



Federal Grid Company holds AGM for 2015 financial year

On 29 June 2016, Federal Grid Company of United Energy System (Federal Grid Company, part of PJSC ROSSETI Group of Companies) held its annual general meeting of shareholders (AGM). The AGM elected a new Board of Directors and Audit Commission of the Company, approved new editions of the Articles of Association and Regulation on the Board of Directors, the Annual Report and annual accounting (financial) statements, and approved the Company's auditor. The AGM also resolved to distribute profit for 2015 as RUB 0.0133185 per ordinary share of Federal Grid Company (or RUB 6.65925 per GDR), making a total dividend of RUB 16,976,630 thousand.

In accordance with Article 58 of the Federal Law of Russian Federation on Joint-Stock Companies, the AGM was not authorised to consider two items on the agenda due to the lack of a quorum. The items were:

- To approve liability insurance for members of the Board of Directors of PJSC Federal Grid Company (a related-party transaction);
- To approve related-party transactions that Federal Grid Company may enter into in the usual course of its business in future.

The AGM was attended by members of the Board of Directors of Federal Grid Company elected in 2015: Oleg Budargin, CEO of PJSC ROSSETI; Andrey Murov, Chairman of the Management Board of Federal Grid Company; Boris Kovalchuk, Chairman of the Management Board of PJSC Inter RAO; Andrey Dyomin, member of the Management Board of PJSC ROSSETI; Mikhail Kolesnikov, CEO of LLC Oldam.

Andrey Murov, Chairman of the Management Board of PJSC Federal Grid Company, said: "In 2015 we grew our key operational indicators and reported an increased net profit, which formed the basis for record dividend payments by the company.

"Management remained focused on balancing different interests, limiting tariff increases for electricity transmission across the backbone transmission grids and reducing costs for primary consumers, while simultaneously growing resources for effective implementation of the Company's investment and maintenance plans and meeting shareholder expectations.

"In 2015 we commissioned more than 7.5 GVA of transformer capacity and more than 1.1 thousand km of transmission lines. We also connected 8.2 GW of consumers and generating facilities.

"The Company completed work on connecting the Vostochny space launching site to the grid with the commissioning of the 500 kV Kurgan-Vityaz-Voskhod line; unified the Urals district electricity grids; connected major consumers in the oil and gas sector; and added capacity at the Rostovsky and Berezovsky plants and other generating facilities."

The new Board of Directors comprises: Oleg Budargin, Andrey Murov, Igor Kamenskoy, Ernesto Ferlenghi, Pavel Grachev, Nikolay Roshchenko, Sergey Mironesetsky, Pavel Snikkars, Egor Prokhorov, Andrey Dyomin and Sergey Sergeyev.

The following were elected to the Audit Commission: Tatyana Zobkova, Ilya Karpov, Nikolay Pronin, Igor Shmakov and Vladimir Khvorov.

LLC "RSM RUS" was approved as the Company's auditor.

During the previous corporate year the Board of Directors held 59 meetings, which considered a total of 751 agenda items.

With the best practice of corporate governance the AGM was webcast on the Federal Grid Company site for shareholders who were unable to be physically present.

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Company profile

Federal Grid Company that forms a part of ROSSETI PJSC Group of companies is the operator of the Unified National Electricity Grid of Russia. The Company manages 139.1 th. km of power lines and has a total transforming capacity of more than 334.5 GVA.

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 ROSSETI PJSC.

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

In 2015 the Company's IFRS consolidated revenue was RUB 187.0 billion, while adjusted EBITDA was RUB 109.7 billion, and profit for the period was RUB 44.1 billion.

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.

For further info, please visit www.fsk-ees.ru. For further info about Russian Grids JSC, please visit www.rugrids.ru