

Federal Grid Company announces its RAS results for FY2009

April 20th, 2010, Moscow –Federal Grid Company of Unified Energy System (Federal Grid Company or FSK, ticker: FEES) today announces its FY2009 results in accordance with Russian Accounting Standards (RAS).

In the above-mentioned report, the accounting results of Federal Grid Company' subsidiaries and dependent companies (SDCs), which carry out their activities as independent legal entities, are not considered. The financial indicators of the Company's SDCs will be considered and included in 2009 consolidated IFRS reports.

2009 profit and loss statement

Federal Grid Company' 2009 sales increased RUR 16.6 bn (24%) and totaled RUR 85 bln. This increase can be explained by the 20.7% tariff increase for electric power transmission compared with the previous year (the 2009 average monthly tariff was 58,159 RUR/MW compared with 48,170 RUR/MW in 2008). The Company's 2009 sales were also positively impacted by growth in technological connection services.

The structure of 2009 expenses compared with 2008 costs has not experienced significant changes; the 2009 cost increase of 8.7% to RUR 64 bn was primarily caused by higher expenses resulting from the introduction of new grid facilities.

As a result of its operating activities, Federal Grid Company earned RUR 15.9 bln profit from sales in 2009, which represents a threefold (+ RUR 10.7 bn) increase compared with 2008.

As of December 31st, 2009, the Company's balance sheet included financial investments in shares, which were received as a result of RAO UES of Russia reorganization at their price as of the date of re-organization (June 30th, 2008). The given shares were traded on stock exchanges during 2008-2009, and according to RAS principles, these shares should be considered in the accounting report at current market prices. In 2008, a decision was made not to estimate these shares for the period from July 1st, 2008 till December 31st, 2008, due to the fact that this estimate would not accurately reflect the Company's property and financial results for that period in time. In 2009, the estimation of shares to current market price was done and reflected as a portion of the Company's financial activity results, which accounted for the Company's losses.

In 2009, due to the introduction of new accounting policies by the Company, the order for charging provisions for doubtful debts was also changed.

In connection with the above-mentioned facts, Federal Grid Company' net loss – in the amount of RUR 59.9 bn – was reflected in the Company's 2009 report.

Balance sheet as of December 31st, 2009

During 2009, Federal Grid Company' total assets decreased RUR 36 bn, and as of the end of 2009 stood at RUR 660.5 bn. These assets included: non-current assets (RUR 437.9 bn, which decreased RUR 80.6 bn (a 15.5% drop) and current assets (RUR 222.6 bn – a RUR 44 bn increase (25%) compared with the beginning of the reporting year).

Asset depreciation is primarily connected with carrying out revaluation of the current market price of quoted shares, which were received as a result of RAO UES of Russia re-organization, which are reflected in the Company's financial investments and were

included in Federal Grid Company' balance at their price as of the date of re-organization (June 30th, 2008).

Federal Grid Company' borrowings and bank loans decreased RUR 20.7 bn (60%) and stood at RUR 13.5 bn as of the end of 2009. This decrease is the result of the repayment of loans to Alfa-Bank and the European Bank for Reconstruction and Development, as well as to the repayment of its own bond issue.

During the reporting period, the Company's accounts payable increased RUR 43.2 bn., due to funds received from shareholders for the additional share issue, which was registered March 11th, 2010.

FY2009 RAS statements are published on the Company's web site in the section "Investors / Financial Performance / RAS Financial Reports " and can be accessed at http://www.fsk-ees.ru/eng/investor_finance_ras.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, was introduced. After the introductory three year period (2010-2012) the RAB tariff will be reviewed every five years.

The Company was incorporated in June 2002 as a result of reorganization of Russia's electrical power industry. According to its Charter, FGC' share capital is RUR 616,780,666,776, which is made up of 1,233,561,333,552 ordinary shares with a nominal (par) value of 50 kopecks per share. 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. Federal Grid Company'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

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