

## **JSC FGC UES prepared financial statements for the 1<sup>st</sup> quarter of 2009 under the Russian Accounting Standards**

On May 5<sup>th</sup>, 2009, Moscow – Open joint-stock company “Federal Grid Company of the Unified Energy System” (JSC FGC UES: FEES) prepared financial statements for the 1<sup>st</sup> quarter of 2009 under the Russian Accounting Standards (RAS).

These financial statements do not consider accounting definition of JSC FGC UES subsidiaries, which conduct their business as separate legal entities. Financial performance of the subsidiaries is included in the annual consolidated financial statements to be made under the International Financial Reporting Standards.

### ***Profit and loss statement for the 1<sup>st</sup> quarter of 2009.***

Within the 1<sup>st</sup> quarter of 2009 JSC FGC UES income has increased by 3.6 bln rubles (22%) as compared to the analogous preceding year period, and comprised 20.3 bln rubles, this increase occurred due to growth in the electric energy transmission tariff by 20.7% (the approved 2009 tariff has comprised 58 159 rub./MW by contrast to 2008 tariff approved in the amount of 48 170 rub./MW).

Within the 1<sup>st</sup> quarter of 2009 the production cost has increased by 8% up to 13.7 bln rubles to be compared with the 1<sup>st</sup> quarter of 2008, which is generally resulted from growth in expenditure incidental to rendering electric energy transmission services on the Unified National (All-Russia) Electric Grid (UNEG).

Within the 1<sup>st</sup> quarter of 2009 the net profit following activity results has increased twofold up to 4.1 bln rubles as compared to the analogous preceding year period.

### ***Accounting balance-sheet as of March 31, 2009.***

The major changes within reporting period have occurred in “Short-term liabilities” and “Circulating assets” items of the accounting balance-sheet.

Within the 1<sup>st</sup> quarter of 2009 the short-term liabilities have increased by 79% (31 bln rubles) up to 70.3 bln rubles. Commencing January 01 to March 31, 2009 the circulating assets have enlarged by 14% (30 bln rubles) up to 242.1 bln rubles.

At the 1<sup>st</sup> quarter of 2009 end the short-term loans and credits of JSC FGC UES have decreased by 34% up to 10.6 bln rubles owing to repayment of Alfa-bank credit.

Since the beginning of the year accounts payable have increased by 36.6 bln rubles (by 162%) and comprised 59.3 bln rubles at the 1<sup>st</sup> quarter of 2009 end, growth has mainly occurred in “Debt to other creditors” item, the amount of additional issue has been referred to this item on the liabilities side, and the additional issue has been reflected in circulating assets on the assets side.

### **JSC FGC UES profile**

Open joint-stock company “Federal Grid Company of the Unified Energy System” (JSC FGC UES: FEES) was incorporated in accordance with the program designed for restructuring in the electric power industry to be monopolistic operator managing the Unified National (All-Russia) Electric Grid (UNEG) aimed at its maintenance and development. The Company was established on June 25<sup>th</sup>, 2002.

The electric grid facilities pertaining to FGC are situated in 73 regions of the Russian Federation with more than 13.6 mio sq. km in area. The Company maintains 120 thous. km of transmission lines and 757 substations with the aggregate transformer capacity of above 310 thous. MVA, 110-1150 kV.

Pursuant to the Articles of association FGC UES authorized capital comprises 576 757 098 181 rub., it is divided into 1 153 514 196 362 ordinary shares with a par value of 50 kopecks each. The Company's major shareholder is the government including ownership ratio of 77.7%. 22.3% of the Company placed shares are at free-trading.

On October 30, 2008 the decision to increase JSC FGC UES authorized capital through placing the additional registered ordinary shares in amount of 146 500 000 000 (one hundred forty-six billion five hundred million) shares with a par value of 50 (fifty) kopecks each totaling 73 250 000 000 (seventy-three billion two hundred fifty million) rubles. Placement of shares from the additional issue has started in January 2009. Expiration date of shares placing is July 27, 2009. Shares are placed through public subscription.

According to the Russian Accounting Standards the Company's gross proceeds within 2008 comprised 68.5 bln rub., net profit – 4.5 bln.rub.

According to the Russian Accounting Standards the Company's gross proceeds within the 1<sup>st</sup> quarter of 2009 comprised 20.3 bln rub., net profit – 4.1 bln.rub.

Trading of JSC FGC UES ordinary shares is performed in quotation lists "B" at RTS including FEES exchange code at the classical market, and FEESG exchange code at the stock exchange market, as well as at MICEX with FEES exchange code.

JSC FGC UES web-site [www.fsk-ees.ru](http://www.fsk-ees.ru)

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