alexei A. Grigoriev, Member of the Board of Directors of JSC Techsnabexport***

Category	Biographical Data
Date of Birth	April 15, 1952
Place of Birth	Kiev
Education and Profession, Scientific Rank (if applicable)	Higher professional Process engineer (isotope and highly purified material technology) Economist, International Economic Relations (economy of foreign trade))
Educational Establishments, Departments, Year when Completed	D. Mendeleev University of Chemical Technology of Moscow, 1975. All-Union Foreign Trade Economy, 1983
Language Proficiency	English, Italian
Governmental Awards (if any)	2nd Grade Medal For Achievements before the Nation
Track Record (places of work, positions, time in each position)	V/O Techsnabexport (chief engineer, chief expert of Uranservice corporation, chief foreign economic relations expert of Uranservice corporation, 1975-1983) V/O Energomashexport (Head of the Department in Enital joint-stock company in Italy, 1983-1987) V/O Sovelectro (Head of the Department in Enital joint-stock company in Italy, 1983-1987) V/O Techsnabexport (Chief Expert, Deputy Director of Uranservice corporation, 1987-1988) V/O Techsnabexport of the USSR Ministry of Nuclear Power – a foreign economic joint-stock company, Deputy Director of Uranservice corporation, Director of Uranservice corporation, Deputy General Director – Director of Uranservice Firm, Deputy General Director – Director for commerce, deputy general director, First Deputy General Director, Director General, 1988-present)

Table No. 6. *Brief Biography of Vladimir A. Fedoseev, Member of the Board of Directors of JSC Techsnabexport*

Category	Biographical Data
Date of Birth	March 01, 1962
Place of Birth	Arzamas-75
Education and Profession, Scientific Rank (if applicable)	Higher professional Diploma in physical science
Educational Establishments, Departments, Year when Completed	Gorky State University, 1986
Track Record (places of work, positions, time in each position)	Translease LLC (Deputy General director, 2000 – 2004) Federal State Reserves Agency (Chief expert, Advisor, Counselor, qualified as 1-st class for state civil service counsel and 1 st class state civil service advisor of Russia, 2004 – 2005) JSC Special Information Service (Analyst, Senior analyst, 2005 – 2006) Federal Agency for Nuclear Energy (Deputy head of department of nuclear materials industry, Deputy head of Department of nuclear energy and nuclear fuel cycle, 2006-2007) JSC Atomenergoprom (Deputy Director, Director of Department of Nuclear units, nuclear materials and nuclear and radiation safety, 2007-2009) JSC United Separation and Sublimate Complex (General director, 2009 – present)

Table No. 7. *Brief Biography of Yury A. Olenin, Member of the Board of Directors of JSC Techsnabexport*

Category	Biographical Data
Date of Birth	November 13, 1953
Place of Birth	Kirovabad, Azerbaijan Republic
Education and Profession, Scientific Rank (if applicable)	Higher professional Radio engineer Lawyer Doctor of Engineering, Professor, Associate Member of Russian Engineering Academy
Educational Establishments, Departments, Year when Completed	Yerevan Polytechnic Institute named after K. Marx, 1976 Penza State Technical University, 1996 Obninsk Inter-Industry Special Training Center, 1996 Program for CEOs, Manchester School of Business, 2000 Extended Education Department, Penza State University, 2000

Category	Biographical Data
	<p>and 2003</p> <p>Postgraduate courses at MIPK Atomenergoprom, 1994, 2000, 2003, 2005 and 2008</p>
Language Proficiency	Armenian, English
Governmental Awards (if any)	<p>Order of Honor</p> <p>Honorary Meritorious Designer of Russia</p>
Track Record (places of work, positions, time in each position)	<p>State NIKIRET GUP SSPA Eleron of the town of Zarechny of the Penza Region (Director, Chief designer, 2001 – 2004.)</p> <p>State PA START of the town of Zarechny of the Penza Region (general director, 2004 – 2007.)</p> <p>JSC TVEL (First Vice-President, President, 2007 – present)</p>

8.2.3. Director General

Alexei A. Grigoriev is the Director General of JSC Techsnabexport and was elected to this position at the extraordinary General Shareholders Meeting of JSC Techsnabexport on October 12, 2007.

8.2.4. Audit Commission

The members of the Audit Commission of JSC Techsnabexport who served until April 20, 2009 were elected pursuant to the resolution of the Company's sole shareholder dated June 27, 2008 No. 6. These included:

Natalia S. Khlebnikova – Head of the Pricing and Cost Management Division of the Pricing and Tariffs Department of JSC Atomenergoprom.

Danil Yu. Kalmakov – Deputy Director of the Marketing and Markets Department of JSC Atomenergoprom.

Alexander I. Sergeev – Chief Expert of the Department of Nuclear Facilities, Nuclear Materials and NRS of JSC Atomenergoprom.

Pursuant to the resolution of the Company's sole shareholder dated April 21, 2009 No. 11 the powers of Natalia S. Khlebnikova, a member of the Audit Commission, were terminated, and Olga N. Sarenkova, deputy director of the Internal Audit Department of JSC Atomenergoprom, was elected as a member of the Audit Commission.

From April 21, 2009 to June 23, 2009 the following members served on the Audit Commission of Techsnabexport:

Olga N. Sarenkova – Deputy Director of the Internal Audit Department of JSC Atomenergoprom.

Danil Yu. Kalmakov – Deputy Director of the Marketing and Markets Department of JSC Atomenergoprom.

Alexander I. Sergeev – Chief Expert of the Department of Nuclear Facilities, Nuclear Materials and NRS of JSC Atomenergoprom.

At the annual General Shareholders meeting of JSC Techsnabexport (resolution of the sole shareholder dated June 24, 2009 No. 12) the following members were elected to the Company's Audit Commission:

Olga N. Sarenkova – Deputy Director of the Internal Audit Department of JSC Atomenergoprom.

Tatiana S. Milovidova – Chief Expert of the Department for Coordination and Development of the NFC Facilities of the NRC and NFC Coordination Department of JSC Atomenergoprom.

Alexei V. Volzhanin – Director of the Department of Financial Control of Subsidiaries of JSC Techsnabexport.

All positions of members of the Audit Commission are specified as of the date of resolutions of the General Shareholders Meeting of the Company.

8.2.5. Information on Subsidiaries and Affiliates

Table No. 8. Subsidiaries and Affiliates of the Company

Full Name, Registered Address	Equity Interest as of 01.01.09 (%)	Equity Interest as of December 31, 2009 (%)
Internexco GmbH Am Limespark 2, 65843 Sulzbach am Taunus, Germany	100	100
Fuel Logistics GmbH Brunnenstrasse, 4, 65812 Bad Soden Deutschland	80	0
TENEX-Korea Co., Ltd. Miraewa Saram Building, 13th floor 942-1 Daechi-dong, Gangam-gu, Seoul 135-518, Korea	100	100
Kabushiki Kaisha Tenex-Japan 11-2, 5-Toranomon, Minato-ku, Tokyo, 105-0001, Japan	100	100
Revis Services Limited Julia House, 2 Th Dervis Street, PO Box 3585, Nicosia, Cyprus	20	20
TRADEWILL Limited One London Wall London EC2Y 5AB	0	100
JSC International Uranium Enrichment Center 665824, Russia, Irkutsk Region, Angarsk, 220 th block, 4	90	0
Open Joint Stock Company Kovrov Machine Plant 601909, Russian Federation, Vladimir Region, Kovrov, Ul. Sotsialisticheskaya, 26.	75,115	0
Closed Joint Stock Company TENEX-Service 119180, Russian Federation, Moscow, Ul. Bolshaya Polyanka, 25, bldg. 1.	100	100
Limited Liability Company Argon 413803, Russian Federation, Saratov Region, Balakovo, Saratovskoye Shosse, 2.	99,99	0
Closed Joint Stock Company TENEX-Logistics 115184, Moscow, Ozerkovskaya nab., 28, bldg. 3	100	100
Closed Joint Stock Company Technology Center TENEX 119180, Russian Federation, Moscow, Ul. Bolshaya	99	0

Full Name, Registered Address	Equity Interest as of 01.01.09 (%)	Equity Interest as of December 31, 2009 (%)
Polyanka, 25, bldg. 1.		
Limited Liability Company Schekotovo 152252, Russian Federation, Yaroslavl Region, Gavrilov-Yamsky District, Shopshinsk Area, village Schekotovo, 19.	99	0,001
Limited Liability Company TENEX-Komplekt 119180, Moscow, Ul. Bolshaya Polyanka, 25, bldg. 1.	99,9	99,9
Closed Joint Stock Company Uranium Enrichment Center 665824, Irkutsk Region, Angarsk, 220 th block, 4.	50	50
Limited Liability Company Russian Gas Centrifuges 601909, Vladimir Region, Kovrov, Ul. Sotsialisticheskaya, 26.	99,03	0
Closed Joint Stock Company OKB Nizhny Novgorod 603004, Nizhny Novgorod Region, Nizhny Novgorod, pr. Lenina, 88.	49,9	0
Closed Joint Stock Company Centrotech-SPb 198069, Saint Petersburg, pr. Stachek, 47.	49,9	0
Limited Liability Company Plant of Carbon and Composite Materials 454038, Chelyabinsk, Chelyabinsk Electrode Plant	99	0
Limited Liability Company Novouralsky Research and Development Center 624130, Sverdlovsk Region, Novouralsky, Ul. Dzerzhinskogo, 2	50	0
Limited Liability Company Novouralsky Instrumental Plant 624130, Sverdlovsk Region, Novouralsk, Ul. Dzerzhinskogo, 2	50	0
Limited Liability Company Uralsky Gas Centrifuge Plant 624130, Sverdlovsk Region, Novouralsk, Ul. Dzerzhinskogo, 2	50	0
Open Joint Stock Company Engineering Center Russian Gas Centrifuge 115184, Moscow, Ozerkovskaya nab., 28, bldg. 3	100	100
Open Joint Stock Company NPK Chimpromengineering 115230, Moscow, Varshavskoye shosse, 46	100	96,52
Limited Liability Company SNV 410059, Saratov Region, Saratov, Sovetsko-Chechoslovatskoy Druzhby square, no number	99,9	0
Limited Liability Company Crown 115184, Moscow, Ozerkovskaya nab., 28, bldg. 3	99,99	99,9998

Full Name, Registered Address	Equity Interest as of 01.01.09 (%)	Equity Interest as of December 31, 2009 (%)
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8.3. Determination Criteria for the Board Members and the Director General Compensation

In accordance with the principles of the corporate policy of State Corporation Rosatom the members of the Board of Directors of subsidiaries and affiliates do not receive remuneration. Annual benefit (bonus) for the General Directors of subsidiaries and affiliates is paid in accordance with the Key Performance Indicators (KPI) achieved in accordance with the industry incentives system implemented in 2009.

KPIs are determined for the Director General of JSC Techsnabexport in accordance with the strategic objectives and targets of State Corporation Rosatom. The target KPI values are set for the period of one year. In exceptional cases (material changes in the market situation and macroeconomic indicators), they can be adjusted pursuant to the Board of Directors' decision.

In 2009, pursuant to the Unified Standard Remuneration System (USRS) conditions, the amount of remuneration of the Director General is determined as the percentage of the annual salary set by State Corporation Rosatom depending on the position level/grade with account for the actual KPI values achieved.

8.4. Report on Major Transactions and Interested Party Transactions

In 2009 Techsnabexport did not enter into any major transactions or interested party transactions.

8.5. Accounting Statements

8.5.1. The Balance Sheet

ACCOUNTING BALANCE SHEET as of December 31, 2009

		CODES	
OKUD Form No. 1		710001	
Date (year, month, day)		2009 12 31	
IPO Code		8843672	
Entity	Open Foreign Economic Joint Stock Company Techsnabexport	TIN	7706039242/997450001
Taxpayer's Identification Number		IKVED Code	51.55.3
Activity type	intermediary, trading and production	OKPO/OKFS Codes	47 12
Form of legal organization	form of ownership	OKEI Code	384
Open Joint Stock Company			
Measurement unit	RUR '000		
Registered address	Russia, 115184, 77, OZERKOVSKAYA NAB., 28, bldg. 3		

Date of approval
Date of dispatch / acceptance

ASSETS	Code of the value	Opening balance of the accounting year	Closing Balance of the Accounting
1	2	3	4
I. Non-Current Assets			
Intangible assets	110	1 143	1 022
Fixed assets	120	387 028	481 714
Construction in Progress	130	15 206	-
Income-bearing investments in tangible assets	135	1 656	-
Long-term financial investments	140	12 821 540	13 462 030
Deferred tax assets	145	81 352	21 008
Other non-current assets	150	3 871	11 009
Total, Section I	190	13 311 796	13 976 783
II. Current assets			
Inventory	210	15 467 969	16 345 653
including:			
stock, materials and other similar assets	211	2 181 659	1 113 890
work-in-progress costs	213	8 913 702	9 673 856
finished products and goods for resale	214	1 671 595	1 007 900
shipped goods	215	1 177 253	3 034 417
deferred expenses	216	1 523 760	1 515 590
Value added tax on acquired assets	220	3 912 989	7 725 453
Accounts receivable (due in more than 12 months after the accounting date)	230	221	161
Accounts receivable (due within 12 months after the accounting date)	240	19 721 149	23 903 239
including:			
purchasers and customers	241	10 366 750	16 335 153
Short-Term Financial Investments	250	672 551	314 775
Cash	260	4 219 541	1 566 737
Total, Section II	290	43 994 420	49 856 018
BALANCE	300	57 306 216	63 832 801

LIABILITIES	Code of line	Opening balance of the accounting year	Closing Balance of the Accounting
1	2	3	4
III. Equity and Reserves			
Charter capital	410	2 396	503 097
Reserve capital	430	120	25 155
including:			
reserve funds	431	120	25 155
Retained profit (uncovered loss)	470	14 252 607	17 612 214
Total, Section III	490	14 255 123	18 140 466
IV. Long-Term Liabilities			
Borrowings	510	7 744 845	12 010 292
Deferred tax liabilities	515	276 839	264 395
Total, Section IV	590	8 021 684	12 274 687
V. Current Liabilities			
Borrowings	610	17 223 171	9 458 061
Accounts Payable	620	16 306 236	21 103 124
including:			
suppliers and contractors	621	3 718 480	10 331 848
payables to the company personnel	622	-	484
amounts due to state off-budgetary funds	623	142	93
tax arrears	624	742 306	903 818
other accounts payable	625	11 845 308	9 866 881
Distributions due to members (founders)	630	1 500 000	2 856 461
Deferred income	640	2	2
Total, Section V	690	35 029 409	33 417 648
BALANCE	700	57 306 216	63 832 801

STATEMENT OF ASSETS RECORDED ON OFF-BALANCE ACCOUNTS			
Leased fixed assets	910	328 389	707 242
including under financial leases	911	327 767	298 552
Commodity stock and supplies in custody	920	7 337	129 635
Goods accepted for commission	930	1 407 418	2 193 735
Bad debts written off as losses	940	3 051	4 091
Security for obligations and payments received	950	821 426	576 156
Security for obligations and payments made	960	10 874 202	4 691 713
Intangibles provided for use	990	169 571	161 874
Materials accepted for processing		7 598 604	3 424 551

First Deputy General Director

Alexander Viktorovich Markin

Chief Accountant

Alexander Vasilievich Lovtsev

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PROFIT AND LOSS STATEMENT
for the period from January 1 to December 31, 2009

		CODES		
		710002		
OKUD Form No. 2		2009	12	31
Date (year, month, day)		8843672		
Entity	Open Foreign Economic Joint Stock Company Techsnabexport	7706039242/997450001		
Taxpayer's Identification Number		51.55.3		
Activity type	intermediary, trading and production	47	12	
Form of legal organization	form of ownership	384		
Open Joint Stock Company				
Measurement unit:	RUR '000			

Item		For the Accounting Period	Same period of the previous year
Name	Code		
1	2	3	4
Operating revenues and expenses			
Net proceeds from sale of goods, products, work, services (net of value added tax, excise and similar mandatory charges)	10	80 317 271	42 205 488
Cost of goods, products, work, services sold	20	(54 243 276)	(24 789 455)
Gross revenues	29	26 073 995	17 416 033
Selling expenses	30	(1 685 580)	(825 184)
Administrative expenses	40	(1 769 455)	(1 913 299)
Sales profit (loss)	50	22 618 960	14 677 550
Other revenues and expenses			
Interest Receivable	60	153 668	128 909
Interest Payable	70	(2 344 020)	(2 595 339)
Income from participation in other entities	80	136 897	133 544
Other Revenues	90	7 603 729	1 355 897
Other expenses	100	(9 707 387)	(6 034 505)
Pre-tax profit (loss)	140	18 461 847	7 666 056
Deferred tax assets	141	(60 344)	(59 259)
Deferred tax liabilities	142	12 445	(9 181)
Current profit tax	150	(3 875 555)	(1 890 860)
Other payments out of profit	180	(17 472)	-
Net profit (loss) of the accounting period	190	14 520 921	5 706 756
FOR INFORMATION:			
Recurring tax liabilities (assets)	200	263 478	139 478

NOTES TO CERTAIN PROFIT AND LOSS ITEMS					
Item		For the Accounting Period		For the same period	
Name	Code	profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties and charges recognized or for which there is a judgment by the court (arbitration tribunal) ordering their recovery	210	198	172	-	34 887
Profit (loss) of past periods	220	2 311	863	1	1 828
Foreign exchange currency differences	240	-	1 080 462	-	4 204 296
Write-off of accounts receivable and payable for which the statute of limitations has expired	260	-	1 138	-	26

First Deputy General Director

Alexander Viktorovich Markin

Chief Accountant

Alexander Vasilievich Lovtsev

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CASH FLOW STATEMENT

for 200 9

Entity JSC TECHSNABEXPORT OKUD Form No. 4
 Taxpayer's Identification Number _____ Date (year, month, day) _____ OKPO Code _____
 Activity type trading and production, intermediary OKVED Code _____
 Form of legal organization/form of ownership OJSC _____
 115184, Russia, Moscow, Ozerkovskaya nab., 28, bldg. 3 OKPO/OKFS Codes _____
 Measurement unit: RUR '000/RUR mln. (delete as appropriate) OKEI Code _____

CODES		
0710004		
2009	12	31
8843672		
7706039242/997450001		
51.55.3, 23.30, 51.55.34, 51.56, 51.51, 51.70		
47	12	
384/385		

Item		For the	Same period of the
Name	Code	Accounting Period	previous year
1	2	3	4
Opening cash balance of the accounting year	010	4 219 541	2 115 223
Operating Cash Flow			
Cash received from purchasers and customers	020	70 086 021	41 997 677
Funds from principals, received	030	39 379 604	41 858 042
Recovery of overpaid taxes, including VAT 0%	031	2 487 760	3 466 246
Proceeds from sale and purchase of currency	032	0	0
Other Revenues	110	1 186 461	1 203 206
Cash used for:			
payment for purchased goods, work, services, raw materials and other working assets	150	(60 315 725)	(29 234 950)
for labor payment	160	(904 721)	(1 018 242)
for payment of dividends and interest	170	(11 998 280)	(5 169 875)
for payment of taxes and charges	180	(3 989 126)	(2 140 643)
for settlements with non-budgetary funds	181	(60 386)	(87 475)
principals' funds	182	(31 646 949)	(39 700 574)
for currency sale and purchase operations	183	(147 132)	(430 192)
miscellaneous expenses	190	(433 148)	(426 420)
<i>Net cash generated from operating activities</i>	200	3 644 379	10 316 800
Investment Cash Flow			
Proceeds from sale of fixed assets and other non-current assets	210	943	662
Proceeds from sale of securities and other financial investments	220	785 598	837 618
Dividends received	230	128 178	136 066
Interest received	240	69 490	106 408
Proceeds from repayment of loans extended to other entities	250	1 062 042	1 278 531
Acquisition of subsidiaries	280	(594 038)	(6 885 275)
Acquisition of fixed assets, income-bearing investments in valuables and intangible assets	290	(164 761)	(161 162)
Acquisition of securities and other financial investments	300	(648 064)	(0)
Loans advanced to third parties	310	(688 766)	(1 064 964)
<i>Net cash from investing activities</i>	340	(49 378)	(5 752 116)
Financial Cash Flow			
Proceeds from issuance of shares and other equity securities	350	0	0
Proceeds from loans and credits advanced by other entities	370	52 025 047	21 114 756

Form 0710004 p.2

1	2	3	4
Repayment of loans and credits (net of interest)	380	(58 158 019)	(23 447 467)
Discharge of financial lease obligations	390	(114 833)	(127 655)
Net cash from financing activities	430	(6 247 805)	(2 460 366)
Net increase (decrease) in cash and cash equivalents	440	(2 652 804)	2 104 318
Closing cash balance of the accounting period	450	1 566 737	4 219 541
Effect of the change of foreign currency to Ruble exchange rate	460	434 225	676 506

First Deputy General Director

Alexander Viktorovich Markin

Chief Accountant

Alexander Vasilievich Lovtsev

Feb. 03, 2010

8.5.2. Auditors' Report on Fair Value Instrument and the Accounting Statements

AUDIT REPORT
on Accounting (Financial) Statements

to Shareholder

of Open Foreign Economic Joint Stock Company Techsnabexport

dated March 01, 2010

Moscow

Nexia Pacioli LLC

Audit Report on 2009 Accounting (Financial) Statements of JSC Techsnabexport

Audited entity	Open Foreign Economic Joint Stock Company Techsnabexport (JSC Techsnabexport)
Registered address	28 Ozerkovskaya naberezhnaya, bldg. 3, Moscow, Russia, 115184
Mailing address	28 Ozerkovskaya naberezhnaya, bldg. 3, Moscow, Russia, 115184

Contact information	Tel./fax (495) 545 00 45
State registration	State Registration Certificate Series 77 No. 007846023 of July 11, 2002 issued by the Moscow Department of the Ministry of Tax and Excise of Russia; Entered into the Unified State Register of Legal Entities, main state registration number 1027700018290.
Auditor	Limited Liability Company Nexia Pacioli (Nexia Pacioli LLC)
Registered address	119180, Moscow, Ul. Malaya Polyanka, 2
Mailing address	119180, Moscow, Ul. Malaya Polyanka, 2
Contact information	tel. (495) 785 94 76, fax: (495) 785 94 61. e-mail: pacioli@pacioli.ru
State registration	Certificate of State Registration No. 856.235 issued by the Moscow Registration Chamber on June 23, 1995; Certificate of State Registration series 77 No. 005390060 issued by Inter-District Inspectorate No. 39 of the Ministry of Tax and Excise of Russia for the city of Moscow on October 22, 2002; Entered into the Unified State Register of Legal Entities, main state registration number 1027739428716.
Membership with self-regulated organization of auditors	Member of the self-regulated organization of auditors – Non-Profit Partnership Institute of Professional Auditors; Entered into the Register of Auditors and Audit Firms of the above self-regulated organization of auditors on October 30, 2009, main state registration number 10202000073
Audit Quality Certificate	No. 172 issued by Non-Profit Partnership Institute of Professional Auditors, valid from September 16, 2008 to September 16, 2011

Nexia Pacioli LLC
Audit Report on 2009 Accounting (Financial) Statements of JSC Techsnabexport

We have audited the attached accounting (financial) statements of **JSC Techsnabexport for the period from January 1 to December 31, 2009**, inclusive. The company's accounting (financial) statements include:

- accounting balance sheet as of December 31, 2009;
- 2009 profit and loss statement;
- exhibits to the accounting balance sheet and profit and loss statement;
- notes.

Pursuant to the Charter the executive body, being the **General Director of JSC Techsnabexport**, is responsible for preparation and filing of the accounting (financial) statements.

Our duty is to conduct the audit and express an opinion on whether these statements are accurate in all material respects.

We have conducted our audit in accordance with:

1. Federal Law On Audit Activities;
2. Federal Rules (Standards) of Audit Activities;

The audit was planned and conducted so that to obtain a reasonable assurance that the accounting (financial) statements do not contain any material misstatements. The audit was conducted on a selective basis and included testing of various evidence supporting the numeric values presented in the accounting (financial) statements and disclosures regarding financial and business activities, assessment of the accounting principles and rules applied in preparation of the accounting (financial) statements for compliance, review of key judgments of the management of the audited entity, and assessment of presentation of the accounting (financial) statements. We believe that the audit provides sufficient grounds for us to express our opinion on the accuracy of the accounting (financial) statements.

Nexia Pacioli LLC

Audit Report on 2009 Accounting (Financial) Statements of JSC Techsnabexport

In our view, the accounting (financial) statements of **JSC Techsnabexport** fairly represent in all material respects the financial position of the company as of **December 31, 2009** and the results of financial and business activities **for the period from January 1 to December 31, 2009**, inclusive, pursuant to the requirements of the laws of the Russian Federation governing preparation of the financial (accounting) statements.

March 01, 2010

O.V. Goryacheva
Executive Officer of Nexia Pacioli LLC

V.I. Ekimovskih
Audit Supervisor
(General Audit Qualification Certificate No. 042346 dated February 28, 2002, issued for an indefinite term

Entered into the Register of Auditors and Audit Firms of NP IPAR on October 30, 2009, main state registration number 20202001648

SEAL

8.5.3. Internal Audit Commission Opinion

Report of the Audit Commission of JSC Techsnabexport

City of Moscow

March 30, 2010

Pursuant to Resolution No. 12 dated June 24, 2009 of JSC Atomenergoprom, the sole shareholder, the following persons were elected to serve on the Audit Commission of JSC Techsnabexport (the "Company"):

Olga Nikolaevna Sarenkova – Deputy Director of the Internal Audit Department of JSC Atomenergoprom (from February 1, 2010 - Director of the Internal Control and Audit Department of JSC Techsnabexport);

Tatiana Sergeevna Milovidova – Chief Expert of the NRC and NFC Coordination Department of JSC Atomenergoprom (from March 2, 2010 on – Deputy Director and Head of Department for Coordination and Development of NFC at State Corporation Rosatom);

Alexei Valentinovich Volzhanin – Director of the Department for Financial Control of Subsidiaries at JSC Techsnabexport.

Exercising its right granted under Clause 4.6 of the Regulation on Audit Commission of JSC Techsnabexport approved by Resolution No. 15 of the sole shareholder of JSC Techsnabexport dated December 22, 2009, member of the audit commission A.V. Volzhanin gave a notice of his resignation effective as of March 12, 2010.

The audit commission of the Company, subject to the powers determined by the Federal Law on Joint Stock Companies, the Company's Charter, the Regulation on the Company's Audit Commission, has reviewed the financial and business activities of the Company for the period from January 01, 2009 to December 31, 2009.

During the period in question the Company's Director General Alexei Antonovich Grigoriev served as the Company' chief executive officer.

The Company's Chief Accountant Alexander Vasilievich Lovtsov was the person responsible for accounting records and financial (accounting) statements.

The Company's financial and business activities in 2009 were reviewed on the basis of a selective method.

As part of the control procedures the commission reviewed the Company's foundation documents, minutes of the Board meetings, resolutions of the sole shareholder, the commission has on a selective basis reviewed agreements, underlying documents, local regulatory acts and other documents within the scope of the audit, and the annual accounting statements of the Company for 2009.

As a result of the audit, and taking into account the auditor report issued by LLC Nexia Pacioli on the accounting (financial) statements of the Company dated March 01, 2010, the Audit Commission confirms the accuracy of the financial (accounting) statements and the results of financial and business activities of the Company for 2009.

Chairman of the Audit Commission O.N. Sarenkova

Member of the Audit Commission T.S. Milovidova

8.6. Commitment and Compliance with the Code of Corporate Conduct

No	Provision of the Code of Corporate Conduct	Compliance Status	Note
General Shareholders Meeting			

№	Provision of the Code of Corporate Conduct	Compliance Status	Note
1	Notice of the general shareholders meeting is given to the shareholders at least 30 days before its date regardless of matters on the agenda, unless the law requires a longer notice period	-	Not applicable (100% of the Company's shares are owned by the sole shareholder)
2	Shareholders are given an opportunity to review the list of persons entitled to participate in the general shareholders meeting from the date of the notice of the general shareholders meeting and until closing of the general shareholders meeting conducted in the form of personal presence, and in the event of a general meeting in the form of ballot voting – until the last day of acceptance of the voting ballots		Not applicable (100% of the Company's shares are owned by the sole shareholder)
3	Shareholders are given an opportunity to review the information (materials) to be disclosed in connection with the preparation for the general shareholders meeting, by electronic telecommunications means, including the Internet	+	
4	Shareholders are given an opportunity to propose a matter to be included in the agenda of the general shareholders meeting or require that a general shareholders meeting be convened without having to submit a share register extract, if the rights of such shareholder are recorded in the share register, and if such shareholder's rights are recorded on the custody account – a custody account statement will be sufficient to exercise such rights	+	
5	The charter or internal regulations of the joint-stock company contain a provision which requires the general director, members of the executive board, members of the board of directors, members of the audit commission and the auditor to attend the general shareholders meeting	-	Not provided for by the Charter
6	Nominees are required to be present at the general shareholders meeting when the shareholders consider election of the board members, general director, members of the executive board, members of the audit commission, and approval of the company's auditor	-	Not provided for by the Charter
7	The internal regulations of the joint-stock company contain procedures governing registration of the participants of the general shareholders meeting	-	Not provided for by the Charter
Board of Directors			
8	The charter of the joint-stock company authorizes the board of directors to approve annually the financial and business plan of the company	+	Clause 13.2(23) of the Charter
9	The company has a risk management system approved by the board of directors	-	

№	Provision of the Code of Corporate Conduct	Compliance Status	Note
10	The charter of the joint-stock company provides for the right of the board of directors to make a decision to suspend the powers of the general director appointed by the general shareholders meeting	+	Clause 13.2(20) of the Charter
11	The charter of the joint-stock company provides for the right of the board of directors to establish requirements for qualification and remuneration of the general director, executive board members, executives of the key business units of the company	-	Not provided for by the Charter
12	The charter of the joint-stock company provides for the right of the board of directors to approve the terms of agreements with the general director and members of the executive board	+	
13	The charter or internal regulations of the joint-stock company contain a provision pursuant to which the votes of the executive directors (board members who serve as the general director and executive board members) are not taken into account for the purposes of approval of the terms of the agreements with the general director (management company, manager)	-	Not provided for by the Charter
14	The board of directors of the joint-stock company includes at least 3 independent directors who meet the requirements of the Code of Corporate Conduct	-	
15	The board of directors of the joint-stock company does not have directors who were earlier convicted of economic crimes or crimes against the state, the public service offenses or crimes against local government service or who were subject to administrative punishments for business related offences or finance, fiscal or securities offences	+	
16	The board of directors of the joint-stock company does not include any directors being members, general directors (managers), members of a management body or employees of a legal entity competing with the joint-stock company	+	
17	The charter of the joint-stock company requires that the board of directors be elected by cumulative voting	-	Not provided for by the Charter
18	The internal regulations of the joint-stock company contain a provision which requires that the board members abstain from any actions which will or may result in a conflict of interest between them and the company, and in the event such conflict arises – to disclose such conflict to the board of directors	-	Not provided for by the Charter

№	Provision of the Code of Corporate Conduct	Compliance Status	Note
19	The internal regulations of the joint-stock company contain a provision which requires that the board members notify the board of directors in writing of their intention to make a transaction with the securities of the company on the board of which they serve or its subsidiaries (affiliates) and to disclose information on their transactions with such securities	-	
20	The internal regulations of the joint-stock company contain a provision which requires that the board meetings be conducted at least once every six weeks	-	
21	The board meetings of the joint-stock company during the year for which the company prepares the annual report must be conducted at least once every six weeks	-	
22	The internal regulations of the joint-stock company contain procedures governing the meetings of the board of directors	-	Regulations on the Board of Directors are being developed
23	The internal regulations of the joint-stock company contain a provision requiring approval by the board of directors of the transactions of the joint-stock company the amount of which represents 10 or more percent of the company's asset value, except for the transactions made in the normal course of business	-	
24	The internal regulations of the joint-stock company contain a provision authorizing the members of the board of directors to receive from the executive bodies and managers of the main business units of the company of information necessary to enable them to fulfill their functions, and a provision which sets forth liability for failure to provide such information	-	Regulations on the Board of Directors are being developed
25	The board of directors has a strategic planning committee or another committee (except the audit committee or personnel and remuneration committee) performs the relevant functions	-	N/A
26	The board of directors has a committee (audit committee) which recommends the auditor to the board of directors and interacts with the auditor and the company's audit commission	-	N/A
27	The audit committees include only independent and non-executive directors	-	N/A
28	The audit committee is managed by an independent director	-	N/A

№	Provision of the Code of Corporate Conduct	Compliance Status	Note
29	The internal regulations of the joint-stock company provides for the right of all members of the audit committee to have access to any documents and information of the joint-stock company subject to their confidentiality undertaking	-	N/A
30	Creation of a board committee (personnel and remuneration committee) whose function is to identify selection criteria for candidates to the board of directors and to develop the remuneration policy of the company	-	N/A
31	The personnel and remuneration committee is managed by an independent director	-	N/A
32	The personnel and remuneration committee does not have any officers of the company serving on it	-	N/A
33	The board of directors has a risk committee or another committee (audit committee or personnel and remuneration committee) which performs the relevant functions	-	N/A
34	The board of directors has a corporate conflict resolution committee or another committee (audit committee or personnel and remuneration committee) which performs the relevant functions	-	N/A
35	The corporate conflict resolution committee does not have any officers of the company serving on it	-	N/A
36	The corporate conflict resolution committee is managed by an independent director	-	N/A
37	The company has internal regulations approved by the board of directors which govern the procedure of formation and operation of the board committee	-	No documents since there are no committees
38	The charter of the joint-stock company sets forth the procedure to determine the quorum of the board of directors which allows to ensure mandatory participation of independent directors in the board meetings	-	

Executive Bodies

39	The joint-stock company has associate collective executive body (executive board)	-	N/A
40	The charter or internal regulations of the joint stock company contain a provision requiring approval by the executive board of the real estate transactions, of obtaining loans by the company, unless such transactions qualify as major transactions and unless they are made in the normal course of business	+	Sub-clause 16 of Clause 13.2 of the Charter (Board approval)
41	The internal regulations of the joint-stock company set forth the procedure of approval of operations which fall beyond the financial and business plan of the joint-stock company	+	
42	The executive bodies of the joint-stock company does not include any members being members, general directors (managers), members of a management body or employees of a legal entity competing with the joint-stock company	+	
43	The executive bodies of the joint-stock company do not have members who were earlier convicted of economic crimes or crimes against the state, the public service offenses or crimes against local government service or who were subject to administrative punishments for business related offences or finance, fiscal or securities offences. If the functions of the sole executive body are performed by an outside management company or a manager, the general director and the executive board members of the management company or the manager must meet the requirements established for the general director and the executive board members of the joint-stock company	+	

44	The charter or internal documents of the joint-stock company contain a provision that prohibits the management company (manager) to perform similar functions in a competing company, or to have any other interests in the joint-stock company other than in the capacity of a management company (manager)	-	
45	The internal regulations of the joint-stock company contain a provision which requires that the executive board members abstain from any actions which will or may result in a conflict of interest between them and the company, and in the event such conflict arises – to disclose such conflict to the board of directors	-	
46	The charter or internal regulations of the joint-stock company establishes the selection criteria of the management company (manager)	-	Not provided for by the Charter, no internal regulations exist
47	Executive bodies of the joint-stock company submit monthly reports to the board of directors	-	
48	The agreements between the joint-stock company and the general director (management company, manager) or the executive board members provide for liability for breach of confidentiality obligations or insider information rules	-	
Corporate Secretary			
49	The joint-stock company has a separate officer (corporate secretary) responsible for ensuring compliance by the bodies and officers of the company with the procedural requirements which guarantee protection of rights and lawful interests of the company's shareholders	+	
50	The charter or internal regulations of the joint-stock company set forth the procedure of appointment (election) of the corporate secretary and the duties of the corporate secretary	+	Clause 13.2(27) of the Charter

51	The charter of the joint-stock company contains requirements which a proposed corporate secretary must meet	-	Not provided for by the Charter
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Material Corporate Actions

52	The charter or internal regulations of the joint-stock company contains a provision which requires a prior approval of a major transaction	-	Not provided by the Charter
53	Mandatory engagement of an independent appraiser to perform valuation of the property subject to a major transaction	-	The Board values the property based on its market value, including on the basis of an independent appraiser report
54	The charter of the joint-stock company prohibits that any actions are taken in connection with acquisition of major equity stakes in the joint-stock company (takeover) aimed at protection of interests of the executive bodies (members of such bodies) and members of the board of directors of the joint-stock company or actions which negatively affect the position of the shareholders as compared to their existing position (in particular, the board of directors may not pass any resolutions before the end of the proposed period of acquisition on issuance of additional shares, on issuance of securities convertible into shares, or securities evidencing the right to purchase the company's shares, even if the board has the relevant powers under the charter)	-	Not provided by the Charter
55	The charter of the joint-stock company contains a provision that requires engagement of an independent appraiser to perform a valuation of the fair market value of the shares and potential change of their fair market value as a result of takeover	-	Not provided by the Charter
56	The charter of the joint-stock company does not contain a provision which releases an acquirer from the duty to offer the shareholders to sell their common shares of the company (securities convertible into common shares) in the event of a takeover	-	Not provided by the Charter
57	The charter or internal regulations of the joint-stock company contain provisions which require engagement of an independent appraiser to determine the share conversion ratio in the event of a reorganization	-	Not provided by the Charter

Disclosure

58	The company has an internal regulation approved by the board of directors which sets forth the company's disclosure rules and guidelines (Disclosure Policy Regulation)	+	
59	The internal regulations of the joint-stock company contain a provision which requires disclosure of information about the purposes of the proposed share placements, persons which are going to acquire the shares to be issued, including major stakes, and whether the senior executives of the joint-stock company are going to acquire the shares.	-	Not provided for by the Disclosure Regulations
60	The internal regulations of the joint-stock company contain a list of information, documents and materials to be provided to the shareholders for the purposes of passing resolutions on matters put for consideration at the general shareholders meeting.	-	
61	The joint-stock company has a web-site where the company regularly discloses information	+	www.tenex.ru
62	The internal regulations of the joint-stock company contain a provision which requires a disclosure by the company of its transactions with the persons who are pursuant to the charter its senior officers and of the transactions with entities in which the company's senior officers directly or indirectly own 20 or more percent of the charter capital or which such officers may otherwise substantially influence	-	Not provided for by the Disclosure Regulations
63	The internal regulations of the joint-stock company contain a provision which requires that the company disclose all price-sensitive information (i.e. information about the transactions which may influence the market price of the company's shares)	-	Not provided for by the Disclosure Regulations
64	The company has an internal regulation approved by the board of directors governing the use of material information about the company's business, shares and other securities of the company and transactions therewith, which is not public and which if disclosed may substantially affect the market price of the shares and other securities of the company	-	

Control over Financial and Business Activities

65	The company has internal control procedures over its financial and business activities approved by the board of directors	+	Internal control functions are performed by the audit commission
66	The company has a special unit responsible for ensuring compliance with the internal control procedures (an internal control and audit service)	+	Control functions are performed by the Audit Commission
67	The company has internal regulations which contain a provision requiring the board of directors to determine the structure and the staff of the internal control and audit service	-	
68	The internal control and audit service does not have members who were earlier convicted of economic crimes or crimes against the state, the public service offenses or crimes against local government service or who were subject to administrative punishments for business related offences or finance, fiscal or securities offences	+	The audit commission does not include such persons
69	The internal control and audit service does not include any members being members of the executive bodies of the company or persons being members, general directors (managers), members of a management body or employees of a legal entity competing with the joint-stock company	+	The audit commission does not include such persons
70	The internal regulations of the joint-stock company provide for the timeline of submission to the internal control and audit service of documents and materials required to assess a financial or a business transaction and for liability of officers and employees of the company for failure to submit the same within the established period	+	All documents are provided within a reasonable period of time or the period established by the Audit Commission.
71	The internal regulations of the joint-stock company provide for the duty of the internal control and audit service to inform the audit committee of the violations identified and if there is not audit committee – the board of directors	+	Clause 9.2 of the Regulation on the Audit Commission

72	The charter of the joint-stock company contains a provision which requires that the internal control and audit service assess whether operations which are not provided for under the financial and business plan of the company (non-conventional operations) are appropriate	-	
73	The internal regulations of the joint-stock company set forth the procedure of approval of a non-conventional operation by the board of directors	-	
74	The company has an internal regulation approved by the board of directors which sets forth the procedure of audits of the financial and business activities by the company's audit commission	+	The regulation is approved by the sole shareholder
75	The audit committee reviews the auditors' report before the same is presented to the shareholders at the general shareholders meeting	-	N/A
Dividends			
76	The company has an internal regulation approved by the board of directors which the board members comply with for the purposes of making recommendation on the size of dividends (Dividend Policy Regulation)	-	None
77	The Dividend Policy Regulation provides for the procedure of determination of the minimum percentage of the net profit of the joint-stock company to be paid as dividends and conditions which if met allow the company not to pay or to pay the dividends on its preferred stock in the amount which is less than the one established in the charter	-	
78	The company publishes information on its dividend policy and amendment thereof in a periodical publication specified in the company's charter as the publication in which the company publishes announcements of its general shareholders meetings, and posts such information on its web-site	-	No publication in the periodicals is provided for

8.7. Glossary

APR	Asia-Pacific Region
SGA	Sales, general and administrative activities
NPIC	Nuclear Power Industry Complex
HEU	Highly-enriched uranium
SWU	Separation work unit
EU	European Union
IT	INFORMATION TECHNOLOGY
S&A	Subsidiaries and Affiliates
KPI	Key Performance Indicators
IAEA	International Atomic Energy Agency
IUEC	JSC International Uranium Enrichment Center
LEU	Low-enriched uranium
JSC Atomenergoprom	JSC Nuclear Power and Industry Complex
JSC EC RGC	JSC Engineering Center Russian Gas Centrifuge
DUF6	Depleted uranium hexafluoride
EUP	Enriched uranium product
NC	LEU's natural component
Rostekhnadzor	Federal Service for Environmental, Technological and Nuclear Control
SSC	Separation and Sublimate complex
RSPP	Russian Union of Industrialists and Entrepreneurs
GRI Guidelines	GRI Sustainability Reporting Guidelines
QMS	Quality management system
HEU-LEU Agreement	Russian-US intergovernmental Agreement On the Use of Highly Enriched Uranium Extracted from Nuclear Weapons dated February 18, 1993
SPAR or RSA	Agreement on Suspending the Antidumping Investigation on Uranium from the Russian Federation (Russian Suspension Agreement)
EMS	Environmental Management System
FA	Fuel rod assembly
FGUP	Federal State-Owned Unitary Enterprise
FSTEK	Russian Federal Customs and Export Control Service
NRS	Nuclear and radiation safety
NFC	Nuclear fuel cycle
GRI	Global Reporting Initiative
TSP	Temporary storage point
JSC UEC	Russian-Kazakh Closed Joint Stock Company Uranium Enrichment Center
FS	Feasibility study

8.8. Use of Standard Elements of Reporting and GRI Performance Indicators

№	GRI Indicator	Name of the Public Annual Report Indicator	Public Annual Report Section	Page
1.	Included in EC1 (main)	Sales proceeds	6.2.2.	27
		Accrued dividends	6.2.4.3.	32
		Investments into fixed assets	7.1.1.3.	50
		Charitable expenses	7.1.3.4.	65
2.	Included in LA2 (main)	Staff differentiation: by age and gender	7.1.3.2.	61,62
3.	EN30 (additional)	Total expenses relating to environment and responsible use of natural resources	7.1.3.4.	66
4.	Included in LA2 (additional)	Average staff count	7.1.3.1.	61
5.	Included in LA2 (main)	Personnel turnover rate	7.1.3.5.	69
6.	Included in EC3 (main)	Securing company's obligations relating to pension plan	7.1.3.5.	68
7.	LA7 (main)	No. of sick man-days per employee	7.1.3.5.	69
8.	LA10 (main)	No. of training hours per employee	7.1.3.5.	68

8.9. Feedback Questionnaire

FEEDBACK: YOUR OPINION IS IMPORTANT TO US

You have reviewed the Annual Report of JSC Technabexport for 2009. Your opinion about it is important to the Company and we would appreciate if you help us improve the quality of our statements by answering the questions below.

Please send the completed form by fax to: +7 (495) 951-1790 (953-0820) or by mail: Russia 115184, Moscow, Ozerkovskaya nab., 28, bldg. 3 JSC Technabexport with a note 2009 ANNUAL REPORT

You can also send this form by e-mail to: tenex@tenex.ru

1. Have you learned anything new about the Company from this report?

Yes No

Is yes, what exactly?

2. How do you score the report:

5 – “excellent”,
4 – “good”,
3 – “satisfactory”,
2 – “unsatisfactory”

credibility of the data and information provided

5 4 3 2

convenience of search of necessary information

5 4 3 2

design and structure

5 4 3 2

style of presentation

5 4 3 2

3. What section of the report did you find the most interesting?

4. Name a fact/event that you remembered best of all after reading the report?

5. What other information would you like to see in the next annual report of JSC Technabexport?

6. Your comments:

7. What group do you represent:

- Customer
- Vendor/contractor
- Competitor
- Representative of federal governmental authorities
- Representative of local governmental authorities
- Employee of the company
- Representative of a public association
- Member of the press
- Other (please specify)

Thank you very much

8.10. International and Russian Standards (Recommendations) Used in Preparation of the Report

The following standards and recommendations have been used while preparing the Annual Report:

- Regulation on Additional Requirements to Preparation for, Convening and Holding of, the General Meeting of Shareholders (approved by Decree of the Federal Commission for the Securities Market No.17/ps dated May 31, 2002)
- Code of Conduct (recommended by Decree of the Federal Commission for the Securities Market No. 421/r dated April 4, 2002)
- Order of the Federal Service for Financial Markets No. 06-117/pz-n On Approval of the Regulation on Disclosure of Information by Issuers of Securities
- Key performance indicators (as recommended by the Russian Union of Industrialists and Entrepreneurs with regard to nonfinancial reporting)
- GRI (Global Reporting Initiative) Sustainability Reporting Guidelines (Version 3)
- International Standard on Assurance Engagements (ISAE) 3000 approved by the International Auditing and Assurance Standards Board (IAASB).

8.11. Stakeholder Testimonials



МЦОУ

Международный центр
по обогащению урана

Комментарии генерального
директора ОАО «МЦОУ» к
годовому отчету ОАО
«Техснабэкспорт»

21.05.2010 № 156/10

На _____ от _____

JSC IUEC General Director Comments to JSC Technabexport Annual Report

Having read JSC Technabexport annual public report which includes the results of JSC IUEC operations, I would like to comment as follows.

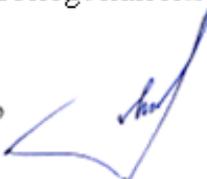
In my opinion, the report is an integral and consistent document which provides a comprehensive and reasonably detailed picture of various aspects of the Company's and its subsidiaries' and affiliates' activities in 2009, and of their future prospects.

On this occasion, I would like to underline the particular role JSC Technabexport played in formation and promotion of the International Uranium Enrichment Center. The IUEC Project is unique and unprecedented both in this country and abroad and it was created virtually from scratch. Only the extensive experience of the Company's staff, their deep knowledge of the nuclear energy sector and the nuclear fuel cycle made it possible to find the right solutions and create JSC IUEC within such short period of time.

In close cooperation with the Company the Center obtained and developed all documents and licenses required for its operations.

Even now that JSC IUEC has become a separate business entity, in its day-to-day operations it still uses the Company's services, such as financial structuring, logistics, IAEA negotiations and official events management.

Генеральный директор



А.Е. Лебедев

ОАО «МЦОУ»
Открытое акционерное общество
«Международный центр по обогащению урана»

Россия, 115184, Москва, Озеровская набережная, 28 строение 3
Телефон +7 (495) 544-45-73
Факс +7 (495) 544-45-85



May 17, 2010

Mr. Valeri N. Govorukhin
Deputy General Director
JSC "Techsnabexport"
28 bld.3 Ozerkovskaya nab.
Moscow, 115184, Russia

Dear Mr. Govorukhin:

I was impressed to read the Russian version of TENEX's CY2009 Annual Report that makes public a wide range of formerly secret information about the production, financial and legal issues faced by TENEX during the year.

This is a great step in providing transparent information about TENEX to the world market. I especially appreciated TENEX's positive description of the cooperation between our companies on the implementation of the U.S. - Russian intergovernmental HEU-LEU program.

I wish TENEX every success in this endeavor, which I am certain will be welcomed by all the leading world nuclear industry companies.

Best regards,

A handwritten signature in black ink, appearing to read 'Pavel A. Kroupnik', is written over a light blue horizontal line.

Pavel A. Kroupnik
Director, International Programs

USEC Inc.
6903 Rockledge Drive, Bethesda, MD 20817-1818
Telephone 301-564-3200 Fax 301-564-3201 <http://www.usec.com>



22/25 Bolshoi Strochenovskiy pereulok, Moscow, 113054 Russia
Tel: (495)735-4832; Fax (495)735-48444; e-mail: A.Sinev@relcom.ru

Ref: 422.16/R

Moscow, May 17, 2010

Comments to JSC Technabexport Annual Report

In line with other nuclear energy market participants, NAC International welcomes integration of the Russian nuclear industry into the international system of economic relations built on the basis of multi-year traditions and rules. Our company is happy to see another proof that one of the major nuclear market players – Russian JSC Technabexport – is an active part of this process. And indeed, the 2009 report of the Company (also known as TENEX in the Western countries) which has been provided to us is such proof.

From 2009 on, TENEX participates in the project for creation and promotion of public reporting launched by State Corporation Rosatom to increase the investor attractiveness and public and environmental sustainability of the Russian nuclear power sector companies. The 2009 public report is the second report under this project and we are happy to note that the quality of the company's operations' presentation improves year after year. The report is an integral piece which provides a comprehensive and reasonably detailed picture of various aspects of the Company's and its subsidiaries' and affiliates' activities in 2009, and of their future prospects. It is easy-to-use and is a valuable complement to other information posted on TENEX site.

As one of our fields of expertise is provision of consulting services to the nuclear market participants, we were interested in the section of the TENEX report related to analysis of risks material to the Company and the risk management. In our opinion, the profound research and the detailed presentation of this topic in the Report confirm TENEX management's focus on risk management and minimization. We were impressed not only by the valuation of purely commercial and macroeconomic risks which affect any business, but also by the political risk factors analysis set forth in the Report and the administrative trade restrictions relating thereto which are typical long-term risks for politically susceptible activities.

We would like to wish TENEX, our long-standing partner and colleague, future success both in mastering the art of public relations and in all other activities.

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