

AUDIT REPORT
on Statutory financial (accounting) reports

To the shareholders of Open joint stock company “Federal grid company of the Unified Energy System”.

Auditor

Closed joint stock company “PricewaterhouseCoopers Audit “ (ZAO “PricewaterhouseCoopers Audit”)

State registration certificate No 008.890, issued by Moscow Registration Bureau on 28 February 1992.

Certificate of inclusion in the Unified State Register of Legal Entities regarding the legal entity registered before 1 July 2002 No. 1027700148431 issued by the Interregional Inspectorate of the Russian Ministry of Taxes and Levies No. 39 for the Moscow City on August 22, 2002.

Audit license No E000376 issued by the Ministry of Finance of the Russian Federation on 20 May 2002. The license is valid until 20 May 2012.

Member of the Institute of Professional Accountants and Auditors of Russia and of the Audit Chamber of Russia.

Client

Open joint stock company “Federal grid company of the Unified Energy System”

5a, Akademika Chelomeya street, Moscow, 117630

State registration certificate No 21081 series LO-002, issued by Leningrad regional Registration Bureau on 25 June 2002, recorded in the Unified State Register of Legal Entities under No. 00/03124.

AUDIT REPORT

on Statutory financial (accounting) reports of Open joint stock company “Federal grid company of the Unified Energy System”

To the shareholders of Open joint stock company “Federal grid company of the Unified Energy System”

- 1 We have audited the attached Statutory financial (accounting) reports of Open joint stock company “Federal grid company of the Unified Energy System” (hereinafter – “the Company”) for the period from 1 January up to 31 December 2007. Statutory financial (accounting) reports of the Company consist of the Accounting Balance Sheet, Profit and Loss Statement, Statement of Changes in Stockholder’s Equity, Cash Flow Statement, Notes to the Accounting Balance, Explanatory Notes (hereinafter all the reports together are called “Statutory financial (accounting) reports”). The Statutory financial (accounting) reports were prepared by the management of the Company in accordance with the legislation of Russian Federation applicable to Statutory financial (accounting) reports. Such Statutory financial (accounting) reports differ to a significant extent from those prepared in accordance with International Financial Reporting Standards.
- 2 Preparation of the Statutory financial (accounting) reports is the responsibility of executive body of the Company. Our responsibility as auditors is to express our opinion in all material respects on these Statutory financial (accounting) reports and on whether the accounting is conducted in accordance with the Russian legislation based on our audit.
- 3 We conducted our audit in accordance with The Federal Law “On auditing activity”, Federal Auditing Standards, International Standards on Auditing and our internal standards.

Our audit was planned and performed to obtain reasonable assurance about whether the Statutory financial (accounting) reports are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statutory financial (accounting) reports, assessing compliance with accounting principles, techniques and rules of Statutory financial (accounting) reports preparation, evaluating significant estimates made by the management of the Company and the overall Statutory financial (accounting) reports presentation. We believe that our audit provides a reasonable basis for our opinion on these Statutory financial (accounting) reports and on whether the accounting is conducted in accordance with the Russian legislation.

- 4 In our opinion, the Statutory financial (accounting) reports of the Company attached to this report have been properly prepared to present, in all material respects, the financial position of the Company as at 31 December 2007 and financial results of its operations for the period from 1 January up to 31 December 2007 in accordance with the legislation of Russian Federation applicable for Statutory financial (accounting) reports.

2 April 2008

Director of ZAO

D. W. Gray

Statutory auditor
Certificate No K005491
for general audit
termless

S.G. Mescherina