

Debt Portfolio

By the end of 2012, Federal Grid Company's debt portfolio grew to RUR212.5 billion. It occurred due to: placing bond issues, raising credit from Gazprombank and placing Eurobonds on the Irish Stock Exchange. The Company meets its obligations on servicing its debt portfolio and debt re-payment in full and on time.

The Company's debt portfolio as of 31 December 2012:

Type of debt	Amount, RUR billion	Maturity
Bond issues	160	2.5-10 years
Gazprombank loan	35	3-5 years
Eurobonds	17.5	6.25 years
Total	212.5	-

In addition, the Company has revolving and non-revolving credit facilities opened with major Russian banks (Sberbank of Russia, Gazprombank, Alfa-Bank, NOMOS-Bank, Raiffeisenbank, ACB Russia, and Bank Saint Petersburg) with a maturity of 5-15 years. As of 31 December 2012, the total free limit of the credit facilities amounted to RUR122.5 billion.

We will continue to use all available tools to attract funding - bonds, Eurobonds and bank loans to finance the 2013-2017 investment program and to re-finance current debt. Furthermore, our Company plans to primarily use market-based instruments that provide lesser funding costs with longer borrowing terms.

The Company intends to cover cash shortages from existing and scheduled credit facilities and by offering bond issues on both Russian and foreign markets. The use of specific loan instruments will depend on market conditions.

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RUBLES
TOTAL FREE LIMIT OF THE COMPANY'S
CREDIT FACILITIES

2012 Bond Issues

On 6 June 2012, the MICEX Stock Exchange assigned registration numbers to eight issues of the Company's debut stock bonds, totaling RUR100 billion.

On 21 June 2012, the Federal Financial Markets Service of Russia (FFMS) registered the securities prospectus of Federal Grid Company for RUR125 billion.

The decision to place bonds and the Company's stock bonds was made by the Board of Directors on 27 April 2012.

In 2012, as part of adopted programs, the Company placed Bond Series 22, 21, 25, and BO-01 for a total of RUR45 billion.

As part of the previously approved 2011 program, the Company placed Bond Series 12 in the amount of RUR10 billion.

In 2012, the total amount of funding raised from the placement of bonds amounted to RUR55 billion. The bonds were placed via public subscription on the MICEX Stock Exchange to a broad-based group of investors. The funds raised were allocated to finance the investment program.

The Company's bonds fully comply with the Bank of Russia's requirements in order to be included in the Lombard List of the Bank of Russia and the list of

securities accepted as collateral under re-purchase agreements.

Eurobonds

In 2012, Federal Grid Company entered the international borrowing market. The decision to place Eurobonds was made by the Board of Directors 27 April 2012.

On 13 December 2012, the placement of Federal Grid Company's inaugural issue of Eurobonds in the amount of EUR17.5 billion with a coupon rate of 8.446% per annum and a maturity in 2019 occurred. The securities were listed and admitted to trading on the Irish Stock Exchange.

The Eurobond issue was assigned ratings from the leading rating agencies, Standard & Poor's and Moody's, at the Company's ratings - BBB and Baa3.

Issuer	Issue	Outstanding issue	Maturity date
Federal Grid Finance Limited	RUR17.5 billion	RUR17.5 billion	13.03.2019
Coupon rate	Coupon payment period	Rating	ISIN
8.446%	Two times per year	Moody's: Baa3 S&P: BBB	XS0863439161

Debt Portfolio Performance

