

**AUDITED RESULTS OF
JSC FEDERAL GRID COMPANY UES
FOR THE YEAR ENDED 31 DECEMBER 2008**

Moscow, November 26, 2009 – JSC Federal Grid Company UES (“FGC” or the “Group”) today announces its IFRS results for the year ended 31 December 2008.

Combined and Consolidated Balance Sheet

FGC’s total assets as at 31 December 2008 were RUR 697,741 million compared to RUR 424,925 million as at 31 December 2007.

Fixed assets amounted to RUR 467,349 million, up 27% from year end 2007. This increase was primarily due to incomplete construction projects, including an increase in advance payments of approx RUR 43,018 million. The Group’s short and long term promissory notes have increased by a combined RUR 105,097 million compared to the prior year as a result of the merger with RAO UES.

Total liabilities of the Group as at December 31st 2008 were RUR 105,678 million, down 25% on the prior year. This decrease was primarily due to discharging obligations arising from the additional share issue in favour of RAO UES. This balance was reflected as a creditor until FGC regulations were changed.

Total equity as at 31 December 2008 amounted to RUR 592,063 million, an increase of 109% on the prior year. The Group’s share capital increased as a result of a number of additional share issues in favour of RAO UES as well as the conversion of outstanding ordinary and preference shares of 54 transmission companies, 7 interregional transmission companies, JSC “State Holding”, JSC “Minority Holding of FGC UES” and RAO UES in connection with the merger of these entities.

Combined and Consolidated Income Statement

Operating Profit for the 2008 Financial Year was RUR 10,035 million, compared to RUR 4,549 million in 2007.

The Group revenue for the reporting period increased 16% on the prior year to RUR 70,807. The transmission fee accounts for approximately 94% of the FY2008 revenue, while electricity sales, income from equipment installation, and the grid repair and maintenance services also contributed.

The Group made a loss before tax of RUR 35,080 million, compared to a prior year profit before tax of RUR 4,549 million.

Impairment of Available-for-sale Investments

On July 1st 2008, as a result of the RAO UES reorganization, FGC acquired significant equity stakes in JSC “WGC-1”, JSC “TGC-6”, JSC “RusHydro”, JSC “TGC-3”, JSC “Bashkirenergo”, JSC “WGC-6”, JSC “MRSK Holding”, JSC “TGC-12”, JSC “WGC-4”, JSC “Inter RAO UES”, JSC “WGC-3”, JSC “TJC-1”, JSC “WGC-2”, JSC “TGC-9”, JSC “TGC-10”, JSC “Russian communal systems” and JSC “TGC-8”. At the time of consolidation JSC “TGC-6”, JSC “TGC-7” and JSC “TGC-11” were in the process of being sold, however due to challenging market conditions these sales were not complete. As at 31 December 2008 the Group considered these

investments as directly held by the Company.

As a result of the global financial crisis the decline in the quoted share prices of affiliate companies led to impairment charge of RUR 45, 107 million against the Group's assets.

The net loss for the Financial Year 2008 amounted to RUR 23,837 million compared to net profit of RUR 1,612 million for FY2007.

Cash Flow from Operating and Financing Activities

Net cash generated by operating activities of the Group amounted to RUR 20,319 in FY2008.

Net cash generated by financing activities amounted to RUR 90,515 million. In addition to proceeds from issuance of shares, this is a result of cash received on behalf of RAO UES following its reorganization.

The Group's Combined and Consolidated Financial Statements prepared in accordance with IFRS for the year ended 31 December 2008 can be found on the corporate website of JSC Federal Grid Company UES at www.fsk-ees.ru/eng.

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