

# The Company's 2012 achievements

During our anniversary year, we commissioned many important power facilities, were actively involved in the large-scale reconstruction and implementation of innovations, and made numerous important decisions to upgrade efficiency and reduce costs. We also made progress in corporate governance and increasing corporate transparency. These achievements are due to the great work and professionalism of our staff.

## Production progress

In 2012, commissioning plans were exceeded by 29%: the Company energized production facilities at 75

sites, and commissioned 3,643 km of transmission lines and 17,827 MVA of transformer capacity.

## Progress in introducing innovations

Federal Grid Company entered the Top 5 companies in the quality rating of innovation development programs for State corporations and State-owned companies. The ratings were compiled by the "Expert RA" rating agency; The Company organized the first international forum "Electric grid complex. Development. Innovation.

UPGrid" to foster dialogue on innovative development within the country's energy sector. The forum was attended by approximately 5,000 delegates who examined the innovative developments of 200 member companies; within the framework of UPGrid, 15 cooperation agreements were signed.

## Service quality improvement

We launched a unique information portal "Technological connection services" that promotes corporate interactions with consumers to a new level;

The number of consumers for the Company's electric energy transmission services grew 31% and the number of technological connection contracts increased 50%, compared with 2011.

↑ 29%

OVER-FULFILLMENT OF  
COMMISSIONING PLANS

## Capital market progress

Our Company placed its first Eurobond issue on the Irish Stock Exchange in the amount of RUR17.5 billion;

The Company joined the United Kingdom Investor Relations Society to enhance cooperation with foreign partners and to promote the Company internationally;

Our Company received recognition from capital market participants: Federal Grid Company was named one of the top-5 large cap companies in Russia by IR Magazine Russia & CIS, in the

category of "Best Investor Relations by a CFO, Large Cap", and was awarded the "Issuer of the Year" prize by Cbonds news agency;

In 2012, Federal Grid Company was the first Russian electric energy company to place a 10-year inflation-protected ruble-denominated bond issue.

## Advances in corporate governance and transparency

The Russian Institute of Directors completed an independent analysis of the Company's corporate governance and assigned a score of "7+" on the national corporate governance scale, which corresponds to a "Developed Corporate Governance Practice";

Our Company placed fifth in the information transparency ranking of Russian companies, which was compiled by the Agency for Political and Economic Communications, due to the high level of the Company's information interactions with its customers, as well as its strict adherence to all relevant disclosure requirements;

Fulfilling the Russian President's order to reduce the cost of purchased goods, work and services; we have tightened

our procurement requirements. This led to a significant increase in 2012 in the volume of competitive procurements, which amounted to 91% of total purchases during the reporting period. Our Company has been assigned a "High Transparency" score by the National Procurement Transparency Rating 2012, which was organized by the National Association of Electronic Commerce;

We have developed and approved new Regulations on the Company's internal control, based on best international practices and standards, including the COSO Concept.

# 17.5

RUR, BILLION  
DEBUT EUROBOND ISSUE ON  
THE IRISH STOCK EXCHANGE

# 7+

SCORE ON THE RUSSIAN  
NATIONAL CORPORATE  
GOVERNANCE SCALE