

Non-executive Director assumes role of Chairman of Federal Grid's Board of Directors

Moscow, 1 August 2011 - Federal Grid Company of Unified Energy System ("Federal Grid Company" or the "Company", ticker symbol: MICEX, RTS, LSE: FEES), the operator and manager of Russia's unified electricity transmission grid system, is pleased to announce that Ernesto Ferlenghi, an independent non-executive director, was elected the Chairman of the Board of Directors of Federal Grid at the meeting of the Company's Board of Directors.

Igor Khvalin, also an independent non-executive director, was elected Deputy Chairman of the Board of Directors of Federal Grid.

Mr. Ferlenghi replaces Sergey Shmatko, the Energy Minister of the Russian Federation, who chaired the Board since 2008. The current Board of Directors was elected at the Federal Grid's Annual General meeting on 29 June 2011. The Board has eleven members including four independent directors.

Ernesto Ferlenghi, Chairman of the Board of Directors, commented:

"I am pleased and honoured to be elected the Chairman of the Board of Federal Grid. This is an exciting and demanding role at the company that is the backbone of the Russian electricity sector. We are one of the largest energy infrastructure companies in the world and we aspire to be one of the most technologically advanced.

I believe it is a significant achievement for Federal Grid that it has become one of the first major Russian companies with the Board of Directors chaired by an independent non-executive director in line with the international best practice in corporate governance.

Finally, on behalf of the Board of Directors I would like to extend our gratitude to the outgoing Chairman Sergey Shmatko for helping to navigate the Company through the reform of the electricity sector, asset consolidation and the launch of the RAB tariff regulation".

Ernesto Ferlenghi's biography

Ernesto Ferlenghi has been Member of the Board of Federal Grid since December 2008. He is also a member of Audit Committee of the Board.

Since April 2009 Mr. Ferlenghi has been Vice President of Eni S.p.a. and since 2005 he has been the Head of Eni's representative office in Russia and CIS. He is also a Member of the Board of Directors at SeverEnerghia. From 2005 to 2009 he was Managing Director of EniEnerghia, Russia. Prior to that, from 2003 he was representative of Eni in Kazakhstan and was regional manager at Agip Caspian Sea and Agip KCO. In 1996-1997 Mr. Ferlenghi was a project manager at the European Commission's TACIS Project in Baku (Azerbaijan). Mr. Ferlenghi started his career in 1994 as a consultant at Tor Vergata University in Rome. He graduated from Tor Vergata University in 1994 with the diploma in physics.

Ernesto Ferlenghi is 43 years old. He is married with two daughters.

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About Federal Grid Company

Federal Grid Company is the operator and manager of Russia's unified electricity transmission grid system with over 121,000 km of transmission lines and over 311 thousand MVA of installed transformer capacity, it is the largest publicly traded electricity transmission company in the world.

Federal Grid's business is to provide transmission and connection services to the Russian wholesale electricity market. It maintains and develops the grid system and supervises grid facilities and infrastructure in 73 regions of Russia, in which it operates. Its customers are regional distribution companies, retail electricity supply and large industrial enterprises. 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, the Federal Tariff Service. From 1 January 2010 a new RAB (Regulatory Asset Base) tariff framework, designed to stimulate investment and operating efficiency, was introduced.

The Company was incorporated in 2002 as part of reorganization of Russia's electrical power industry. The Russian Government is the largest shareholder with a 79.48% stake.

Further information can be found at www.fsk-ees.ru/eng.

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