

H1 2009 Results of JSC FGC UES according to RAS

14 August 2009, Moscow - Open Joint Stock Company Federal Grid Company of Unified Energy System (further "JSC FGC UES" or "the Company"; ticker FEES) is pleased to announce its H1 2009 results, according to Russian Accounting Standards (RAS).

These results do not reflect performance of JSC FGC UES subsidiaries and affiliated companies, which are conducting their business activity as independent legal entities. Results of JSC FGC UES subsidiaries and affiliated companies will be incorporated in the consolidated H1 2009 IFRS results of the Company.

P&L Report of H1 2009

Gross Revenue of JSC FGC UES in H1 2009 grew by 7.7bn roubles or 22.8% compared to H1 2008, amounting to 41.2bn roubles. This was mainly due to the electricity transmission tariffs growth by 20.7%, with an average monthly tariff of 58,159.01 roubles/MW, compared to 48,170.26 roubles/MW in H1 2008.

Operating expenses grew by 8%, accounting for 29.7bn roubles in H1 2009, compared to the same period of 2008, as a result of growing DD&A costs and maintenance cost of the Unified National Electric Grid of Russia (UNEG) due to increase of operational capacities under vast investment programme implementation. It is worth noting, that JSC FGC UES is implementing a tighter cost control programme, which already resulted in considerable cost savings and optimization.

Operating profit in H1 2009 grew by 4.8bn roubles, compared to the same period last year. This is due to increase of investment component in electricity transmission tariff in 2009 as well as due to implementation of cost control programme.

Balance sheet as of 30 June 2009

Total assets of JSC FGC UES grew by 39bn roubles in H1 2009 and accounted for 769.8bn roubles at the end of the reporting period. As of 30 June 2009 total assets included 536.4bn roubles of non-current assets, which grew by 17.9bn roubles or 3.5% for the period; and current assets of 233.5bn roubles, which increased by 21bn roubles or 10%, compared to the beginning of 2009.

Overall, growth in total assets resulted from implementation of the investment programme.

Net income was distributed in accordance with the decision of JSC FGC UES Annual General Shareholders Meeting as of 30 June 2009. It was decided to put 233.3mln roubles into the reserve fund and assign 4,242mln roubles for the purposes of development.

Long-term liabilities of JSC FGC UES decreased by 11.7bn roubles or 63% from 18.5bn roubles at the beginning of 2009 to 6.8bn roubles on 30 June 2009. This is due to repayment of the loan from EBRD and reclassification of serious 02 bonds into the short-term debt.

Short-term debt increased by 42bn roubles and more than doubled, from 39bn roubles at the beginning of 2009 to 81bn roubles on 30 June 2009. At the same time, the current debt and borrowings decreased from 16.2bn roubles at the beginning of 2009 to 12.6bn roubles by the end of the reporting period, following repayment to Alfa Bank. The Company's accounts payable increased by 45.6bn roubles mainly as a result of liabilities to shareholders, following an additional share issue; it will remain as such until the necessary amendments are made to JSC FGC UES Articles of Association. When such amendments are made, additional share issue figures will be reflected in Equity section of the balance sheet.

Notes to Editors

Open Joint Stock Company Federal Grid Company of Unified Energy System (further "JSC FGC UES" or "the Company"; ticker FEES) was formed under the reform of electrical power industry in Russia. JSC FGC UES became the sole operator of the Unified National Electric Grid of Russia (UNEG) for the purposes of its maintenance and development. The Company was incorporated on 25 June 2002

The power grid facilities owned by JSC FGC UES stretches across 73 regions of the Russian Federation, covering a territory of more than 13.6 million square kilometres.

The Company manages 118,000 electricity transmission lines and 759 substations with a total transformer capacity of more than 296,000 MVA and a voltage of 35-1150kV.

According to the Articles of Association JSC FGC UES has share capital of 576,757,098,181 roubles comprised of 1,153,514,196,362 common shares of 0.5 roubles each. At present, the Company is in the

process of offering an additional share issue of 146,500,000,000 shares of 0.5 roubles each; the official registration number of newly issued share is 1-01-65018-D-101D. The Russian government owns 78.83% of the shares and is the largest shareholder, 21.17% of the publicly listed shares are owned by minority shareholders.

The offering of additional shares started in January 2009 and should be concluded on 2 October 2009. Shares are placed via an open subscription.

Gross Revenue of JSC FGC UES in H1 2009, according to Russian Accounting Standards (RAS), amounted to 41.2bn roubles and with net income of 8.7bn roubles.

Common shares of JSC FGC UES are included in the quoting list B on the RTS and are traded under the ticker FEES on the RTS Classic market and under the ticker FEESG on the RTS T+O Market. Common shares of the Company are also traded on the MICEX Stock exchange under the ticker FEES.

JSC FGC UES website is www.fsk-ees.ru/eng

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