

Federal Grid Company announces its IFRS results for H1 2009

February 4th, 2010, Moscow, Russia. Federal Grid Company of Unified Energy System (Federal Grid Company or FSK, ticker: FEES) today announces its IFRS results for the first six months of 2009 ended on June 30th, 2009, reviewed by auditors.

Combined and Consolidated Balance Sheet

As of June 30th, 2009, the Group assets totaled RUR 739,836 mln compared to RUR 697,741 mln as of June 30th, 2008.

As of June 30th, 2009, the Group's PP&E totaled RUR 498,792 mln – a 6.7% increase compared to RUR 467,349 mln as of June 30th, 2008. The PP&E figure is following revaluation.

Current assets totaled RUR 125,650 mln as of June 30th, 2009, having increased by RUR 12,823 mln (11%) from the same period in the previous year. The primary reason for this growth is increased cash and cash equivalents, the sum of which stood at RUR 37,976 mln as of June 30th, 2009.

Group liabilities totaled RUR 127,252 mln as of June 30th, 2009, having increased by RUR 21,574 mln (20%). This increase can primarily be attributed to a growth in short-term liabilities, which was augmented by the RUR 32,296 mln item "Accounts payable to shareholders." This item reflects funds obtained through an additional share issue, which the Company began in January 2009, but was not completed as of June 30th, 2009. These liabilities are reflected in accounts payable until the respective amendments will be made in FSK's charter.

Combined and Consolidated Profit and Loss Statement

The Group's operating income totaled RUR 5,429 mln as of June 30th, 2009 against RUR 5,231 mln for the same period of 2008.

The Group revenue reached RUR 42,247 mln during the reported period, a 26% increase compared with the same period in the previous year. Of the Group's total revenue for the first six months of 2009, 94% came from electricity transmission, while other sources of revenue include: electricity sales, equipment installation and the grid repair and maintenance services.

Available-for-sale Investments

The drop in market price for shares of the subsidiaries, due to the financial crisis, led to depreciation in the Group's available-for-sale investments, reflected in the 2008 reports. A partial reversal of the loss, as a result of higher quotation prices during the six months ended June 30th, 2009, is reflected in other comprehensive income in the amount of RUR 13,478 mln.

As of June 30th, 2009, the Group's net income totaled RUR 7,930 mln against RUR 3,014 mln received during the same period in the previous year.

H1 2009 combined and consolidated IFRS statements for the Group are published on the Company's web site in the section "Financial performance/IFRS Financial Reports" and can be accessed at http://www.fsk-ees.ru/eng/investor_finance_ifrs.html.

About Federal Grid Company

Federal Grid Company ("FGC" or the "Company") is the owner and operator of the Russian national high-voltage power transmission network. With over 118,000 km of transmission lines and over 296 GVA of installed transformer capacity, it is the largest publicly traded electricity transmission company in the world.

Federal Grid Company's business is to provide energy transmission services to the Russian energy market. It maintains and develops grid facilities and infrastructure in the 73 regions of Russia in which it

operates. The Company operates in an exclusive, competition free environment, and is regulated by the Government of the Russian Federation.

The Company's revenue is mainly driven by the transmission tariff set by the Regulator. From 1 January 2010 a new RAB (Regulatory Asset Base) tariff framework, designed to stimulate investment and operating efficiency, will be introduced. After the introductory three year period (2010-2012) the RAB tariff will be reviewed every five years.

Federal Grid Company's operating profit for the 2008 Financial Year was RUR 10,035 million, compared to RUR 4,549 million in 2007, under IFRS. The Group revenue for the reporting period increased 16% on the prior year to RUR 70,807.

The Company was incorporated in June 2002 as a result of reorganization of Russia's electrical power industry. The Russian government is the largest shareholder with a 79.1% stake. The remaining 20.9% of the company's shares are publicly traded in Russia and internationally in the form of GDRs. FGC's common shares are included on the RTS and MICEX Stock Exchanges under the ticker FEES. The company is included in the MSCI Emerging Markets and MSCI Russia indices.

Further information can be found at www.fsk-ees.ru/eng