

General Information

Federal Grid Company of the Unified Energy System was established in 2002 in accordance with Russia's power sector reform as an organization to manage the Unified National Electric Grid (UNEG) for its maintenance and development.

The Company's headquarters are located at 117630, Moscow, Academic Chelomeya Street, 5A.

In accordance with Federal Law № 35-FZ "On Electric Power Industry" dated 26.03.2003, Federal Grid Company is a natural monopoly that provides services for the electricity transmission of electricity through the Unified National Electric Grid (UNEG) and is responsible

for the reliable reliability of the supply of electricity supply in the territory of the Russian Federation.

The Company operates almost on the entire territory of the Russian Federation. The Company's electric grid facilities are located in 75 Russian regions.

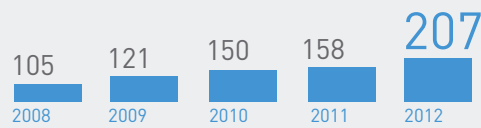
Company's geographical scope



The number of consumers with which the Company signed agreements for electricity transmission through the UNEG has significantly increased during the 2008-2012 period. Growth in the number of consumers is due to:

- Implementation of new technological connections to the UNEG;
- Step-by-step termination of the "last mile" mechanism etc.

Number of the Company's Consumers



The main consumers of technological connection to the Company's grids are:

- Large-scale business (oil and steelmaking industries, manufacture of construction materials, etc.)

- Construction and reconstruction of integrated real estate facilities;
- Distribution grid companies.

Major Consumers of Technological Connection to Federal Grid Company's Grids

54%

41%

5%

Large-scale business (oil and steelmaking industries, manufacture of construction materials, etc.)

Distribution grid companies

Other

The structure of major consumers of the UNEG-based electricity transmission services is as follows:

- Distribution grid companies (DGC);
- Independent grid companies (IGC);

- Retail suppliers (RS);
- Large power consumer companies;
- Exporters of electricity.

Consumer breakdown by category (share in the total quantity)

26%

26%

25%

22%

1%

DGC

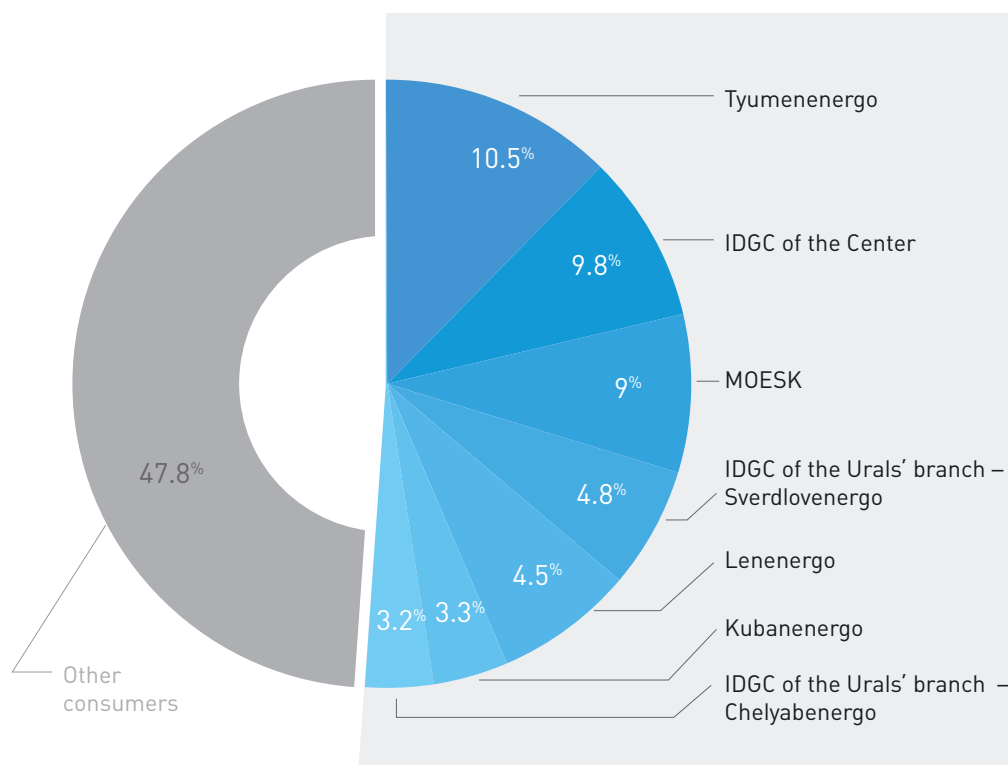
RS

IGC

Consumers

Exporters

The share of the Company's largest consumers in 2012 revenues from UNEG electricity transmission services



Key Operational Indicators

	2008	2009	2010	2011	2012
Number of substations, pcs	800	804	805	854	891
Length of power transmission lines, total, thousand km	121.5	121.1	121.7	124.6	131.6
Electric energy supplied to the grids of the distribution grid companies, to direct consumers and to the independent JSC-Energo, net (kWh, million)	471,958.118	452,662.172	470,648.072	484,663.552	498,287.684
Electric energy supplied via UNEG grids to bordering states, net (kWh, million)	16,704.763	13,628.309	15,716.33	19,284.808	15,768.82
Capacity demand (MW)	90,042	94,636	91,179	90,937	90,492
Electric energy losses in the UNEG grids (kWh, million)	21,866	22,121	22,526	22,553	21,946

Shares and Shareholding Structure

In accordance with the Company's Articles of Association, as of 31 December 2012, the share capital of Federal Grid Company stood at RUR630,193,329,370, divided into 1,260,386,658,740 ordinary registered non-documentary shares with a nominal value of RUR0.50 each share.

The Company has more than 400,000 shareholders.

The Russian Federation, represented by the Federal Agency for State Property Management (Rosimushchestvo), which owns 79.55% of the share capital, is the largest shareholder.

Shareholding Structure

Rosimushchestvo
79.55%

Minority
shareholders

20.45%

For the purpose of improving shareholders relations, the Company analyzed the shareholders database and identified key shareholder groups, ordinary shares and DRs holders. The Company's free float stood at 20.45%. The main minority shareholders of the Company are institutional investors and holding structures, with retail investors accounting for 2.14%.

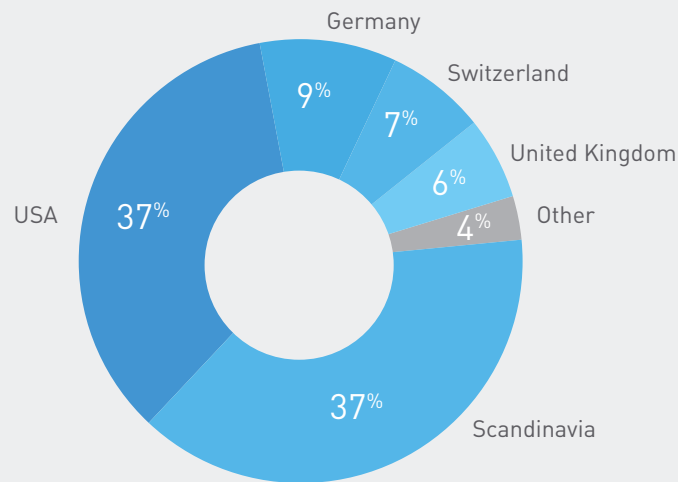
The Company's largest minority shareholders, owning more than 1% of Federal Grid Company shares, are:

- Tsentrenergokholding (2.6534%);
- Rusenergo Fund Limited (1.6922%) - Russia's largest fund in the energy sector, whose funds are invested in stocks of Russian electricity generators and electric grid companies;

- Sberbank of Russia (1.1252%) - a professional securities market participant that deals with securities of the most reliable and investment-attractive issuers;
- Index of Energy FGC UES company (1.0891%).

20% of the Company's free float includes: foreign institutional investors, such as major funds focused primarily on Russia, whose assets under management exceed USD 1 billion: Market Vectors ETF Trust Russia ETF (USD 1.8 billion), East Capital Russian Fund (USD 1.5 billion), Swedbank Robur (USD 1.2 billion) and BlackRock funds.

Investor Breakdown by Geography



As before, American and Scandinavian shareholders account for the largest share (37%) of foreign investments.

The Company's shareholders are predominantly long-term investors, with low portfolio turnover exceeding two years.

On November 22, 2012 Russian President Vladimir Putin signed Decree "On Open Joint Stock Company Russian Grids". The Decree stipulates re-naming

JSC IDGC Holding as JSC Russian Grids and contributing to the share capital of Russian Grids 79.55% State-owned shares in Federal Grid Company as the Russian Federation contribution.

Organizational Structure

As of 31 December 2012, the Company's functional structure incorporated:

- Head Office (Moscow);
- 8 backbone electric grids (MES), branches;
- 41 backbone electric grid transmission line companies (PMES), branches;
- 1 dedicated production base "Bely Rast", branches;
- 1 Technical Supervision Center, branch.

As of December 31, 2012, Federal Grid Company has 22 subsidiary and dependent companies (SDCs) operating

in different sectors of economy, including supporting electric grid facilities. Tomsk Backbone Grids and Kuban Backbone Grids are subsidiary backbone grid companies.

In 2012, SDC Central Research Institute NPKenergo (100%) was voluntarily liquidated.

UEUK (33.33%) and UC Energetiki (100%) are also under liquidation.