

## Technological connection services

Technological connections are a complex service that provides for the actual connection of energy receiving devices (power units) to electric grid system objects. We provide technological connection services to new consumers as well as to existing customers, who need to increase power consumption.

The main consumers of technological connection services include:

- Large businesses (the oil and metallurgical industry, the production of construction materials, etc.);
- Construction and reconstruction of complex immovable property objects;
- Distribution grid companies.
- In 2012, the Company concluded 376 agreements on the provision of technological connection services; the overall volume of maximum capacity under the agreements amounted to 2,78 GW.

Detailed information on technological connection services provided by the Company is available at the official website in the section [Operations / Technological connection](#).

## Development Outlook for the Company

### Investment

On 31 October 2012, the Russian Ministry of Energy adopted the Company's 2013-2017 investment program. The overall volume of investment program financing for 2013-2017 will amount to more than 775.5 billion rubles.

Tasks of Federal Grid Company's investment program:

- Renewal of the Company's grid assets;
- Implementation of projects in the field of electric grid construction that have State importance (APEC, ESPO, Olympics-2014 in Sochi, the Skolkovo Innovation Center, increased energy supply reliability to Moscow, St. Petersburg, etc.);
- Fulfillment of agreements concluded with regional administrations for electricity supply to consumers;
- Capacity output for commissioned power units at NPPs, HPPs and TPPs;
- Implementation of innovative projects and energy efficiency programs;
- Creation of technological infrastructure for the functioning of the competitive electricity and capacity market.

Investment in the UNEG development has significant State importance; hence, part of the program is financed from federal budgetary funds. Other program financing sources include: Company's own funds, funds received from the additional share issue, funds received from payments for technological connection, bond issues and loans.

Within the framework of implementing the Company's 2013-2017 investment program, the Company plans to put into operation 66,869.86 MVA of transformer capacity and 16,984.65 km of electricity transmission lines.

The Company's 2012 investment plans were practically fulfilled. Specifically, plans on the introduction of high voltage lines were fulfilled at 91% (3,643 km against 4,023 planned km), whereas, the plans on the introduction of substations were over-fulfilled by 26% (17,852 MVA against 14,152 planned MVA). The volume of the application of funds steadily exceeds financing volume. At the same time, a significant (33%) over-fulfillment of the indicator for the placement of objects into operation for the first time in Company history allowed for a decrease in the volume of construction-in-progress compared with the previous year and confirmed the effectiveness of regulation based on long-term parameters.

Detailed information about the Company's investment program is available at the official website in the section [Operations / Investments](#).

### Innovation

During the reporting period our Company adopted and approved the Program of Innovative Development until 2020. The main objective of the Program is to increase the reliability, efficiency and safety of the main electric grid complex and the power industry as a whole via innovative technologies and solutions.

Our program provides for the achievement of key effectiveness indicators for the Company's innovative development till 2020. In 2012, for the Company, most of the key effectiveness indicators for innovative development reached targeted values and in some cases, even exceeded them.

In 2012, the volume of financing for research and development reached 2.9 billion rubles.

## Financial Results

This chapter contains selected financial information which has been derived from the Group's audited consolidated financial statement as at and for the year ended 31 December 2012, prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the European Union. The selected financial and operating data below should be read in conjunction with the Group's consolidated financial statement prepared in accordance with IFRS.

### Summary of results

For the years ended 31 December 2012 and 2011, our revenue amounted to RUR140,313 million and RUR139,571 million, respectively.

For the years ended 31 December 2012 and 2011, our profit for the period amounted to RUR7,043 million and RUR48,988 million, respectively.