

## Federal Grid Company Announces Q1 2015 RAS Financial Results

**Moscow, 29 April 2015** - Federal Grid Company of Unified Energy System ("Federal Grid Company" or "the Company"; Moscow Exchange, LSE: FEES), the owner and operator of the Unified National Electricity Grid ("UNEG"), announces its financial results for Q1 2015 under Russian Accounting Standards (RAS).

The Company's RAS statements do not consolidate the results of Federal Grid Company's subsidiaries or affiliated companies that operate as independent legal entities.

### Key financial highlights

- Revenue – RUB 39,868 mln.
- Cost of sales and management expenses – RUB 33,862 mln.
- Sales profit – RUB 6,006 mln.
- Net profit – RUB 862 mln.
- Adjusted EBITDA\* – RUB 27,606 mln.

*\* excluding accruals of allowance for doubtful debtors*

Federal Grid Company's performance indicators for Q1 2015 show the fact that the work is underway to enhance the Company's efficiency in the conditions of tariff growth restriction and upon the slowdown in economic activity.

Federal Grid Company's revenue for 1Q 2015 decreased slightly year-on-year by 4% and amounted to RUB 39,868 mln. which is explained by the decrease in revenue from the connection services to the UNEG characterized by non-scheduled frequency and regulated by the timeline for delivery of services under the contracts.

For 1Q 2015 Federal Grid Company continued to implement the cost cutting program undertaken in 2014. As a result the quarterly cost of sales and management expenses were reduced by 2.8 % against for 1Q 2014. The decrease, gained despite the growth of the operated assets due to implementation of the Company's investment program, compensated the indicated revenue decrease.

Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) increased by RUB 84 mln (+0.3%) year-on-year and amounted to RUB 27,606 mln.

In its RAS financial statements for Q1 2015, Federal Grid Company reported the profit in the amount of RUB 862 mln. Adjusted net profit of Federal Grid generated by cash flows (with adjustment for provision charges/recovery of provisions for doubtful debts) reached RUB 1,715 mln for 1Q 2015.

### Balance Sheet as of March 31, 2015

Federal Grid Company's total assets for the 1<sup>st</sup> quarter of 2015 preserved almost the same level as at the beginning of 2015 and showed the insignificant decrease amounted only to RUB 8,880 mln (0.72%) and totalled RUB 1,222,337 mln at the end of the reporting period. Non-current assets amounted to RUB 1,106,330 mln, and current assets amounted to RUB 116,007 mln.

Federal Grid Company's equity increased by RUB 862 mln (0.1 %) in the period under review, which is attributable to the recognition of generated profits.

The amount of Federal Grid Company's credits and loans (excluding the interest accrued) for 1Q 2015 remained the same and totalled RUB 257,771 mln.

*Federal Grid Company's financial statements for 1Q 2015 under RAS are available on the Company's website in the Financial Disclosure/RAS Financial Reports section at the link:*  
[http://www.fsk-ees.ru/eng/investors/financial\\_disclosure/ras\\_financial\\_reports/](http://www.fsk-ees.ru/eng/investors/financial_disclosure/ras_financial_reports/)

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**Company's profile**

Federal Grid Company that forms a part of Russian Grids JSC Group of companies is the operator of the Unified National Electricity Grid of Russia. The Company manages 138.8 th. km of power lines and has a total transforming capacity of more than 332.1 th. MVA.

The Company is engaged in electric power transmission and provides technological connection services. The Company is the operator of the Unified National Electricity Grid (UNEG) and it is also engaged in technical supervision over grid facilities and infrastructure in 77 regions of the Russian Federation with a total area of more than 15.09 mln sq.km. Clients of Federal Grid Company are regional distributing grid companies, energy suppliers and large industrial corporations. The largest shareholder with a share of 80.13% is Russian Grids JSC.

Federal Grid Company was incorporated in June 2002 as part of the reform of the Russian energy sector.

Ordinary shares of Federal Grid Company are included in the MICEX quotation list under FEES ticker; Company's GDRs are quoted at the London Stock Exchange under the same ticker.