

Federal Grid Company has announced its financial results for 9 months 2011 under RAS

Moscow, 1st November, 2011 – Federal Grid Company of Unified Energy System ("Federal Grid" or the "Company", ticker: FEES on MICEX and LSE), announces its financial results for 9 months 2011 in accordance with RAS.

Key Financials:

- Revenue of RUR 104,794 million, up 26% on 9M 2010
- EBITDA of RUR 68,421 million, up 27% on 9M 2010
- Total profit of RUR 44,512 million, up 56% on 9M 2010
- Net profit of RUR 18,602 million

Revenue increased by 26% y-o-y and reached RUR 104,794 million, as a result of the increase in the provision of the transmission services and the services to technological connection to the grid.

The increase in costs, including administrative costs, totaled 11% y-o-y and reached RUR 65,571 million, with most of the increase arising from the amortization relating to newly constructed grid facilities and the increase of the equipment serviced.

The EBITDA increased by 27% in comparison with the similar period of the previous year to RUR 68,421 million. Major drivers of EBITDA growth was profit growth.

Other revenues increased by 1.7 times y-o-y and reached RUR 152,838 million, basically due to the realization of asset swap deal with Inter RAO UES. Other expenses increased by 1.8 times y-o-y and totaled RUR 166,267 million and also related deal with Inter RAO UES effect.

According to 9M 2011 results, Federal Grid's net profit was RUR 18,602 million.

Balance Sheet as of September 30, 2011

Assets

During the first nine months of 2011 Federal Grid's total assets increased by RUR 56,832 million (6%) to RUR 958,943 million at the end of the reporting period. These include non-current assets of RUR 852,979 million and current assets of RUR 105,964 million.

The non-current assets of Federal Grid increased by RUR 85,827 million (11%) mainly as a result of growth in the fixed assets and construction in progress under the Company's investment program implementation.

The current assets of Federal Grid decreased by RUR 28,994 million (21%) as a result of a decrease in accounts receivable due to the accrual of provisions on doubtful debts and short-term financial investments (including redemption of promissory notes for the Company's investment program financing).

For the reporting period Federal Grid's capital increased by RUR 27,218 million (3%) due to the increase in the undistributed net profit and growth in the Company's charter capital following a registration of new shares issue in 2010.

During the reporting period the Company's long-term liabilities that included credit and loans increased by RUR 30,000 million (60%) and stood at RUR 80,000 million due to the bonds issued to finance the Company's investment program.

Short-term liabilities decreased by RUR 2,552 million (5%) as at the end of the reporting period. The key reasons for the decrease in the short-term liabilities are as follows: transfer of the liabilities to the shareholders from debt to the charter capital as a result of a registration of new shares issue for RUR 11,193 million in 2010; increase in the accounts payable to the suppliers and contractors under the investment program implementation.

The financial statements under RAS for 9 months 2011 can be found at www.federal-grid.com and available following the link www.fsk-ees.ru/eng/investors/financial_disclosure/ras_financial_reports/

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About Federal Grid

Federal Grid 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. 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 suppliers 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.federal-grid.com