

QUARTERLY REPORT

Open Joint-Stock Company RusHydro

Issuer Code: 55038-E
for the 2nd quarter of 2009

Issuer's location address:
51, Respubliki St., Krasnoyarsk, Krasnoyarsk Territory, Russia

Information contained in this Quarterly Report is subject to disclosure in
accordance with Russian Federation legislation on securities

Acting chairman of JSC RusHydro

Management Board _____ V.A.Zubakin
" ____ " August 2009 (signature)

Chief Accountant of JSC RusHydro _____ O.V.Otto
" ____ " August 2009 (signature)

Round seal

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www.rushydro.ru

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Introduction

Grounds for emergence of the Issuer's obligation to disclose information in the form of a quarterly report:

- Registration of a securities prospectus.

"This quarterly report contains assessments and forecasts by the authorised management bodies of the Issuer with respect to future events and/or actions, development prospects for the industry in which the Issuer conducts its core business, and the Issuer's operating results, including plans of the Issuer, the probability of certain events occurring and specific actions being performed. Investors should not fully rely on the assessments and forecasts made by the management bodies of the Issuer, since the actual results of the Issuer's operations in the future might differ from those forecast for a multitude of reasons. Acquisition of the Issuer's securities is fraught with the risks described in this quarterly report."

I. Brief information on the persons on the Issuer's management bodies, bank accounts data, on the auditor, appraiser and financial advisor of the Issuer, as well as on other persons who signed this Quarterly Report

1.1. Members of the Issuer's management bodies

The Issuer's management bodies are:

- General Meeting of Shareholders, the supreme management body
- Board of Directors
- Management Board, the collegial executive body
- Chairman of the Management Board, the sole executive body.

Members of the Board of Directors of the Issuer:

Sergei Shmatko, Chairman of the Board of Directors, b. 1966

Anatoly Ballo, b. 1961

Sergei Beloborodov, b. 1967

Boris Vainzikher, b. 1968

Eduard Volkov, b. 1938

Viktor Danilov-Danilyan, b. 1938

Vasily Zubakin, b. 1958

Sergei Maslov, b. 1960

Sergei Serebrannikov, b. 1952,

Oleg Surikov, b. 1970

Vladimir Tatsyi, b. 1960

Rustem Khamitov, b. 1954

Andrey Sharonov, b. 1964.

Members of the Management Board of the Issuer:

Vasily Zubakin, Acting Chairman of the Management Board, b. 1958

Oleg Oksuzyan, b. 1960

Boris Bogush, b. 1952

Rasim Khaziakhmetov, b. 1954

Sergei Yushin, b. 1972

Alexander Sergeev, b. 1977

Alexander Toloshinov, b. 1957

Konstantin Belyaev, b. 1968

Sole executive body:

Vasily Zubakin, Acting Chairman of the Management Board, b. 1958.

1.2. Bank accounts of the Issuer

Full corporate name of the bank: **VTB Bank (Open Joint-Stock Company)**

Abbreviated corporate name of the bank: **JSC VTB Bank**

Location: **29 Bolshaya Morskaya St., 190000, St. Petersburg**

TIN/KPP of the bank: **7702070139/997950001**

Nos. and types of account: **40702810700030003502 (settlement account in roubles of the Russian Federation)**

BIC **044525187**

No. of correspondent account: **30101810700000000187**

Full corporate name of the bank: **Joint-Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)**

Abbreviated corporate name of the bank: **JSC Sberbank of Russia**

Location: **19 Vavilova St., 117997, Moscow**

TIN/KPP of the bank: **7707083893/775001001**

No. and type of account: **40702810400020107810 (settlement account in roubles of the Russian Federation)**

No. and type of account: **40702840100021007810 (transit currency account in US dollars)**

No. and type of account: **40702840800020007810 (current currency account in US dollars)**

BIC: **044525225**

No. of correspondent account: **30101810400000000225**

Full corporate name of the bank: **Joint-Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)**

Abbreviated corporate name of the bank: **JSC Sberbank of Russia**

Location: **19 Vavilova St., 117997, Moscow**

TIN/KPP of the bank: **7707083893/775003009**

No. and type of account: **40702810438090001390 (settlement account in roubles of the Russian Federation)**

BIC: **044525225**

No. of correspondent account: **30101810400000000225**

Full corporate name of the bank: **JOINT-STOCK COMMERCIAL BANK EVROFINANS MOSNARBANK (Open Joint-Stock Company)**

Abbreviated corporate name of the bank: **JSCB EVROFINANS MOSNARBANK JSC**

Location: **29 Novyi Arbat St., 121099, Moscow**

TIN/KPP of the bank: **7703115760/997950001**

Numbers and types of account:

40702810800205771190 (settlement account in roubles of the Russian Federation)

40702978100205771198 (current currency account in Euros)

40702978000205771188 (transit currency account in Euros)

40702840600005771191 (settlement currency account in US dollars)

40702840500005771181 (transit currency account in US dollars)

BIC: **044525204**

No. of correspondent account: **30101810900000000204**

Full corporate name of the bank: **Joint-Stock Commercial Bank Interregional Fuel and Energy Bank MEZHTOPENERGOBANK (Open Joint-Stock Company)**

Abbreviated corporate name of the bank: **JSC Mezhtopenergobank**

Location: **6 Sadovaya-Chernogryazskaya St., 107078, Moscow**

TIN/KPP of the bank: **7701014396/775001001**

No. and type of account: **40702810500026122417 (settlement account in roubles of the Russian Federation)**

BIC: **044585237**

No. of correspondent account: **30101810900000000237**

Full corporate name of the bank: **Gazprombank (Open Joint-Stock Company)**

Abbreviated corporate name of the bank: **GPB (JSC)**

Location: **63 Novocheryomushkinskaya St., 117418, Moscow**

TIN/KPP of the bank: **7744001497/997950001**

Nos. and types of account:

40702810400000003242 (settlement account in roubles of the Russian Federation)

40702810500000013242 (settlement account in roubles of the Russian Federation)

BIC: **044525823**

No. of correspondent account: **30101810200000000823**

Full corporate name of the bank: **OPEN JOINT-STOCK COMPANY ALFABANK**

Abbreviated corporate name of the bank: **JSC ALFA-BANK**

Location: **27 Kalanchevskaya St., 107078, Moscow**

TIN/KPP of the bank: **7728168971/775001001**

Nos. and types of account:

40702810701200001242 (main)

40702810001200001243 (commercial)

40702810101200005149 (main)

40702810501200005150 (commercial)

BIC: **044525593**

No. of correspondent account: **30101810200000000593**

1.3. Information about the Issuer's auditor

Information about the auditor performing the audit of the financial (business) accounting and aggregate consolidated financial reporting prepared in accordance with the International Financial Reporting Standards.

Full corporate name: **Closed Joint-Stock Company PricewaterhouseCoopers Audit**

Abbreviated corporate name: **CJSC PwC Audit**

Location of the audit company: **115054, Moscow, Kosmodamianskaya Nab., d. 52, bldg. 5**

TIN/KPP: **7705051102/770501001**

Postal address: **113054, Moscow, Kosmodamianskaya Nab., d. 52, bldg. 5**

Tel/fax: **(495) 967-60-00**

Fax: **(495) 967-60-01**

Email: olga.kornilovskaya@ru.pwc.com

Number, date of issue and term of validity of auditing licence:

E000376, date of issue: 20 May, 2002, term of validity through 20 May, 2012

Licence issuing authority: **Ministry of Finance of the Russian Federation**

Information about the auditor's membership in panels, associations or other professional groups (organisations): **CJSC PwC Audit is a member of the Institute of Professional Accountants and Auditors of Russia, a member of the Audit Chamber of Russia and is accredited with the Russian Association of Appraisers.**

The financial years for which the auditor performed an independent audit of the business accounting and of the financial (business) accounting of the Issuer:

The auditor performed the audit of the financial (business) accounting for 2005, 2006, 2007 and 2008.

Factors that might affect the independent of the Issuer's auditor, including information about material interests linking the auditor (officials of the auditor) with the Issuer (officials of the Issuer):

- possession by the auditor (officials of the auditor) of participatory interests in the authorised (equity) capital (share fund) of the Issuer: **the auditor does not possess any participatory interests in the authorised equity capital of the Issuer;**
- extension of loan funds to the auditor (officials of the auditor) by the Issuer: **the Issuer has not extended any loan funds to the auditor (officials of the auditor);**
- existence of close business links (participation in promotion of goods (services) of the Issuer, participation in joint ventures, etc., as well as kinship ties: **N/A;**

- information about officials of the Issuer that are, at the same time, officials of the auditor: **no officials of the Issuer are, at the same time, officials of the auditor.**

Measures taken by the Issuer and the auditor to reduce the impact of the given factors:

- The principle measure undertaken by the Issuer to reduce mutual dependence is the careful consideration of the candidate auditor with respect to its independence from the Issuer. The auditor is totally independent from the management bodies of the Issuer in accordance with the requirements of article 12 of the Federal Law "On Auditing";
- The size of the auditor's remuneration is not dependent on the results of the audit performed.

The Issuer and the auditor will act within the framework of the effective legislation, in particular in accordance with Federal Law of 07 August, 2001 No. 119-FZ "On Auditing" (in the version of Federal Laws of 14 December, 2001 No. 164-FZ and of 30 December, 2001 No. 196-FZ), in accordance with article 12 of which an audit may not be conducted:

- 1) by auditors that are founders of (participants in) audited entities, their executives, chief accounts or other persons bearing responsibility for organising and maintaining the financial accounting and drawing up the financial (business) reporting;
- 2) by auditors who are close relatives (parents, spouses, siblings, children, or siblings, parents or children of spouses) of founders of (participants in) the audited entities, their officials, accountants and other persons bearing responsibility for organising and maintaining the financial accounting and drawing up the financial (business) reporting;
- 3) audit firms whose heads and other officials are founders of (participants in) the audited entities, their officials, accounts and other persons for organising and maintaining the financial accounting and drawing up the financial (business) reporting;
- 4) audit firms whose heads and other officials are close relatives (parents, spouses, siblings, children, or siblings, parents or children of spouses) of founders of (participants in) the audited entities, their officials, accountants and other persons bearing responsibility for organising and maintaining the financial accounting and drawing up the financial (business) reporting;
- 5) audit firms in relation to audited entities that are founders of (participants in) in relation to audited entities for which these audit firms are founders (participants), in relation to subsidiaries, branches and representative offices of the given audited entities, as well as in relation to organisations with the same founders (participants) as this audit firm;
- 6) audit firms and individual auditors that, during the three years immediately preceding the audit, rendered services to these entities involving restoration and maintenance of financial accounting, as well as drawing up of financial (business) reporting for individuals and legal entities.

Procedure for selecting the Issuer's auditor:

- existence of a tender procedure for selecting the auditor and its main conditions:
The Tender Commission for selecting the company's auditor to perform the audit of the financial (business) accounting of JSC RusHydro according to Russian Accounting Standards for 2009, approved by the Auditing Committee under the Board of Directors of the company, held a public tender on the basis of Federal Law of 21 July, 2005 No. 94-FZ "On Placement of Orders for Goods, performance of Work, Provision of Services for State and Municipal Needs".

Procedure for nominating candidate auditors for approval by the Shareholders' (Participants') Meeting, including the management body adopting the relevant resolution:

The Board of Directors of the Issuer recommends the candidate Auditor for approval by the General Meeting of Shareholders of the Company.

In accordance with the legislation, the Issuer is required to undergo an annual audit of its financial reporting. For the purpose of checking and confirming the annual financial statements, the General Meeting of Shareholders approves a Company Auditor every year.

For 2009, it is CJSC PwC Audit that has been approved as the Company Auditor (Resolution of the General Meeting of Shareholders of the Company, Minutes dated 10 June, 2009 No. 4).

The Issuer's Auditor audits the financial and business activities of the Issuer in accordance with the requirements of the legislation of the Russian Federation on the basis of an agreement concluded therewith.

Information about work performed by the auditor within the scope of special audit assignments:

No work was performed by the auditor within the scope of special audit assignments.

Procedure for determining the amount of the auditor's remuneration:

The procedure for payment and the size of the monetary remuneration to audit firms and individual auditors for performing audits (including mandatory audits) and rendering accompanying services thereto are determined by agreements on provision of audit services and may not be made dependent on fulfilment of any requirements on the part of the audited entity regarding the content of the conclusions that might be made as a result of the audit.

The amount of the payment for the services of the Issuer's auditor approved by the Annual General Meeting of Shareholders of the Issuer for the mandatory annual audit and confirmation of the annual financial reporting of the Issuer is determined by the Board of Directors of the Issuer.

The actual amount of the remuneration paid by the Issuer to the auditor for the 2005 financial year on which the auditor performed an audit of the financial accounting and the financial (business) reporting of the Issuer, as well as the summary (consolidated) financial reporting drawn up in accordance with the International Financial Reporting Standards, amounts to 11 564 000 roubles (including VAT). There are no deferred or outstanding payments for the services rendered by the auditor.

The actual amount of the remuneration paid by the Issuer to the auditor for the 2006 financial year on which the auditor performed an audit of the financial accounting and the financial (business) reporting of the Issuer, as well as the summary (consolidated) financial reporting drawn up in accordance with the International Financial Reporting Standards, amounts to 21 830 000 roubles (including VAT). There are no deferred or outstanding payments for the services rendered by the auditor.

The actual amount of the remuneration paid by the Issuer to the auditor for the 2007 financial year on which the auditor performed an audit of the financial accounting and the financial (business) reporting of the Issuer, as well as the summary (consolidated) financial reporting drawn up in accordance with the International Financial Reporting Standards, amounts to 24 195 223.86 roubles (including VAT). There are no deferred or outstanding payments for the services rendered by the auditor.

The actual amount of the remuneration paid by the Issuer to the auditor for the 2008 financial year on which the auditor performed an audit of the financial accounting and the financial (business) reporting of the Issuer, as well as the summary (consolidated) financial reporting drawn up in accordance with the International Financial Reporting Standards, amounts to 83 780 000 roubles (including VAT). There are no deferred or outstanding payments for the services rendered by the auditor.

Information on deferred and outstanding payments for services rendered by the auditor:

There are no deferred or outstanding payments.

1.4. Appraiser of the Issuer

In the second quarter of 2009, the Issuer did not engage an appraiser (s) for:

- determining the market value of securities placed and outstanding securities in circulation (on which the obligations have not been discharged);
- determining the market value of property pledged as surety on the Issuer's bonds with pledge security or outstanding bonds of the Issuer with pledge security on which the obligations have not been discharged;
- determining the market value of fixed assets or real estate of the Issuer in relation to which the Issuer has reassessed the value reflected in other sections of the quarterly report;
- rendering other appraisal services connected with issuing securities information about which is provided in the quarterly report.

1.5. Consultants of the Issuer

The Issuer did not engage any financial consultants on the securities market or other persons to render the Issuer consulting services connected with issuing securities.

1.6. Other signatories of the quarterly report

Information about the Issuer's Chief Accountant who signed this quarterly report:

Surname: **Otto**

First name: **Olga**

Patronymic: **Valentinovna**

Year of birth: **1969**

Position: **Head of Department for Corporate Accounting and Reporting – Chief Accountant**

Location (place of work): **JSC RusHydro, 51 Arkhitektora Vlasova St., Moscow, Russian Federation**

There are no other signatories of the quarterly report that were not indicated in the previous clauses of this section.

II. Basic information about the financial and business status of the Issuer

2.1. Indicators of the Issuer's financial and business performance

The Issuer was set up and registered as a legal entity on 26 December 2004. According to the provisions of the "Regulations on keeping financial accounting and financial reporting in the Russian Federation" (order of the Russian Federation Ministry of Finance of 29 July 1998, No. 34n), the first reporting year of a newly created or reorganised organisation shall be the period from its state registration up to 31 December inclusively, and for an organisation set up after 1 October (including 1 October) from the date of state registration through 31 December of the following year inclusively. The reporting has thus been drawn up and filed by the Issuer beginning from 2005.

The table presents indicators characterising the Issuer's financial status for the 2nd quarter of 2009.

No.	Indicator	Unit of measurement	30 June 2008	30 June 2009
1.	Issuer's net asset value	thousand roubles	301 102 369	438 567 764
2.	Ratio of borrowings to capital and reserves	%	17.3	8.0
3.	Ratio of short-term liabilities to capital and reserves	%	11.6	3.8
4.	Coverage of debt servicing payments	%	852.9	1647.0
5.	Level of overdue debt	%	-	-
6.	Accounts receivable turnover	times	0.63	0.48
7.	Dividends to profits ratio	%	-	-
8.	Labour productivity	rub/man	2 930	3 557
9.	Depreciation to revenues	%	12.9	10.3

Note: In calculating these indicators, use was made of the methodology recommended by the Regulations on disclosure of information by Issuers of equity securities, approved by Order of the Federal Financial Markets Service No. 06-117/pz-n of 10 October 2006.

Analysis of the Issuer's solvency and financial status, proceeding from economic analysis of the dynamics of the above indicators:

Net asset value is an important indicator characterising the Issuer's economic status. It is used for assessing the sustainability of the Issuer's financial status and its reliability. A high net asset value in comparison with the overall value of the Issuer's property and the balance sheet value of its assets is indicative of the Issuer's financial sustainability and exerts a substantial influence on its relations with creditors.

Net asset value (NAV) is also used to assess an organisation's activities; in particular, authorised equity capital may increase (or decrease) depending on NAV. The method used for calculating it is based on the balance sheet value of the assets and liabilities. The net asset indicator's economic sense is the amount of the Issuer's property remaining after satisfying claims from all of the Issuer's creditors (payment of all debts) in the event of instantaneous redemption of all debts.

Analysis of the Issuer's financial reporting for quarter 2 of 2008 and quarter 2 of 2009 shows that the value of net assets is greater than the value of equity capital (which was: quarter 2 of 2008 – 301 025 805 000 roubles; quarter 2 of 2009 – 438 488 256 000 roubles).

The increase in the Issuer's net assets in 2009 (quarter 2 of 2009 as against quarter 2 of 2008) resulted from:

— additional share issues in 2008-2009, the increase in authorised and incremental capital being 83 220.1 million roubles;

— reorganisation of the Issuer in the form of absorption into the parent company JSC RusHydro of the assets of the following joint-stock companies: JSC Irganaiskaya HPP, JSC Cascade of NChHPPs, JSC State Holding Company HidroOGK and JSC Minority Holding Company HidroOGK;

— receipt of a net profit in 2008 (2H) and 2009 (1H).

The Issuer's net assets are steadily growing. The increase in 2009 (Q2) over 2008 (Q2) has amounted to 45.65%.

The ratio of the borrow funds to capital and reserves characterises the proportion of raised funds in the total amount of funds invested in a company. It can be seen from the dynamics of these indicators that the share of borrowed funds in 2009 (Q2) was lower than in 2008 (Q2).

The indicator of coverage of debt servicing payments characterises the number of roubles from the company's own sources per rouble of liabilities maturing during the reporting period. Analysis of this indicator shows that it has been demonstrating positive dynamics throughout 2009 (Q2) compared to 2008 (Q2).

The level of solvency and financial sustainability of an organisation depends on the rate of receivables turnover, which characterises the operating efficiency of the organisation. The turnover of receivables characterises the average maturity of accounts receivable. The lower the receivables turnover ratio, the better it is for the organisation.

During 2009 (Q2), a drop is being observed in this ratio as compared to 2008 (Q2), resulting from higher revenues received from the core business (production and sale of electricity and capacity).

The share of dividends in the organisation's profits is determined by the distribution of the organisation's profit and determines the source from which the Issuer's shareholders receive profits – through a growth of the market value of the company's shares or through receipt of dividends.

Analysis of accrual of dividends on net profit:

Year	Net profit, million roubles	Dividends, million roubles	Proportion, %
2005	625	594	95.0
2006	1 504	1 147	76.2
2007	8 616	1 119	13.0

The analysis shows a growth of net profit at the close of 2007, the increase being connected with inclusion in the tariff of an investment component for financing new construction projects by the Holding Company. In 2007, the proportion of dividends on net profit fell, but in value terms, at the close of 2007, accrued dividends were only 2.4% less than the 2006 dividends.

No dividends were accrued at the end of 2008 on the basis of a resolution adopted by the Annual General Meeting of Shareholders which considered the results of 2008 (Minutes of the Annual General Meeting of Shareholders dated 10 June 2009, No. 4).

Overall, the analysis performed of solvency indicators permits the conclusion that, during the period under review, the Issuer's financial status was stable.

2.2. Market capitalisation of the Issuer

Market capitalisation on the closing date of each financial year and the closing date of the latest reporting quarter (in thousand roubles):

Market capitalisation for 2005-2008 was determined as the net asset value. The Issuer's net asset value is calculated according to the method presented in the "Procedure for assessing the net asset value of joint-stock companies" approved by Order of the Finance Ministry of Russia and the Federal Securities Market Commission of Russia No. 10n/03-6/pz of 29 January 2003.

Market capitalisation for the 2nd quarter of 2009 for ordinary shares was calculated as the product of the number of ordinary shares by the market price per share disclosed by the trading organiser on the securities market of JSC Russian Trading System Stock Exchange and determined in accordance with the Procedure for calculating the market price of equity securities and investment units of unit investment funds traded through trading organisers, approved by resolution of the Federal Securities Market Commission of Russia No. 03-52/ps. of 24 December 2003.

Indicator	2005	2006	2007	2008	Q2 2009
Market capitalisation of the Issuer, thousand roubles	104 548 259	141 734 822	148 973 373	147 988 491.8	295 757 608.4

Source: official RTS website www.rts.ru

2.3. Liabilities of the Issuer

2.3.1. Accounts payable

Type of accounts payable	Total as of 01 April 2009	Including by maturity date		Total as of 01 July 2009	Including by maturity date	
		Up to one year	Over one year		Up to one year	Over one year
Accounts payable to suppliers and contractors, thousand roubles	1 466 319	1 354 915	111 404	1 862 878	1 759 838	103 040
including overdue, thousand roubles	-	-	-	-	-	-
Accounts payable to personnel of the organisation, thousand roubles	336 837	336 837	-	129 489	129 489	-
including overdue, thousand roubles	-	-	-	-	-	-
Accounts payable to the government and state extra-budgetary funds, thousand roubles	6 885 556	6 885 556	-	5 827 319	5 827 319	-
including overdue, thousand roubles	-	-	-	-	-	-
Credits, thousand roubles	13 358 305	517 501	12 840 804	13 027 767	350 343	12 677 424
including overdue, thousand roubles	-	-	-	-	-	-
Loans, total, thousand roubles	5 596 580	596 580	5 000 000	5 713 170	713 170	5 000 000
including overdue, thousand roubles	-	-	-	-	-	-
including bonded loans, thousand roubles	-	-	-	-	-	-

including overdue bonded loans, thousand roubles	-	-	-	-	-	-
Other accounts payable, thousand roubles	10 799 878	10 799 878	-	7 644 553	7 644 553	-
including overdue, thousand roubles	-	-	-	-	-	-
Total, thousand roubles	38 443 475	20 491 267	17 952 208	34 205 176	16 424 712	17 780 464
including total overdue, thousand roubles	-	-	-	-	-	-

Information on creditors accounting for at least 10% of the total accounts payable

Name, location, full name of creditor (for an affiliated individual – position held in the Issuer organisation, its SDC, main parent company, managing company)	Quarter 2 of 2009				Information about affiliates	
	Share in total accounts payable, %	Amount of accounts payable, thousand roubles	Including overdue, thousand roubles	Terms of overdue debt	Participatory share in the authorised equity capital of the Issuer, %	Participatory share of the Issuer in the authorised equity capital of the creditor, %
EBRD	19.09 %	6 530 380	0.00	-	-	-
JSC RusHydro MC	15.15 %	5 185 129	0.00	-	-	100.00
Morgan Stanley	13.29 %	4 546 019	0.00	-	-	-

2.3.2. Credit history of the Issuer

Discharge by the Issuer of its obligations under credit agreements and/or loan agreements previously in effect and in effect at the closing date of the reporting quarter under which the principal debt constitutes 5 or more per cent of the book value of the Issuer's assets at the closing date of the latest reporting quarter preceding conclusion of the relevant agreement, as well as other credit agreements and/or loan agreements that the Issuer deemed material for itself:

Creditor	Liability	Agreement date	Agreement currency	Debt in the agreement currency	Maturity	Any delays in discharge of the obligation with respect to payment of the principal and/or interest, length of the delay, in days
JSC RusHydro MC	Loan	01 June 2006	RUB	5 000 000 000.00	29 June 2011	N/A
EBRD	Credit	08 September 2006	RUB	6 300 000 000.00	24 October 2020	N/A
Morgan Stanley*	Credit	13 December 2006	RUB	3 000 000 000.00	13 December 2013	N/A
CF Structured Products B.V.**	Credit notes	12 February 2007	USD	60 000 000.00	15 February 2013	N/A
Morgan Stanley	Credit	27 April 2007	RUB	1 500 000 000.00	27 April 2014	N/A

* Under this credit, JSC RusHydro was the legal successor of JSC Saratovskaya HPP, which was absorbed into JSC RusHydro during the first stage of the Company's consolidation on 09 January 2008.

** Under this credit, JSC RusHydro was the legal successor of JSC Cascade NChHPP, which was absorbed into JSC RusHydro during the final stage of the Company's consolidation on 01 July 2008.

The Issuer has not issued any bonds.

2.3.3. Liabilities of the Issuer out of collateral provided to third parties

The total sum of the Issuer's liabilities out of collateral provided thereby and the total sum of third party liabilities on which the Issuer has provided collateral as of 30 June, 2009 - 27 337 069 166.56 roubles.

Creditor	Debtor	Year surety issued	Share of JSC RusHydro in the surety	Sum of liabilities of JSC RusHydro under sureties, roubles.
MC RusHydro JSC	Market investors	2006	100%	5 000 000 000.00
Barclays Bank PLC	BoAZ CJSC	2007	50%	8 135 504 000.00
Areva T&D S.A.	BoAZ CJSC	2008	50%	1 452 972 340.92
Solios Environment SA	BoAZ CJSC	2008	50%	818 786 425.61
Societe Des Technologies De L'Aluminium Du Saguenay Inc.	BoAZ CJSC	2008	50%	19 776 017.80
Brochot SA	BoAZ CJSC	2008	50%	27 867 187.39
FLSmidth MÖLLER GmbH (Commerzbank Eurasia CJSC)	BoAZ CJSC	2008	50%	175 817 802.95
GOLDMAN SACHS INTERNATIONAL	RusHydro Aluminium Company Limited	2008	100%	10 001 218 484.44
Bank of Moscow AKB	JSC IR-leasing	2005	100%	907 678 633.51
Bank of Moscow AKB	JSC Khanty-Mansiisk leasing Company Otkrytiye	2006	100%	191 369 813.90
Morgan Stanley	JSC Zaramagskiye HPP	2008	100%	606 078 460.04

The Issuer does not have any other liabilities out of collateral, including in pledge form.

From the beginning of the current financial year to the end of the reporting quarter, the Issuer did not incur any liabilities on provision of collateral to third parties, including in the form of a pledge or surety, constituting at least 5 per cent of the Issuer's balance sheet value at the closing of the last complete quarter prior to provision of the collateral.

2.3.4. Other liabilities of the Issuer

According to the financial (business) accounting of the Issuer, on the last date of the reporting quarter, the Issuer did not have any agreements, including futures transactions, not booked on its accounting balance sheet that might reflect materially on its financial status, liquidity, sources of financing and conditions for their use, results of its operations and costs.

2.4. Objectives of the issue and allocation of the funds received as a result of placement of equity securities

Objective of the issue:

To raise additional monetary funds.

Allocation of the funds received as a result of securities placement:

The Issuer plans to allocate the funds received as a result of share placement for financing implementation of its investment programme envisaging construction of new production capacities.

The Issuer does not place securities for the purpose of financing any specific transaction (interconnected transactions) or other operations (acquisition of assets required for production of specific products (goods, work, services); acquisition of participatory shares in the authorised equity capital (shares) of another organisations; reduction or redemption of accounts payable or other obligations of the Issuer.

2.5. Risks connected with acquisition of outstanding (placed) equity securities

The developing wholesale and retail electricity and capacity markets involve a higher level of risk than the developed markets for other products and services and include major legal, economic and, owing to the considerable social significance for the country, political risks. The dynamic development of these markets allows the assumption, with a high degree of certainty, that the information presented in this document may become outdated quite fast. The current information indeterminacy, owing to the rapidly changing factors, might affect the future activities of the Issuer, the possibility of selling its assets and observing liability maturity. Investors should take this indeterminacy into account when assessing their own risks and making decisions on the feasibility of investments. In addition, some risks that are not substantial at present, may become materially so in the future.

For the purposes of minimising risks, the Issuer conducts continuous work to identify and assess them.

The Issuer's risk management policies take account of the need to rehabilitate existing and build new generating facilities.

The specialists of JSC RusHydro have developed a long-term technical upgrading and rehabilitation programme for the period up to 2020 for the purpose of:

- enhancing the reliability, safety and cost-effectiveness of equipment by means of complete renewal of the primary and auxiliary equipment that has outlived its service life; improving the technical and economic performance of HPPs for functioning under the conditions of a competitive electricity market; reducing repair costs;
- raising operating efficiency by implementing operating costs reduction and retrenchment programmes;
- pursuing a sound financial policy;
- continuously carrying out electricity market research;
- creating a competitive environment in the sphere of procurements, works and services.

The Issuer's risk management policy:

The Issuer's risk management policy has been approved by the Board of Directors of JSC RusHydro and is a public document posted on JSC RusHydro's corporate website. The main tasks in the risk management sphere are timely identification and prevention of risks for the purpose of minimising losses.

The issuer's specific risks management activities are described below in clauses 2.5.1-2.5.5.

2.5.1. Industry risks

The Issuer is subject to industry risks primarily as a consequence of the tariff-setting system used in the industry, which fulfils not economic tasks (stimulating production and investment) but rather political ones: reducing social tensions through electricity tariffs management.

Management of this risk consists in setting economically justified tariffs with due account for potential output fluctuations and upholding a realistic planned balance of electricity production before the Federal Tariff Service. In spite of the amendments to the rules governing the New Wholesale Electricity and Capacity Market (NWECEM), the tariffs set do not provide for profitable sale of electricity and receipt of the requisite investment resources.

The most significant events in the electricity industry are, for the Issuer:

- termination of JSC RAO UES of Russia;
- creation of a competitive electricity and capacity market.

The reform of the electricity industry is still in progress, as a result of which the Russian electricity market is undergoing major changes and the Issuer may become subject to the impact of a number of operational, commercial, technical, administrative, regulatory and other risks that cannot yet be foreseen. Even so, they may exert a material negative impact on the Issuer's business, income and operating results.

The Issuer believes a deterioration in the situation in the industry might result from:

1. Operating (production) risks associated with physical wear and tear of equipment, breach of operating conditions and a critical change in the equipment working parameters. If these risks materialize, this might entail equipment breakdowns (accidents) and destruction of structures. Accidents of a systemic nature might result in division of the power grid, rolling blackouts for consumers, and critical equipment operation modes.

The fairly intensive operation of power plant permanent equipment promotes its progressive obsolescence. The unsatisfactory state of equipment owing to its wear and tear is the chief reason for emergence of production risks, the main ones being:

- a threat of the hydropower plant failing to fulfil properly the systemic operating and regulating functions (frequency and voltage regulation, etc.), meaning that use is not made of the opportunities emerging in the process of electricity industry reform;
- a deterioration of the operating and economic indicators of HPPs;
- an onset of unfavourable environmental consequences;
- a threat of accidents fraught with electricity underproduction and serious environmental and social consequences;
- risk of employee injury.

Actions to manage this risk:

Management of the production risks of JSC RusHydro branches underpins the Issuer's system of technico-economic decision making when developing equipment-related programmes (within the scope of long-term programmes for technical upgrading and rehabilitation, repair and maintenance).

To improve risk management efficiency with respect to production assets reliability JSC RusHydro is actively using various risk management methods, including an automated production risks management system.

The likelihood of equipment breakdown is at the statistical average. All the main production facilities of the Issuer are insured. In addition, a whole complex of measures is being implemented to ensure due reliability of equipment and structures, specifically:

- performance of full scale repairs;
- implementation of the long-term technical upgrading and rehabilitation programme for the plan period of 2006-2020 approved by the Issuer's Board of Directors;
- use of modern diagnostic methods not requiring suspension of equipment operation;
- continual spare parts inventory optimisation;
- introduction of tender-based selection of service and supply organisations to improve the quality of the services and materials supplied, enhance partners' responsibility and cut unit costs.

There is a likelihood of systemic accidents occurring. In order to ensure systemic reliability, an automated accident control system has been introduced and is being upgraded to comply with the latest requirements. The purpose of the centralised automated accident control system includes ensuring systemic reliability throughout the power grid in the event of local failures occurring.

In the sphere of industrial safety, risk management, within the scope of JSC RusHydro's production risk management system, is provided for by compliance with the federal legislation on industrial safety and, on its basis, by the current system of production control over observance of the industrial safety requirements within JSC RusHydro.

2. Environmental risks, which are manifested in the possibility of oil leaking into the rivers from HPP hydropower units and water exceeding the dam crest (reservoir) level in the head and tail races.

Fines for possible oil leaks cannot affect the Company's solvency, so this risk may be considered as insignificant. In addition, in the course of implementation its long-term technical upgrading and rehabilitation programme, the Issuer is replacing hydroturbine components and units with new ones ensuring highly environment-friendly production.

If the water rises above the set levels of the reservoir in the head and tail races, this might cause flooding of zones along the banks where production and residential facilities and nature complexes are located. The reservoir water level is regulated in strict compliance with the schedule issued by the interdepartmental operations group. In order to prevent flooding, protective dams and structures are used. The owners are to maintain them in proper condition and to strengthen collapsing dam sections in good time. For its part, the Company uses meteorological forecasts to timely notify water-users of probable river levels so that they could take the necessary protective measures.

To improve its environmental actions, JSC RusHydro is deploying an environmental management system in accordance with the ISO-14001-2004 international standard.

3. Risks associated with construction by major consumers of alternative electricity supply facilities.

One of the objectives of Russian electricity industry reform is to create competition in the sphere of electricity production and supply in Russia. Construction by major consumers of alternative electricity supply facilities may lead to a drop in production and sales of electricity by the Issuer in the future.

The Issuer's actions to manage this risk:

In order to cancel out this risk, the Issuer is actively working with consumers to establish mutually beneficial relations.

Additional actions on the part of the Issuer to mitigate the above risks:

- enhancement of operating efficiency through implementation of cost reduction and saving programmes;
- increase in the share of long-term contracts for energy supply in the contract portfolio;
- pursuit of a sound financial policy.

4. Risk of indeterminate energy production (“water content” risk)

The risk of indeterminate energy production consists for the Issuer in the impossibility of predicting exactly the volume of electricity to be produced in the medium and long term. In the main, this risk affects discharge of electricity supply obligations on the NWECEM.

The Issuer's actions to manage this risk:

This risk can be minimised by JSC RusHydro's unified sales service by means of:

- development of proposals for changing the current legislative framework in relation to freedom of daily planning by the HPP of its own production and submission of price bids;
- protection of the interests of the HPP in inter-departmental operations groups of Russia's Federal Water Resources Agency;
- conclusion of bilateral hedging contracts on the day ahead market (including for purchase of electricity to secure obligations).

In view of the above, the Issuer believes that a deterioration in the situation in the Issuer's industry, negative changes in the operation and production process and construction by major consumers of alternative electricity supply facilities are capable of affecting the Issuer's operations but should not seriously impact on discharge of its securities liabilities.

Risks connected with possible changes in the prices of raw materials and services used by the Issuer in its activities (separately on the domestic and foreign markets), and their impact on the Issuer's operations and discharge of its securities liabilities

The Issuer does not use fuel to produce electricity but develops the untapped energy potential of Russian rivers and other renewable energy sources, thereby generating environmentally clean electricity and, at the same time, making it possible to release fossil (hydrocarbon) fuels for other uses in the future.

In this connection, the Issuer is not subject to risks connected with any possible change in the prices of raw materials and services.

Risks connected with a rise in the prices of equipment and other material and technical resources used by the Issuer in its activities

These risks derive, in the main, from inflationary processes in the country's economy and may be minimised by the following measures:

- enhancement of operating efficiency through implementation of cost reduction programmes (creation of a competitive environment in the sphere of works and services procurement, optimisation of repair, operating and capital construction costs, and so on);

- pursuit of a sound financial policy in terms of compliance with payment discipline to minimise the risks of insolvency and to provide for financial sustainability of the Issuer and observance of business planning standards.

Risks connected with possible changes in the prices for the Issuer's products and/or the services (separately on the domestic and foreign markets), and their impact on the Issuer's activities and discharge of its securities liabilities

One of the main types of risk for the Issuer is risks connected with a possible change (drop) in the sales price of electricity (on the day ahead and balancing markets). As the entire "liberalised" volume of electricity is sold by the Issuer on the wholesale market at free unregulated prices, there is a risk of a drop in revenues in relation to the plan indicators in the event of a fall in the average weighted sales price of electricity on the wholesale electricity market.

Also of importance to the Issuer are risks connected with higher costs of purchasing electricity to secure regulated contracts (regulated contracts provide for sale of electricity (capacity) at tariffs approved by the Federal Tariff Service of the Russian Federation) in the event of declining production volumes and electricity sales prices on the day ahead market exceeding the tariffs approved by the Federal Tariff Service of the Russian Federation.

According to the rate of wholesale market liberalisation set by Resolution of the Russian Federation Government No. 205 of 07 April 2007, the volumes of electricity (capacity) sold on the wholesale market at regulated prices (tariffs) are gradually decreasing. As a result of the corresponding increase in the sales volumes of electricity at free unregulated prices, the risks connected with increasing costs of purchasing electricity to secure regulated contracts will become less significant and, by 2011, will no longer be relevant (in 2011, it is intended that the wholesale electricity (capacity) market will be 100% liberalised).

The "capacity market" transitional model launched on 1 July 2008 envisages sale of capacity by the Issuer at a price not below the level of semi-permanent costs (capacity tariff), in connection with which the risk of a change in prices on the capacity market is negligible.

Impact of a possible deterioration in the situation in the Issuer's industry on its activities and discharge of its securities liabilities

The Issuer is the biggest hydropower company in Russia, occupying a key position in the country's economy. The Issuer believes that a possible deterioration in the situation in the Issuer's industry, negative changes in the operation and production process and construction by major consumers of alternative electricity supply facilities are capable of affecting the Issuer's activities but should not seriously impact on discharge of its securities liabilities.

2.5.2. Country and regional risks

Risks connected with the political and economic situation in the country(ies) and the region in which the Issuer is registered as a taxpayer and/or conducts its core business, on the condition that the Issuer's core business in this country (region) brings in 10 or more per cent of the income for the last complete reporting period preceding the closing date of the last reporting quarter

Country risks

Russia's economy is not protected against market collapses or economic slow-downs in other countries of the world. As a result of the impact of the global financial crisis, financial problems or more acute perception of the risks of investing in emerging economies are reducing the volume of foreign investment in Russia and exerting a negative impact on the Russian economy. In

addition, since Russia produces and exports large volumes of natural gas and oil, the Russian economy is particularly vulnerable to changes in world prices for oil and gas, and a drop in the prices of natural gas and oil may slow down or undermine the development of the Russian economy. These events might restrict the Issuer's access to capital and exert an unfavourable impact on the purchasing power of the consumers of the Issuer's products. The Issuer intends to take all possible steps to mitigate the influence of these events on its activities by optimising use of credit leveraging during the crisis.

The crisis on the financial market and the contraction of industrial production also engender a risk of falling demand for electricity, which might entail a drop in the Issuer's sales and revenues, as well as a risk of accounts receivable growing as a consequence of failure by consumers to pay for electricity.

Regional risks

1. The Issuer is registered as a taxpayer in the Krasnoyarsk Territory which was set up on 7 December 1934. The Territory has an area of 2,339,700 sq km, which accounts for 13.7% of that of the Russian Federation.

Krasnoyarsk Territory is the second biggest in area in the Russian Federation after the Republic of Sakha (Yakutia) and the thirteenth biggest in terms of population.

Electricity is one of the Territory's leading industries. In terms of installed capacity and production volumes, the electricity industry accounts for about 10% of the structure of production of products (works, services) of the main branches of industry in the Territory.

2. Constituent entities of the Russian Federation generating over 10% of the Issuer's revenues over the last complete reporting period: Samara Region, Volgograd Region, Republic of Khakassia.

The Samara and Volgograd Regions are among the country's most industrially developed regions, with a developed infrastructure. In this connection, since the Issuer conducts its business in this region, it is not subject to risks of termination of transport links owing to distance and/or inaccessibility. In addition, the Volga area has traditionally enjoyed a high investor appeal among both domestic and foreign investors.

The Republic of Khakassia is situated in the south-western part of Eastern Siberia on the left bank of the Yenisei basin. It stretches 460 km from north to south and 200 km from west to east (at its widest point). In the north, east and south-east, Khakassia borders on Krasnoyarsk Territory; in the west – on the Kemerovo Region; in the south – on the Republic of Tyva; and in the south-west – on the Republic of Altai. Khakassia has a total area of 61,900 sq km and a population of 583,200.

The basic sector of the Republic of Khakassia's economy is industry, accounting for about 37.5% of the gross regional product and providing a substantial part of the Republic's tax revenues – 40.3%.

The region's main industries are metal, electricity and fuel production, which account for over 77% of the total industrial output. The energy complex provides 19% of industrial production. The energy system of the Republic of Khakassia includes: the Sayano-Shushenskaya HPP, the Mainskaya HPP and three electric power plants with an aggregate capacity of 7016 MW, of which the Sayano-Shushenskaya HPP and the Mainskaya HPP, belonging to the Issuer, account for 6721 MW (96%). The Issuer is thus the dominant producer of electric power in the Republic of Khakassia, providing for the possibility of reliable functioning and development of industrial production and other branches of the region's economy.

The Issuer assesses the political and economic situation in the Samara and Volgograd Regions and the Republic of Khakassia as relatively stable. An improvement in the economic status of

these regions would, of course, have a positive impact on the Issuer's activities and on its financial position.

Proposed actions on the part of the Issuer in the event of a negative impact of a change in the situation in the country(ies) and the region(s) in which it operates:

Changes in the situation in the country and regions in which the Issuer operates, the character and frequency of such changes and the related risks are hard to foretell, as is their impact on the Issuer's future activities. A large proportion of these risks is beyond the Issuer's control owing to their global scale. In the event of destabilization of the situation in Russia or these regions, which might have an adverse effect on the Issuer's activities, the Issuer will take a series of crisis management steps so as to minimise the negative impact on the Issuer's position.

Risks connected with possible military conflicts, declaration of a state of emergency and strikes in the country and the region in which the Issuer is registered as a taxpayer and/or conducts its core business:

In the event of a military conflict breaking out, the Issuer's risks include a threat to the lives of its personnel and a danger of its fixed assets being disabled. The region in which the Issuer is registered and most of the regions in which it operates are characterised by a calm political situation, with a minimum likelihood of military conflicts, a state of emergency or strikes being declared.

Risks connected with the geographical specifics of the country and region in which the Issuer is registered as a taxpayer and/or conducts its core business, including increased danger of natural disasters, possible termination of transport communications in connection with remoteness and/or inaccessibility, etc.:

The regions in which the Issuer operates are characterised by a developed transport infrastructure and are not subject to risks connected with suspension of transport communications.

The risks connected with the geographical specifics of the regions may include: a danger of losses (such as disablement of fixed assets) in connection with seismic activity, avalanches, mud and landslides, and floods, as well as other unfavourable weather conditions (hurricanes, major snowstorms and extremely low temperatures, etc.).

2.5.3. Financial risks

Susceptibility of the Issuer to risks associated with a change in interest rates, foreign currency exchange rates in connection with the activities of the Issuer or in connection with hedging carried out by the Issuer for the purpose of mitigating the adverse effects of the above-mentioned risks:

As the Issuer's credit portfolio holds borrowings the value of which is tied to a floating interest rate (MOSPRIME), the Issuer is subject to risks connected with a change in interest rates. Currently and for the medium-term future, an extremely unfavourable situation has taken shape on the financial markets, with the refinancing rate of the Central Bank of the Russian Federation tending to rise and the interest rates on commercial bank credits already having risen substantially. In order to mitigate the negative impact of short-term interest rate fluctuations on the Issuer's activities, the Issuer has concluded swap transactions to fix interest rates in relation to borrowings raised.

The financial status of the Issuer, its liquidity, sources of financing, and results of its activities depend very little on changes in the currency exchange rate, since the Issuer sells electricity on the domestic market of the Russian Federation and settlements with suppliers of resources, accrual and acceptance of payments from electricity consumers are all made in the currency of the Russian Federation – roubles. The volume of the Issuer's operations on the foreign market was, as of the 1st quarter of 2009, insignificant.

Proposed actions on the part of the Issuer in the event of an adverse effect exerted by a change in the currency exchange rate and interest rates on the Issuer's activities:

Virtually all the Issuer's liabilities are denominated in the currency of the Russian Federation (roubles), so the Issuer's susceptibility to the risk of a change in the exchange rates for foreign currencies is assessed by the Issuer as insignificant. Even so, for the purpose of cutting the costs of discharging its obligations expressed in foreign currency, the Issuer has concluded forward transactions for supply of currency for payments planned for 2009.

Risks of inflation

The inflation level depends directly on the political and economic situation in the country. During the global financial crisis, a high level of inflation is characteristic of the Russian economy. In view of the fact that the Issuer conducts its business on the territory of the Russian Federation, a change in the inflation level also affects it. A rise in the inflation in the Russian Federation entails an overall growth of interest rates.

An adverse impact of inflation on the financial and business activities of the Issuer might be engendered by the following risks:

- risk of losses connected with a decrease in the real value of accounts receivable if payment is substantially deferred or delayed;
- risk of an increase in interest payable;
- risk of an increase in the production costs of goods, products, works and services owing to rising prices for energy resources, transport costs, wages and so on;
- risk of a reduction in the real value of funds raised to implement the investment programme.

The risk of the impact of inflation might arise in the event that cash earnings received are devalued from the viewpoint of the money's real purchasing power faster than they grow nominally. A growth of inflation has a material effect on the Issuer's financial results. It might lead to an increase in the Company's costs (through rising prices for energy resources and inventories) and, as a consequence, a fall in profits and, accordingly, its business profitability. In addition, rising inflation increases the cost for the Issuer of borrowed funds, which might lead to a shortage of circulating assets.

The critical significance of inflation in the Issuer's opinion:

Given the current restriction on tariff hikes of no more than 7-10% a year during the period up to 2012 and the level of potential business returns, the Issuer believes that the inflation level would be at least 20% and cause problems for the Issuer.

Under the circumstances, the Issuer plans to increase the turnover of circulating assets by changing contractual relations with consumers.

Liquidity risk

A sliding system has been introduced within the Company for planning its cash flows for all types of activity. The planning is done for 20 years, 5 years, 1 year, and 1 quarter, broken down by the month.

Sound liquidity risk management includes maintaining adequate cash funds and easily sellable securities for retaining the Company's ability to fulfil its current obligations. Temporarily idle monetary funds are placed in short-term financial instruments, mainly bank deposits.

Also introduced within the Company is a system for exercising control over conclusion of agreements by means of "model financial terms and conditions" (payment structure, payment timelines, advance payment to final settlement ratio, and so on.) for relations with business partners. The Company thus regulates the capital turnover cycle.

Cash flows and liquidity and solvency risks management is carried out by the Company's special department – the treasury. Management of financial activities (raising short and long-term loan capital and placement of temporarily idle monetary funds, insurance) is done out by the parent company.

2.5.4. Legal risks

Legal risks connected with the Issuer's activities

There exist risks of losses connected with a change in the legislation, as well as incorrect legal drawing up of documents and support for the Issuer's activities. In order to minimise these risks, virtually all the Issuer's operations undergo mandatory legal due diligence.

A change in the licensing requirements with respect to the Issuer's core business might prolong the time required for drawing up the requisite documents for extending licences and increase the need for the Company to comply with the set requirements. In general, however, this risk should be deemed insignificant, except when prolonging a licence or conducting activities subject to licensing involves requirements with which the Company cannot comply or compliance with which would be fraught with excessive costs and thereby result in the Company terminating this line of business.

Risks connected with a change in the currency legislation

Since the Issuer is involved in export and import of products only to an insignificant extent, the risks entailed by a change in currency regulation should be deemed negligible.

Risks connected with a change in the tax legislation

The tax system in the Russian Federation is characterised by a large number of taxes and a frequently changing legislative framework. The Russian tax legislation can be interpreted in different ways and is subject to frequent amendment. The laws sometimes contain imprecise, contradictory wordings allowing different interpretations of one and the same matter. As a consequence, the tax authorities of various levels often interpret the same provision of regulatory documents in different ways. In this context, there is a likelihood that operations and activities that were not previously disputed might be challenged. Tax audits can cover the three calendar years of operations directly preceding the audit year. Under certain conditions, even earlier periods can be subject to audit.

This risk is considered insignificant.

Risks connected with a change in the customs control and customs duty rules

Since the Issuer is involved in export and import of products only to an insignificant extent, the risks entailed by a change in the customs control and customs duty rules should be deemed negligible.

Risks connected with a change in judicial practice on matters associated with the Issuer's activities (including licensing issues), which might have an adverse impact on its performance, and the results of current court proceedings in which the Issuer is participating:

Changes in judicial practice on matters associated with the Company's activities might lead to higher costs of engaging qualified lawyers and to court rulings being issued that are not in favour of the Company, and this might adversely influence the results of the Company's activities. The likelihood of such changes that might have a material effect on the Company's activities is, however, insignificant.

2.5.5. Risks connected with the Issuer's activities

Risks connected with impossibility of prolonging the Issuer's licence to conduct a specific type of activity or to operate facilities that are in restricted circulation (including natural resources).

Since licensing of operation of explosion-hazard (Rostekhnadzor) and fire-hazard (Emergency Control Ministry of Russia) production facilities has been replaced by licensing of operation of explosion- and fire-hazard production facilities (Rostekhnadzor), the Issuer requires a permit (licence) to operate explosion- and fire-hazard production facilities.

The Issuer's actions to manage this risk:

The Issuer has registered its hazardous production facilities in the state register of hazardous production facilities at the Company's location and has organised work to obtain a licence to operate explosion- and fire-hazard production facilities.

The Issuer's lack of a licence to collect, use, decontaminate, transport and dispose of hazardous waste results in above-standard payments for environmental pollution. These risks are insignificant for the Issuer and cannot have any material impact on the Company's solvency.

Additional actions on the part of the Issuer to manage this risk:

The Issuer has organised work to obtain a licence to collect, use, decontaminate, transport and dispose of hazardous waste and to submit licensing materials to Rostekhnadzor. The materials have received a positive state expert examination opinion.

Risks connected with the possibility of loss of consumers accounting for at least 10 per cent of the Issuer's revenues from sale of products (works, services).

Since the Issuer sells all the electricity produced on the wholesale market, this is a negligible risk.

Other risks connected with the Issuer's activities

Risks connected with third party actions

The Issuer is subject to risks connected with actions of third parties carrying out various work on HPPs:

1. Failure to discharge obligations by the deadlines set in the contracts might result in generating equipment not being started up on time, and this might impact on electricity production.

2. In the event of mass scale breach of contractual obligations with respect to work performance deadlines, this might prolong repair works and result in wear and tear of fixed assets. This might adversely affect the reliability of the power plant's equipment.

3. Incompetent organisation and performance of work by business partners might cause damage to the power plant's equipment and eventually result in accidental outages of equipment, this possibly affecting electricity production.

The Issuer's actions to manage this risk:

- insurance of the equipment of electric power plants against damage caused by third parties;
- work authorisation only for skilled personnel;
- filing of claims and law suits against partners that have violated work performance deadlines for recovery of penalties for violation of contractual obligations;

- monthly monitoring of work performance at power plants.

Production risks

Hydropower plants play a major role in ensuring the requisite quality of electricity supply by participating in covering the uneven part of the daily load schedule and acting as short-term operational and emergency power reserves.

Owing to the fairly strict mode of operation of HPP primary equipment, the latter is growing increasingly obsolete. The unsatisfactory condition of equipment due to its wear and tear is the main reason for the emergence of production risks, the principal ones being:

- a threat of the hydropower plant failing to fulfil properly the system-wide operating and regulating functions (frequency and voltage regulation, etc.), meaning that use it not made of the opportunities emerging in the process of electric industry reform;
- a deterioration of the operating and economic indicators of HPPs;
- an onset of unfavourable environmental consequences;
- a threat of accidents resulting in electricity underproduction and serious environmental and social consequences;
- operation of installations beyond their service life at hazardous production facilities (storage and use of flammables, operation of lifting and high pressure equipment) of JSC RusHydro and its branches, which greatly enhances the risk of emergencies and incidents arising at hazardous production facilities;
- risk of employee injury.

Actions to manage this risk

Management of the production risks of JSC RusHydro branches underpins the Issuer's system of technico-economic decision making when developing equipment-related programmes (within the scope of long-term programmes for technical upgrading and rehabilitation, repair and maintenance).

In the sphere of industrial safety, risk management at JSC RusHydro branches, within the overall production risk management system of JSC RusHydro's branches, is provided for by compliance with the federal legislation on industrial safety and, on its basis, by the current system of production control over observance of the industrial safety requirements in JSC RusHydro branches.

In this section, we have described only the risks that, in the opinion of the Issuer, are substantial. Most likely, there are also other risks that have not been included in this section. Other risks about which the Issuer is not aware or those which are not currently significant for the Issuer might, potentially, exert a negative influence on the Issuer's business.

III. Detailed Information on the Issuer

3.1. History of the Issuer's foundation and development

3.1.1. Details of the corporate name of the Issuer

Full corporate name of the Issuer: Open Joint-Stock Company RusHydro

Abbreviated corporate name of the Issuer:

- in Russian: ОАО "РусГидро"

- in English: JSC RusHydro.

The Issuer has no information to the effect that the name of the Issuer is similar to that of any other legal entity.

The corporate name of the Issuer is not registered as a trade mark or service mark.

Information about change of the Issuer's corporate name since its incorporation:

Previous full (abbreviated) corporate name of the Issuer: Open Joint-Stock Company Federal Hydrogeneration Company (JSC GidroOGK).

Grounds for and date of change of the full and abbreviated corporate names of the Issuer: state registration on 04 July 2008 of the Issuer's restated Articles of Association approved by resolution of the Annual General Meeting of Shareholders of the Issuer on 25 June 2008 (Minutes No. 1 of 26 June 2008).

The legal form of the Issuer has not changed since its incorporation.

3.1.2. Information about state registration of the Issuer

Principal State Registration Number of the legal entity (PSRN): 1042401810494

Date of registration: 26 December 2004.

Name of the registration authority in accordance with the data indicated in the certificate of entry in the Unified State Register of Legal Entities: Inspectorate of the Ministry of the Russian Federation for Taxes and Levies for the Zheleznodorozhny District of Krasnoyarsk, Krasnoyarsk Territory.

3.1.3. Information about foundation and development of the Issuer

Term of the Issuer's existence from the date of its state registration to the end of the reporting quarter: 54 (fifty four) complete months.

The Issuer was set up for an indefinite term.

Brief history of the Issuer's foundation and development

JSC RusHydro was founded in accordance with Resolution of the Russian Federation Government No. 526 of 11 July 2001 "Main guidelines of electricity sector reform in the Russian Federation" and Directive of the Russian Federation Government No. 1254-r of 01 September 2003 (as amended on 25 October 2004, No. 1367-r) as a wholly owned subsidiary of JSC RAO UES of Russia.

State registration of the Issuer took place on 26 December 2004.

In 2005, the Board of Directors of JSC RAO UES of Russia approved a target model for JSC RusHydro in the form of an Operating Company managing its component subsidiaries set up on the basis of Joint-Stock Company HPPs during reorganisation of subsidiaries and dependent companies (SDCs) in the form of absorption into JSC RusHydro (Minutes No. 204 dated 30 September 2005-04 October 2005).

On 27 April 2007, the Board of Directors of JSC RAO UES of Russia approved a plan for accelerated consolidation of the Issuer into a unified Operating Company that envisaged absorption into JSC RusHydro of subsidiary Joint-Stock Company HPPs (without construction

projects and infrastructure subsidiaries), other Joint-Stock Company HPPs, as well as JSC State Holding Company HidroOGK and JSC Minority Holding Company HidroOGK, which were set up as a result of the reorganisation of JSC RAO UES of Russia in the form of a split-off (Minutes No. 250 of 27 April 2007).

Operating Company JSC RusHydro with direct participation in the authorised equity capital of the Issuer by shareholders in subsidiaries and dependent companies (SDCs), as well as shareholders in JSC RAO UES of Russia (through JSC Minority Holding Company HidroOGK and JSC State Holding Company HidroOGK), was formed during 2007-2008 by way of reorganisation in the form of absorption into JSC RusHydro of the following joint-stock companies (hereinafter referred to as the Affiliated companies):

JSC Bureiskaya HPP, JSC Volzhskaya HPP, JSC Votkinskaya HPP, JSC Dagestan Regional Generation Company, JSC Zhigulevskaya HPP, JSC Zagorskaya PSPP, JSC Zeiskaya HPP, JSC Zelenchukskiye HPPs, JSC Kabardino-Balkarian Hydrogeneration Company, JSC KabbalkHPP, JSC Kamskaya HPP, JSC Cascade of VV HPPs, JSC Cascade of NChHPPs, JSC Nizhegorodskaya HPP, JSC Saratovskaya HPP, JSC North Ossetian HGC, JSC Stavropol Electricity Generating Company, JSC Sulakenergo, JSC Cheboksarskaya HPP, JSC Neporozhny SShHPP, CJSC EOZ, JSC Irganaiskaya HPP, JSC State Holding Company HidroOGK, and JSC Minority Holding Company HidroOGK.

For the purpose of determining fair financial conditions for the reorganisation of JSC RAO UES of Russia, the following consortia of investment banks were engaged:

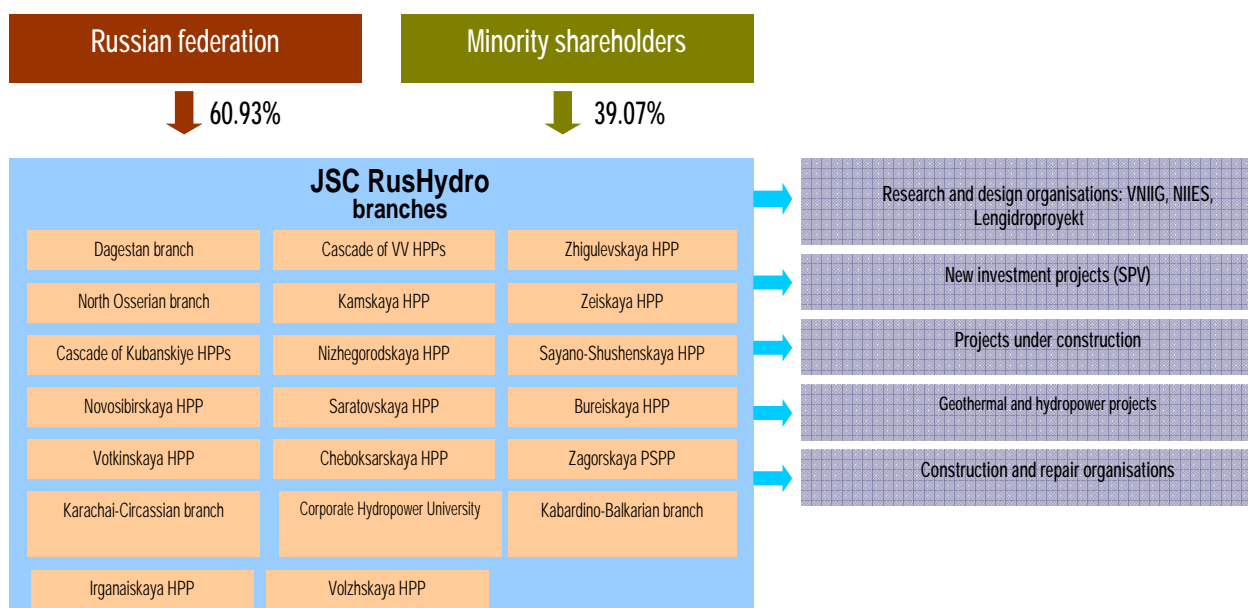
- with respect to swap ratios for shares in the Affiliated companies, with the exception of JSC State Holding Company HidroOGK and JSC Minority Holding Company HidroOGK, to convert into shares in the Issuer – a consortium consisting of KIT FINANCE INVESTMENT BANK (JSC), LLC IFC METROPOL and BNP PARIBAS SA;

- with respect to swap ratios for shares in JSC Minority Holding Company HidroOGK and JSC State Holding Company HidroOGK to convert into shares in the Issuer – a consortium consisting of JPMorgan plc, KIT FINANCE INVESTMENT BANK (JSC) and LLC IFC METROPOL.

The consortia of investment banks drew up proposals for the financial conditions for the reorganisation with respect to fair swap ratios for shares in the Affiliated companies to convert into shares in the Issuer on their absorption.

The resolution on reorganisation was adopted by an Extraordinary General Meeting of Shareholders of the Company held on 12 October 2007 (Minutes of 16 October 2007).

Structure of JSC RusHydro after reorganisation



After completion of the reorganisation, JSC RusHydro combined over 50 HPPs in 18 regions of constituent entities of the Russian Federation with an aggregate installed capacity of over 25 GW.

Objectives of founding the Issuer

- pursuance of government policy in the hydropower sphere;
- creation of the conditions for efficient functioning of the wholesale electricity market;
- efficient operation and centralised technological management of hydropower facilities;
- implementation of a unified strategy in the sphere of investment and capital raising for fulfilling system-wide tasks of hydropower development;
- development and implementation of scientific and technical policies and introduction of progressive new equipment and technologies, including for renewable electricity generation;
- generation of profits.

Strategic objectives of the Issuer

The strategic objectives focus the Company on what is required for implementing its mission and specifying insights into the Company's future.

1. Company growth.
2. Creation of the conditions for ensuring system-wide reliability and safety.
3. Sustainable development of renewable electricity production.

The Issuer's mission

On 19 October 2007, a resolution of the Company Board of Directors approved the following wording of the Company's mission:

Efficient use of hydro resources, creation of the conditions for reliability of the UES, and expanded use of renewable energy sources to the benefit of shareholders and society.

The management of the Issuer is striving to achieve long-term harmonious growth of the Company in order to transform it into a leading global energy company in the sphere of renewable energy development.

Other information on the Issuer's activities that is important for decision-making about acquiring the Issuer's securities: N/A.

3.1.4. Contact information

Location of the Issuer: 51 Respubliki St., Krasnoyarsk, Krasnoyarsk Territory

Telephone number: (495) 926-30-12; 225-32-32

Fax number: (495) 225-37-37

Email address: office@rushydro.ru

Website for disclosure of information about the Issuer, the securities issued and/or to be issued: www.rushydro.ru

Data on the Issuer's special unit for shareholder and investor relations:

Corporate Governance Department of JSC RusHydro

Location: 51 Arkhitektova Vlasova St., Moscow, 117393, Russian Federation

Telephone, fax number: (495) 225-32-32

E-mail address: SmirnovaUV@gidroogk.ru

Website: www.rushydro.ru

Target Communications Department of JSC RusHydro

Location: 51 Arkhitektova Vlasova St., Moscow, 117393, Russian Federation

Telephone, fax number: (495) 225-32-32

E-mail address: DruzyakaEV@gidroogk.ru

Website: www.rushydro.ru

3.1.5. Taxpayer Identification Number

The Issuer's taxpayer identification number assigned by the tax authorities: **2460066195**

3.1.6. The Issuer's branches and representations

No.	Branch/representation	Location
1	Branch Bureiskaya HPP	Talakan, Bureya District, Amur Region, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Gorbenko, Yuri Vasilyevich
	CEO mandate valid until	31.12.2009
2	Branch Volzhskaya HPP	1a Prospekt Lenina, Volzhsky, Volgograd Region, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Klimenko, Andrei Viktorovich
	CEO mandate valid until	31.12.2009
3	Branch Votkinskaya HPP	Tchaikovsky, Perm Territory, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Byakov, Alexei Georgiyevich
	CEO mandate valid until	31.12.2009
4	Dagestan branch	73a Dakhayeva St., Makhachkala, Republic of Dagestan, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Gamzatov, Timur Gamzatovich
	CEO mandate valid until	31.12.2009
5	Branch Zhigulevskaya HPP	Zhigulevsk, Samara Region, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Dolgikh, Vera Nikolayevna
	CEO mandate valid until	31.12.2009
6	Branch Zagorskaya HPP	10, Bogorodskoye, Sergiyev-Posad District, Moscow Region, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Magruk, Vladimir Ivanovich
	CEO mandate valid until	31.12.2009
7	Branch Zeiskaya HPP	Zeya, Amur Region, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Savelyeva, Irina Dmitriyevna
	CEO mandate valid until	31.12.2009
8	Kabardino-Balkarian branch	1a Mechiyeva St., Kashkhatau, Kabardino-Balkarian Republic, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Sottayev, Ali Abdulayevich
	CEO mandate valid until	31.12.2009
9	Branch Kamskaya HPP	Kamskaya HPP, Perm, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Bologov, Sergei Nikolayevich
	CEO mandate valid until	31.12.2009
10	Karachai-Circassian branch	Pravokubansky, Karachai-Circassian Republic, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Saratikyan, Grigor Aslibekovich
	CEO mandate valid until	31.12.2009
11	Branch Cascade of Verkhnevolzhskiy HPPs	Rybinsk, Yaroslavl Region, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Derezhkov, Andrei Vladimirovich

	CEO mandate valid until	31.12.2009
12	Branch Cascade of Kubanskiye HPPs	360a Vodoprovodnaya St., Nevinnomyssk, Stavropol Territory, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Macheyev, Viktor Alexandrovich
	CEO mandate valid until	31.12.2009
13	Branch Corporate Hydropower University	51 Arkhitekтора Vlasova St., Moscow, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Aksenova, Yelena Anatolyevna
	CEO mandate valid until	31.12.2009
14	Branch Nizhegorodskaya HPP	Zavolzhye, Gorodetsk District, Nizhny Novgorod Region, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Dikov Yevgeny Alexandrovich
	CEO mandate valid until	31.12.2009
15	Branch Novosibirskaya HPP	4 Novomorskaya St., Novosibirsk, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Sershun, Viktor Ivanovich
	CEO mandate valid until	31.12.2009
16	Branch Saratovskaya HPP	Saratovskaya HPP, Balakovo, Saratov Region, Russian Federation
	Full name of CEO	Odintsova, Lyudmila Viktorovna
	CEO mandate valid until	31.12.2009
17	Branch Neporozhny Sayano-Shushenskaya HPP	Cheremushki, Sayanogorsk, Republic of Khakassia, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Nevolko, Nikolai Ivanovich
	CEO mandate valid until	31.12.2009
18	North Ossetian branch	63 Vaso Abayeva St., Republic of North Ossetia-Alania, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Totrov, Vitaly Borisovich
	CEO mandate valid until	31.12.2009
19	Branch Cheboksarskaya HPP	34 Naberezhnaya St., Novocheboksarsk, Chuvash Republic, Russian Federation
	Opening date	11.09.2007
	Full name of CEO	Dorofeyev, Viktor Georgiyevich
	CEO mandate valid until	31.12.2009
20	Branch Irganaiskaya HPP	Shamilkala, Untsukul District, Republic of Dagestan, Russian Federation
	Opening date	27.05.2008
	Full name of CEO	Aliyev, Nurmagomed Aliyevich
	CEO mandate valid until	31.12.2009

3.2. Core business of the Issuer

3.2.1. Industrial affiliation of the Issuer

Codes of the core businesses of the Issuer according to the All-Russia Classifier of Economic Activities (OKVED):

40.10.12, 40.10.14, 40.10.42, 40.10.44, 51.56.4, 71.3, 71.14, 74.20.55, 80.22.22

3.2.2. Core business of the Issuer

Core businesses (types of activity, types of output (works, services)) accounting for at least 10% of the Issuer's revenues (income) in quarter 2 of 2009:

Indicator	Quarter 2 of 2008	Quarter 2 of 2009
Electricity production and sale		
Revenues (income) from sale of electricity, thousand roubles	15 315 765	19 839 745
Proportion of revenues (income) from this line of business within total revenues (income) of the Issuer, %	99.8	99.8

Reasons for changes in the amount of the Issuer's revenues (income) from its core business (types of activity) accounting for 10 or more per cent compared with the corresponding reporting period of the previous year:

Seasonal nature of the Issuer's core business:

The Issuer conducts its core business throughout the year but production and sale of electricity are markedly higher during the spring and summer period (high water period) than in the autumn and winter period.

The standards (rules) in accordance with which the accounting and settlements are performed as reflected in this clause of the quarterly report:

Russian Accounting Standards 9/99 "Corporate income", approved by order of the Russian Federation Ministry of Finance dated 06 May 1999, No. 32n.

Russian Accounting Standards 10/99 "Corporate expenses", approved by order of the Russian Federation Ministry of Finance dated 06 May 1999, No. 32n.

General structure of the Issuer's production costs in quarter 2 of 2009.

Structure of production costs of output (works, services)

Cost item	Quarter 2 of 2009
Raw and other materials, %	0.7
Acquired component parts, semi-finished goods, %	
Outsourced production-related works and services, %	7.5
Fuel, %	
Energy, %	17.7
Payroll costs, %	14.5
Loan interest, %	
Rental, %	1.2
Social allocations, %	2.0
Fixed asset depreciation, %	22.8
Taxes included in production costs, %	17.4
Other costs:	16.2
Intangible asset depreciation, %	
Remuneration for rationalisation proposals, %	
Mandatory insurance payments, %	1.7
Entertainment costs, %	0.06
Other, %	14.4
Total costs of production and sale of output (works, services) (production costs), %	100
Information: revenues from sale of output (works, services), % of production costs	220.5

Analysis of the data demonstrates that the main components in the structure of production costs are:

- depreciation – 22.8%;
- expenditures on purchasing electricity to provide for liabilities under regulated contracts and expenditures connected with purchase of electricity for the production purposes of the branch Zagorskaya PSPP for working in “pumping” mode – 17.7%;
- taxes – 17.4%.

The regulatory documents in accordance with which data on the main types of services and the costs thereof are booked in the financial accounting are as follows:

Federal Law on Financial Accounting dated 21 November 1996, No. 129-FZ;

Regulations on financial accounting “Accounting of inventories” RAS 5/01, approved by order of the Russian Federation Ministry of Finance dated 09 June 2001, No. 44n;

Regulations on financial accounting “Corporate accounting” RAS 4/99, approved by order of the Russian Federation Ministry of Finance dated 06 July 1999, No. 43n;

Regulations on financial accounting “Corporate costs” RAS 10/99, approved by order of the Russian Federation Ministry of Finance dated 06 May 1999, No. 33n;

Regulations on financial accounting “Corporate accounting policy” RAS 1/98, approved by order of the Russian Federation Ministry of Finance dated 09 December 1998, No. 60n;

Regulations on financial accounting “Fixed asset accounting” RAS 6/01, approved by order of the Russian Federation Ministry of Finance dated 30 March 2001, No. 26n;

Regulations on financial accounting “Post-reporting date events” RAS 7/98, approved by order of the Russian Federation Ministry of Finance dated 25 November 2001, No. 56n;

Regulations on financial accounting “Accounting of loans and credits and servicing costs thereof” RAS 15/01, approved by order of the Russian Federation Ministry of Finance dated 02 August 2001, No. 60n;

Regulations on financial accounting “Corporate income” RAS 9/99, approved by order of the Russian Federation Ministry of Finance dated 06 May 1999, No. 32n;

Regulations on financial accounting “Intangible asset accounting” RAS 14/2000, approved by order of the Russian Federation Ministry of Finance dated 16 October 2000, No. 91n.

3.2.3. Materials, goods (raw materials) and suppliers of the Issuer

The Issuer’s main raw materials in the production of electricity are water resources, in which connection the Issuer pays water tax (the water tax rates are set forth in the Tax Code of the Russian Federation), proceeding from the amount of electricity produced during the tax period.

3.2.4. Sales markets for output (works, services) of the Issuer

The Issuer conducts its business on the territory of several constituent entities of the Russian Federation. The Issuer’s core business is currently production and sale of electricity (capacity).

In accordance with Resolution of the Russian Federation Government No. 529 of 31 August 2006 on "Improvement of the procedure for the operation of the wholesale electricity (capacity) market", the Issuer conducts its sales of electricity (capacity) in the following segments of the wholesale market:

Regulated contracts (RC):

The trade in electricity (capacity) is conducted on the terms and conditions of regulated contracts concluded on the wholesale electricity (capacity) market at regulated prices (tariffs) approved by the Federal Tariff Service of the Russian Federation. The volume of the RC portfolio complies with the magnitude in the balance of electricity and capacity supplies of the Federal Tariff Service of the Russian Federation for 2007 (basic volume), minus the liberalisation share approved by Resolution of the Russian Federation Government No. 205 of 07 April 2007 (from 1 January 2008, the reduction in the RC volumes to 15% of the forecast balance of electricity

(capacity), and from 1 January 2009 – 30%). From 2011, a 100% liberalisation of the wholesale electricity (capacity) market is expected to take place.

Competitive trade in generating capacity, competitive selection of price bids for capacity:

In accordance with Resolution of the Russian Federation Government No. 476 of 28 June 2008 on Amendments to Certain Resolutions of the Russian Federation Government on Issues of Organising Competitive Trade in Generating Capacity on the Wholesale Electricity (Capacity) Market", as well as in accordance with Resolution of the Russian Federation Government No. 205 of 7 April 2007, since 1 July 2008, the Issuer has been conducting competitive trading in generating capacity in the amount of the "liberalised" volume, calculated in accordance with the rate of "liberalisation" of the available capacity of generating equipment, as booked on the balance of supplies of electricity (capacity) of the Federal Tariff Service of the Russian Federation for 2007–2008. Competitive trading in generating capacity is conducted on the basis of competitive selection of supplier price bids for capacity. The rules of the wholesale electricity (capacity) market envisage the possibility of sale/purchase of capacity under free bilateral contracts for electricity and capacity. Under free bilateral contracts for electricity and capacity, wholesale market participants determine their partners in accordance with the current RC portfolio ("linkage" to regulated contracts) and independently determine the supply prices and volumes under the contracts.

Day ahead market:

The volume of electricity generated above the RC volumes is sold at free prices on the day ahead market and shortages are purchased on the day ahead market to provide for regulated contracts. The rules of the wholesale electricity (capacity) market envisage the possibility of sale/purchase of electricity under free bilateral contracts (FBC). Under free bilateral contracts, wholesale market participants determine their partners under the contracts, and the supply prices and volumes.

Balancing market (BM):

Deviations by the actual volume of electricity production from the planned production volume are traded on the balancing market at prices formed on the basis of competitive selection of price bids of participants.

The Issuer sells part of the electricity produced on the retail market at tariffs set by the regional representative offices of the Federal Tariff Service of the Russian Federation.

3.2.5. Information about the Issuer's licences

In its activities, the Issuer does not make use of limited tradable assets, does not engage in banking and insurance operations or activities of a professional securities market participant, and is not an investment fund; therefore, no information is given about licences for these types of activities.

The Issuer does not extract minerals or render communications services; therefore no information is given about licences for these types of activities.

The Issuer is engaged in individual lines of business that, in accordance with the legislation of the Russian Federation, are allowed only subject to special permits. The Issuer has obtained the following licences:

JSC RusHydro:

License No.: GT No. 0013787 Reg. No. 3102

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

License No.: GT No. 0016417 Reg. No. 3188

Date of issue: 24.12.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Implementation of measures and/or provision of services to protect state secrets

License No.: OT-00-009746(00)

Date of issue: 18.03.2009

Valid until: 18.03.2014

Issuing agency: Federal Service for Environmental, Technological and Atomic Supervision

Lines of business: Hazardous waste collection, utilization, neutralization, transportation and disposal

License No.: VP-00-009772(KKh)

Date of issue: 25.03.2009

Valid until: 25.03.2014

Issuing agency: Federal Service for Environmental, Technological and Atomic Supervision

Lines of business: Operation of explosion/fire hazardous production facilities

License No.: ASS-24-032935

Date of issue: 24.11.2008

Valid until: 24.11.2013

Issuing agency: Federal Transport Supervision Service

Lines of business: Public conveyance by motor transport within the Russian Federation

License No.: LO-50-01-000408

Date of issue: 19.11.2008

Valid until: 19.11.2013

Issuing agency: Ministry of Health of the Moscow Region

Lines of business: Provision of medical services

License No.: 2/27546

Date of issue: 09.10.2008

Valid until: 09.10.2013

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Setup, repair and maintenance of fire safety equipment for buildings and structures

License No.: 2/27545

Date of issue: 09.10.2008

Valid until: 09.10.2013

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Setup, repair and maintenance of fire safety equipment for buildings and structures

License No.: 2/27954

Date of issue: 01.11.2008

Valid until: 01.11.2013

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Setup, repair and maintenance of fire safety equipment for buildings and structures

License No.: 2/27930

Date of issue: 01.11.2008

Valid until: 01.11.2013

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Setup, repair and maintenance of fire safety equipment for buildings and structures

License No.: 2/27931

Date of issue: 01.11.2008

Valid until: 01.11.2013

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Setup, repair and maintenance of fire safety equipment for buildings and structures

License No.: 2/28336

Date of issue: 25.11.2008

Valid until: 25.11.2013

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Setup, repair and maintenance of fire safety equipment for buildings and structures

License No.: GS-1-77-01-1027-0-2460066195-037084-1

Date of issue: 12.12.2008

Valid until: 12.12.2013

Issuing agency: Ministry of Regional Development of the Russian Federation

Lines of business: Construction of buildings and structures, except for seasonal and auxiliary structures

License No.: 004289-R

Date of issue: 24.01.2008

Valid until: 24.01.2013

Issuing agency: Federal Technical Regulation and Metrology Agency

Lines of business: Instrumentation repairs

License No.: KRR No. 01950 PG

Date of issue: 25.09.2008

Valid until: 31.12.2030

Issuing agency: Subsoil Management Department for Krasnoyarsk Territory
(Krasnoyarsknedra)

Lines of business: Construction and operation of the Sayano-Shushenskaya HPP shore spillway on the right bank of the Yenisei River

License No.: ABN No. 00486 PG

Date of issue: 16.07.2008

Valid until: 28.03.2033

Issuing agency: Subsoil Management Department for the Republic of Khakassia
(Khakasnedra)

Lines of business: Construction and operation of nonmining subsurface structures (a highway tunnel with civil defence facility 05 and cement drainage galleries) on the left bank of the YeniseiRiver

License No.: LO-19-01-000034

Date of issue: 18.08.2008

Valid until: 07.03.2013

Issuing agency: Republic of Khakassia Ministry of Health

Lines of business: Provision of medical services

Branch Novosibirskaya HPP:

License No.: GT No. 013775 Reg. No. 02/5

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSS Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

License No.: EV-66-000764 (K)

Date of issue: 17.08.2007

Valid until: 17.08.2012

Issuing agency: Federal Service for Environmental, Technological and Atomic Supervision

Lines of business: Operation of explosion hazardous production facilities

License No.: 2/21902

Date of issue: 30.10.2007

Valid until: 30.10.2012

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Setup, repair and maintenance of fire safety equipment for buildings and structures.

License No.: 3/07778

Date of issue: 29.12.2007

Valid until: 29.12.2012

Issuing agency: Emergency Control Ministry of the Russian Federation

Lines of business: Operation of fire hazardous production facilities

Branch Bureiskaya HPP:

License No.: GT No. 0013772 Reg. No. 3102/2

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Votkinskaya HPP:

License No.: GT No. 0013783 Reg. No. 3102/13

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Kamskaya HPP:

License No.: GT No. 0013786 Reg. No. 3102/16

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Cascade of Verkhnevolzhskiy HPPs:

License No.: GT No. 0013774 Reg. No. 3102/4

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Nizhegorodskaya HPP:

License No.: GT No. 0013776 Reg. No. 3102/6

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Zhigulevskaya HPP:

License No.: GT No. 0013782 Reg. No. 3102/12

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Cheboksarskaya HPP:

License No.: GT No. 0013777 Reg. No. 3102/7

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSS Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Saratovskaya HPP:

License No.: GT No. 0013784 Reg. No. 3102/4

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSS Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

License No.: NVG-01478G

Date of issue: 04.09.2006

Valid until: 03.09.2011

Issuing agency: Ministry of Transport of the Russian Federation; Federal Agency for Geodesy and Cartography

Lines of business: Geodetic operations

Branch Volzhskaya HPP:

License No.: GT No. 0013771 Reg. No. 3102/1

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSS Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Zagorskaya PSPP:

License No.: GT No. 0013785 Reg. No. 3102/15

Date of issue: 20.08.2008

Valid until: 12.05.2011

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Zeiskaya HPP:

License No.: GT No. 0013773 Reg. No. 3102/3

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSS Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Neporozhny Sayano-Shushenskaya HPP:

License No.: GT No. 0013780 Reg. No. 3102/10

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSS Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Branch Cascade of Kubanskiye HPPs:

License No.: GT No. 0013781 Reg. No. 3102/11

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSS Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Karachai-Circassian branch:

License No.: B No. 66671 Reg. No. 3102/97

Date of issue: 19.03.2009

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Dagestan branch:

License No.: MAKh 00499VE

Date of issue: 24.02.2009

Valid until: 18.10.2010

Issuing agency: Subsoil Management Department for the Republic of Dagestan

Lines of business: Subsoil use (fresh and subsurface water production from well No. 505 at headworks of the Dagestan branch of JSC RusHydro)

License No.: GT No. 0013778 Reg. No. 3102/8

Date of issue: 20.08.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

North Ossetinan branch:

License No.: GT No. 0013779 Reg. No. 3102/9

Date of issue: 05.03.2008

Valid until: 27.12.2010

Issuing agency: Russian FSB Centre for Licensing, Certification and Protection of State Secrets

Lines of business: Activities involving use of information classified as state secret

Kabardino-Balkarian branch:

License No.: NAL 00519VE

Date of issue: 15.01.2009

Valid until: 31.12.2013

Issuing agency: Subsoil Management Department for the Kabardino-Balkarian Republic

Lines of business: Subsoil use (fresh subsurface water production at the Basic zone of the Nalchik field to provide for utility and drinking water supply to Nartan)

License No.: NAL 00517B᠑

Date of issue: 15.01.2009

Valid until: 31.12.2013

Issuing agency: Subsoil Management Department for Kabardino-Balkarian Republic

Lines of business: Subsoil use (fresh subsurface water production to provide for utility water supply to HPP-3 at the Baksan-Malka chute)

The Issuer's forecast of the probability of its special permits (licences) being prolonged:

On expiry of the term of validity of the licences listed above, the Issuer plans to take all possible steps to extend them and to obtain new licences. If some of the licences cannot be prolonged or new ones obtained, this might exert a substantial adverse impact on the activities and financial results of the Issuer's operations. The likelihood of this is low.

3.2.6. Совместная деятельность эмитента

Эмитент не ведет с другими организациями совместной деятельности.

3.2.7. Additional requirements on issuers that are incorporated investment funds, insurance or credit institutions, or mortgage agents:

The Issuer is not an incorporated investment fund, an insurance or credit institution or a mortgage agent.

3.2.8. Additional requirements on issuers the core business of which is mineral extraction:

Extraction of minerals, including extraction of precious metals and precious stones, is not the core business of the Issuer.

3.2.9. . Additional requirements on issuers the core business of which is provision of communications services:

Provision of communications services is not the core business of the Issuer.

3.3. Plans for the Issuer's future activities

Brief description of the Issuer's plans for its future activities:

In accordance with the Articles of Association, the objectives of the Issuer's activities are:

- implementation of government policy in the sphere of hydropower;
- creation of the conditions for efficient functioning of the wholesale electricity market;
- ensuring effective operation and centralised process control of hydropower facilities;
- implementation of a unified strategy in the sphere of investments and capital raising for fulfilling system-wide tasks in hydropower development;
- development and implementation of scientific and technical policy and deployment of state-of-the-art equipment and technologies, including renewable energy development;
- generation of profits.

Sources of future income:

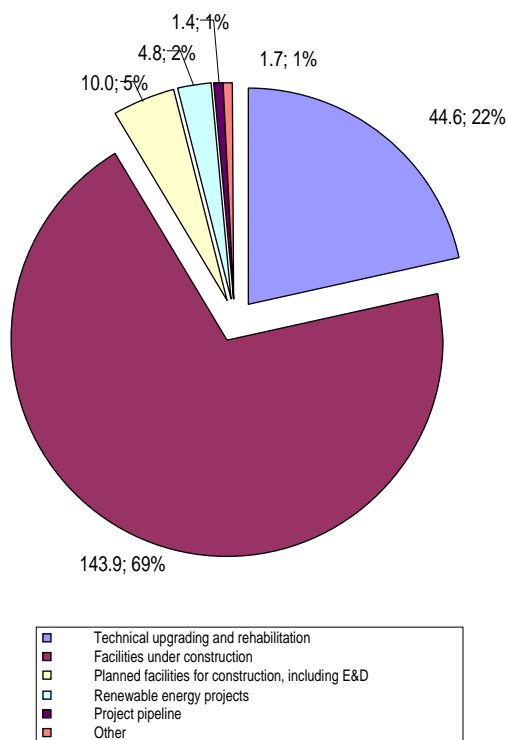
The Issuer plans in the future to gain profits from its core activities: production and sale of electricity and capacity on the retail and wholesale markets for electricity and capacity, as well as provision of services to electricity and capacity consumers.

Plans for organising new production, expanding or reducing production, developing new types of products, upgrading and rehabilitating fixed assets:

The Investment Programme of JSC RusHydro for 2009-2011, considered by the Government of the Russian Federation on 9 April 2009, envisages:

1. Introduction of additional capacity in a volume of 1 930 MW.
2. Financing of JSC RusHydro investment projects in the amount of 206.4 billion roubles.

Structure of investments (billion roubles, %):



The plans for the Issuer's future activities are also embodied in its in-house document, Regulations on Technical Policy, which determines the main goals, priorities, principles and restrictions on management of productive assets of existing hydropower plants and requirements on technical solutions for planned ones and those under construction, designed to achieve the Issuer's strategic objectives.

Based on the Regulations on Technical Policy, the Issuer has drawn up a long-term technical upgrading and rehabilitation programme for the plan period of 2009-2020 and beyond until 2030, for the purpose of:

- Raising the reliability, safety and operational efficiency of equipment by means of complete renewal of the main and auxiliary equipment that has outlived its service life.
- Raising the technical and economic characteristics of HPPs for operation under the conditions of a competitive electricity market.
- Reducing the volume of repair works as a result of:
 - a transition from the system of scheduled preventive maintenance of equipment to a system of on-condition and age repairs by introducing diagnostic control systems for main and auxiliary equipment;
 - replacement of old equipment with new low-maintenance equipment with a longer inter-repair cycle, introduction of an aftersales service system for new and upgraded equipment involving the manufacturers and service providers.

Integrated automation of all production processes, with an uniform HPP control system based on microprocessors and modern software implementing optimisation algorithms for power equipment control.

Possible change of core business:

The Issuer does not plan to change its core business.

3.4. Participation by the Issuer in industrial, banking and financial groups, holdings, concerns and associations

The Issuer participates in the following associations:

Association	Joining date	Association's purposes
Siberian Energy Association	Q1 2008	<ul style="list-style-type: none"> - representation and protection of the interests of its Members before the executive authorities of the Russian Federation, including on adoption of tariff-balance decisions by the federal executive authority for government regulation of tariffs; - provision to the Members of organisational, informational, analytical, methodological, legal and other assistance; - increase in the prestige and reliability of and mutual trust between the Members, expansion of business partnership between the Members, as well as contacts between their heads and specialists; - expansion of cooperation between the Members and executive authorities of the Russian Federation and federal energy companies; assistance to Members of and Participants in the Association in consolidating their resources for implementing integrated programmes for development of energy supply systems and subsequent coordination of their activities; - development and extension to the activities of regulated entities of model rules for management of tariffs and subsequent support thereof.

3.5. Subsidiary and dependent business entities of the issuer

The issuer has the following subsidiaries and dependent companies:

Full company name	Open Joint-Stock Company First Generating Company of the Wholesale Electric Power Market		
Abbreviated company name	JSC OGK-1		
Place of business	1 Odesskaya Str., Bldg. 1, Tyumen, Tyumen Region, Russia		
Grounds for recognizing the company as the issuer's dependent entity	The company is a dependent entity of the issuer because the latter possesses over 20% of the former's voting shares		
The issuer's interest in the dependent company's authorized capital	21.71%		
The issuer's interest in the ordinary shares of the dependent company	21.71%		
The dependent company's interest in the issuer's authorized capital	0.018%		
The dependent company's interest in the issuer's ordinary shares	0.018%		
The company's core business	Generation of electric and heat power		
The company's importance for the issuer's business	Of no substantial importance to the issuer's business		
Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares

Dod Yevgeni Vyacheslavovich (Chairman)	1973	No interest	No interest
Yushin Sergei Aleksandrovich	1972	No interest	No interest
Smirnova Yulia Vsevolodovna	1978	No interest	No interest
Terebulin Sergei Sergeevich	1978	No interest	No interest
Ballo Anatoly Borisovich	1961	No interest	No interest
Shulginov Nikolai Grigorievich	1951	No interest	No interest
Tuzov Mikhail Yurievich	1966	No interest	No interest
Shtykov Dmitry Viktorovich	1976	No interest	No interest
Demin Andrei Aleksandrovich	1974	No interest	No interest
Goncharov Yuri Vladimirovich	1977	No interest	No interest
Kovalchuk Boris Yurievich	1977	No interest	No interest

Composition of the collegiate executive body (Management Board)

Sokolov Leonid Dmitrievich	1952	No interest	No interest
Rakhmatulin Rifat Emirkhanovich	1955	No interest	No interest
Palei Vladimir Antselevich	1956	No interest	No interest
Makarov Dmitry Aleksandrovich	1970	No interest	No interest
Kirov Sergei Anatolievich	1976	No interest	No interest
Yanson Sergei Yurievich	1970	No interest	No interest
Milyaev Roman Gareyevich	1957	No interest	No interest
Mintyukov Aleksei Pavlovich	1972	No interest	No interest
Mistyukova Nadezhda Anatolievna	1957	No interest	No interest
Khlebnikov Vladimir Viktorovich	1963	No interest	No interest

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Khlebnikov Vladimir Viktorovich	1963	No interest	No interest

Full company name	Open Joint-Stock Company Kolymaenergo
Abbreviated company name	JSC Kolymaenergo
Place of business	84 Proletarskaya Str., Bldg. 2, Magadan
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	64.27%
The issuer's interest in the ordinary shares of the subsidiary company	64.27%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Generation of electric and heat power
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Ustyugov Dmitry Vladimirovich (Chariman)	1976	No interest	No interest

Smirnova Yulia Vsevolodovna	1978	No interest	No interest
Anopriyenko Tatiana Alekseyevna	1965	No interest	No interest
Desyatov Yevgeni Valerievich	1968	No interest	No interest
Luzin Viktor Yermilovich	1953	No interest	No interest
Suprun Mikhail Pavlovich	1955	No interest	No interest
Khoroshilov Igor Nikolayevich	1982	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Murin Leonid Arkadievich	1954	No interest	No interest

Full company name	Open Joint-Stock Company Hidroremont-VKK
Abbreviated company name	JSC Hidroremont-VKK
Place of business	62 Krasnoarmeiskaya Str., Samara, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Maintenance, upgrading and rehabilitation of thermal and electric power generating equipment at power plants and industrial facilities; renovation of buildings and structures
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich (Chairman)	1964	No interest	No interest
Dorofeyev Nikolai Pavlovich	1960	No interest	No interest
Nikitin Aleksei Valerievich	1975	No interest	No interest
Kozlov Antonyi Vladimirovich	1977	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares

Khantsev Aleksei Vladimirovich	1967	No interest	No interest
Full company name	Open Joint-Stock Company Zaramagskiye HPPs		
Abbreviated company name	JSC Zaramagskiye HPPs		
Place of business	2, Energetikov quarter, Alagir, Alagir Region, Republic of North Ossetia –Alania		
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making		
The issuer's interest in the subsidiary company's authorized capital	95.46%		
The issuer's interest in the ordinary shares of the subsidiary company	95.46%		
The subsidiary company's interest in the issuer's authorized capital	0.11 %		
The subsidiary company's interest in the issuer's ordinary shares	0.11 %		
The company's core business	Performance of building owner functions and technical inspection in the course of designing and building of the Zaramagskiye HPPs		
The company's importance for the issuer's business	Of no substantial importance to the issuer's business		
Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Gorev Ilya Yevgenievich (Chairman)	1978	No interest	No interest
Telitsyna Anna Sergeevna	1979	No interest	No interest
Bychko Mikhail Aleksandrovich	1971	No interest	No interest
Grin Irina Aleksandrovna	1978	No interest	No interest
Ustyugov Dmitry Vladimirovich	1976	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Powers of a sole executive body are vested with the managing organization			
The company's full and abbreviated names	Place of business	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Open Joint-Stock Company HydroOGK Management Company (JSC HydroOGK MC)	51, Arkhitektora Vlasova Str. , Moscow, Russian Federation	No interest	No interest
Full company name	Open Joint-Stock Company HydroOGK Management Company		
Abbreviated company name	JSC HydroOGK MC		
Place of business	51, Arkhitektora Vlasova Str. , Moscow, Russian Federation		
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the		

	company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100 %
The issuer's interest in the ordinary shares of the subsidiary company	100 %
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Exercising of powers of executive bodies in joint-stock companies and other business entities according to the statutory and contractual procedures
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Stafievsky Valentin Analolievich (Chairman)	1939	No interest	No interest
Dmitrenko Tatiana Gerasimovna	1948	No interest	No interest
Terebulin Sergei Sergeyeovich	1978	No interest	No interest
Korolyova Anna Mikhailovna	1982	No interest	No interest
Teplov Andrei Yurievich	1978	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Zubakin Vassily Aleksandrovich	1958	No interest	No interest

Full company name	Closed Joint-Stock Company HydroEngineering Sibir
Abbreviated company name	CJSC HydroEngineering Sibir
Place of business	86, Lenina Str., Bldg. 1, Krasnoyarsk, Krasnoyarsk Territory, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	99%
The issuer's interest in the ordinary shares of the subsidiary company	99%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Performance of building owner and general contractor functions in the course of electric power facilities construction
The company's importance for the issuer's	Of no substantial importance to the issuer's business

business			
Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Shervarly Dmitry Yevgenievich (Chairman)	1975	No interest	No interest
Korolyova Anna Mikhailovna	1982	No interest	No interest
Khechinashvili Aleksandr Konstantinovich	1959	No interest	No interest
Monchinsky Stanislav Sergeevich	1962	No interest	No interest
Kabanova Larissa Vladimirovna	1977	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Powers of a sole executive body are vested with the managing organization			
The company's full and abbreviated names	Place of business	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Open Joint-Stock Company HydroOGK Management Company (JSC HydroOGK MC)	51, Arkhitektora Vlasova Str. , Moscow, Russian Federation	No interest	No interest

Full company name	Open Joint-Stock Company Malaya Mezenskaya TPP
Abbreviated company name	JSC Malaya Mezenskaya TPP
Place of business	St. Petersburg, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Designing and mastering new equipment and technologies which promote the efficiency, safety and eco-friendly operation of industrial facilities; facilitating the power sector development
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Ponkratyev Pavel Aleksandrovich (Chairman)	1954	No interest	No interest

Kozlov Antonyi Vladimirovich	1977	No interest	No interest
Valyagin Vladimir Viktorovich	1981	No interest	No interest
Zakharov Aleksandr Konstantinovich	1970	No interest	No interest
Khaziakhmetov Timur Rasimovich	1976	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Savchenkov Stepan Nikolayevich	1958	No interest	No interest

Full company name	Open Joint-Stock Company Power Facilities Research Institute
Abbreviated company name	JSC NIIES
Place of business	7a, Stroitelny proyezd, Moscow, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Research in the field of power and hydraulic facilities construction, development of green power industry under governmental and sectoral sci-tech programmes, with the resulting engineering products being introduced at the future and operating power plants and other facilities in the fuel and power sector as well as at waterworks, transport and other facilities
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich (Chairman)	1964	No interest	No interest
Petrova Yulia Vladimirovna	1981	No interest	No interest
Lunatsi Mikhail Ernestovich	1960	No interest	No interest
Klochkov Roman Viktorovich	1969	No interest	No interest
Bychko Mikhail Aleksandrovich	1971	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's	Interest of the indicated person in the issuer's ordinary

		authorized capital (share fund)	shares
General Director – Shpoliansky Yuli Borisovich	1958	No interest	No interest

Full company name	Open Joint-Stock Company B. Ye. Vedeneyev VNIIG		
Abbreviated company name	JSC B.Ye. Vedeneyev VNIIG		
Place of business	21, Gzhatskaya Str., St. Petersburg, Russian Federation		
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making		
The issuer's interest in the subsidiary company's authorized capital	100%		
The issuer's interest in the ordinary shares of the subsidiary company	100%		
The subsidiary company's interest in the issuer's authorized capital	No interest		
The subsidiary company's interest in the issuer's ordinary shares	No interest		
The company's core business	Research, commissioning and development engineering in the field of power engineering and power plant and waterworks construction		
The company's importance for the issuer's business	Of no substantial importance to the issuer's business		

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich (Chairman)	1964	No interest	No interest
Lunatsi Mikhail Ernestovich	1960	No interest	No interest
Petrova Yulia Vladimirovna	1981	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Bychko Mikhail Aleksandrovich	1971	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Bellendir Yevgeni Nikolayevich	1957	No interest	No interest

Full company name	Open Joint-Stock Company UES Power Facilities Building Complex		
Abbreviated company name	JSC ESKO UES		
Place of business	33, Arkhitekтора Vlasova Str., Moscow, Russian Federation		
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making		

The issuer's interest in the subsidiary company's authorized capital	100 %
The issuer's interest in the ordinary shares of the subsidiary company	100 %
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Performance of building owner and general contractor functions in the course of electric power facilities construction
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Maslov Aleksei Viktorovich (Chairman)	1981	No interest	No interest
Petrova Yulia Vladimirovna	1981	No interest	No interest
Kochiyev Anatoly Mukhtarovich	1959	No interest	No interest
Bychko Mikhail Aleksandrovich	1971	No interest	No interest
Moskvin Aleksei Vassilievich	1978	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Larin Aleksandr Sergeevich	1981	No interest	No interest

Full company name	Open Joint-Stock Company Gidroinvest
Abbreviated company name	JSC Gidroinvest
Place of business	8a, Prospekt Vernadskogo, Moscow
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100 %
The issuer's interest in the ordinary shares of the subsidiary company	100 %
The subsidiary company's interest in the issuer's authorized capital	0.356%
The subsidiary company's interest in the issuer's ordinary shares	0.356%
The company's core business	Performance of building owner functions in electric power facilities rehabilitation, retooling and new construction projects
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the	Interest of the
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		indicated person in the issuer's authorized capital (share fund)	indicated person in the issuer's ordinary shares
Vislovich Aleksandr Ivanovich (Chairman)	1976	No interest	No interest
Ustyugov Dmitry Vladimirovich	1976	No interest	No interest
Dmitrenko Tatiana Gerasimovna	1948	No interest	No interest
Borisov Dmitry Sergeyeovich	1981	No interest	No interest
Kazarian Alla Sakhibzadovna	1957	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director - Valyagin Vladimir Viktorovich	1981	No interest	No interest

Full company name	Open Joint-Stock Company Lengidroyekt
Abbreviated company name	JSC Lengidroyekt
Place of business	22, Prospect Ispytatelei, St. Petersburg
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100 %
The issuer's interest in the ordinary shares of the subsidiary company	100 %
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Performance of building owner functions in electric power facilities rehabilitation, retooling and new construction projects
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich	1964	No interest	No interest
Lapin Gennady Georgievich	1949	No interest	No interest
Voskresensky Sergei Modestovich	1956	No interest	No interest
Bychko Mikhail Aleksandrovich	1971	No interest	No interest
Petrova Yulia Vladimirovna	1981	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the	Interest of the

		indicated person in the issuer's authorized capital (share fund)	indicated person in the issuer's ordinary shares
General Director – Voskresensky Sergei Modestovich	1956	No interest	No interest

Full company name	Private Company Limited by Shares HYDROOGK POWER COMPANY LIMITED
Abbreviated company name	HYDROOGK POWER COMPANY LIMITED
Place of business	16 Kyriakos Matsis Avenue, Nicosia, Republic of Cyprus
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	99.99% (100% - 1 share)
The issuer's interest in the ordinary shares of the subsidiary company	99.99% (100% - 1 share)
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Investment business
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

The Articles of Association do not provide for a board of directors

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Director – Sokolova Svetlana Alatolievna	1978	No interest	No interest

Full company name	Private Company Limited by Shares HYDROOGK ALUMINIUM COMPANY LIMITED
Abbreviated company name	HYDROOGK ALUMINIUM COMPANY LIMITED
Place of business	16 Kyriakos Matsis Avenue, Nicosia, Republic of Cyprus
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	99.99% (100% - 1 share)
The issuer's interest in the ordinary shares of the subsidiary company	99.99% (100% - 1 share)
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Investment business
The company's importance for the issuer's	Of no substantial importance to the issuer's business

business			
Composition of the Board of Directors			
The Articles of Association do not provide for a board of directors			
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Director – Sokolova Svetlana Alatolievna	1978	No interest	No interest

Full company name	Closed Joint-Stock Company Boguchanskaya HPP Buiding Sponsor
Abbreviated company name	CJSC Boguchanskaya HPP Building Sponsor
Place of business	POB 29, Letter B, Consolidated base No. 1, construction depot of the left bank, Kezhemsky District, Krasnoyarsk Territory, 663491, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	51%
The issuer's interest in the ordinary shares of the subsidiary company	51%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Construction business
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Romanov Aleksandr Vladimirovich (Chairman)	1974	No interest	No interest
Khechinashvili Aleksandr Konstantinovich	1959	No interest	No interest
Terebulin Sergei Sergeyeovich	1978	No interest	No interest
Lavrentieva Yelena Aleksandrovna	1980	No interest	No interest
Chertkova Svetlana Vladimirovna	1976	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director –	1952	No interest	No interest

Uporov Viktor Aleksandrovich			
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Full company name	Closed Joint-Stock Company Boguchanskaya HPP Building Owner
Abbreviated company name	CJSC Boguchanskaya HPP Building Owner
Place of business	10/1, Prospekt Leninskogo Komsomola, Kodinsk, Kezhemsky District, Krasnoyarsk Territory, Russia
Grounds for recognizing the company as the issuer's subsidiary	The company is a dependent entity with respect to the issuer because the latter owns over 20% of the company's voting shares
The issuer's interest in the subsidiary company's authorized capital	49%
The issuer's interest in the ordinary shares of the subsidiary company	49%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Construction business
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Kononenko Anastasia Yevgenievna	1983	No interest	No interest
Lukichev Viktor Anatolievich	1959	No interest	No interest
Zakharov Yuri Yurievich	1978	No interest	No interest
Korotayev Yevgeni Vitalievich	1982	No interest	No interest
Metlev Nikolai Nikolayevich	1954	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Kalmykov Vsevolod Dmitrievich	1958	No interest	No interest

Full company name	Closed Joint-Stock Company Boguchany Aluminium Smelter Building Sponsor
Abbreviated company name	CJSC Boguchany Aluminium Smelter Building Sponsor
Place of business	10/1, Prospekt Leninskogo Komsomola, Kodinsk, Kezhemsky District, Krasnoyarsk Territory, Russia
Grounds for recognizing the company as the issuer's subsidiary	The company is a related entity with respect to the issuer because the latter owns over 20% of the company's voting shares
The issuer's interest in the subsidiary company's authorized capital	49%
The issuer's interest in the ordinary shares of the subsidiary company	49%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest

The company's core business	Construction business
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Khechinashvili Aleksandr Konstantinovich	1959	No interest	No interest
Sokolova Svetlana Anatolievna	1978	No interest	No interest
Zakharov Yuri Yurievich	1978	No interest	No interest
Korotayev Yevgeni Vitalievich	1982	No interest	No interest
Kharitontsev Aleksandr Olegovich	1977	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Sobolev Vassily Vassilievich	1955	No interest	No interest

Full company name	Closed Joint-Stock Company Boguchany Aluminium Smelter Building Owner
Abbreviated company name	CJSC Boguchany Aluminium Smelter Building Owner
Place of business	10/1, Prospekt Leninskogo Komsomola, Kodinsk, Kezhemsky District, Krasnoyarsk Territory, Russia
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	51%
The issuer's interest in the ordinary shares of the subsidiary company	51%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Construction business
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Melnikov Oleg Vassilievich	1976	No interest	No interest
Muravyov Aleksandr Olegovich	1977	No interest	No interest
Lyashchuk Artem Sergeevich	1975	No interest	No interest
Vashchenko Tatiana Mikhailovna	1978	No interest	No interest
Lapshev Sergei Viktorovich	1971	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the	Interest of the
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		indicated person in the issuer's authorized capital (share fund)	indicated person in the issuer's ordinary shares
General Director – Melnikov Oleg Vassilievich	1976	No interest	No interest

Full company name	Open Joint-Stock Company Geoterm
Abbreviated company name	JSC Geoterm
Place of business	60, Akademika Korolyova Str., Petropavlovsk-Kamchatsky, Russia
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	71.61%
The issuer's interest in the ordinary shares of the subsidiary company	71.61%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Electric power generation
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Belyaev Dmitry Aleksandrovich	1983	No interest	No interest
Druzyaka Yevgeni Valerievich	1972	No interest	No interest
Desyatov Yevgeni Valerievich	1968	No interest	No interest
Suprun Mikhail Pavlovich	1955	No interest	No interest
Ponkratyeu Pavel Aleksandrovich	1952	No interest	No interest
Balakayev Vladimir Vassilievich	1954	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Powers of a sole executive body are vested with the managing organization

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director - Parshin Boris Yevgenievich	1958	No interest	No interest

Full company name	Open Joint-Stock Company Pilot Verkhne-Mutnovskaya GeoPP
Abbreviated company name	JSC OP Verkhne-Mutnovskaya GeoPP
Place of business	60, Akademika Korolyova Str., Petropavlovsk-Kamchatsky, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the

	company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	48,04%
The issuer's interest in the ordinary shares of the subsidiary company	48,04%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Electric power generation
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Terebulin Sergei Sergeyeovich (Chairman)	1978	No interest	No interest
Smirnova Yulia Vsevolodovna	1978	No interest	No interest
Matveyev Aleksandr Grigorievich	1976	No interest	No interest
Luzin Viktor Yermilovich	1953	No interest	No interest
Dubonosov Aleksei Gennadievich	1976	No interest	No interest
Lukyanova Marina Mikhailovna	1975	No interest	No interest
Sokolova Marina Ivanovna	1978	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Bezotchestvo Maksim Leonidovich	1969	No interest	No interest

Full company name	Open Joint-Stock Company Zagorskaya PSPP-2
Abbreviated company name	JSC Zagorskaya PSPP-2
Place of business	100, vil. Bogorodskoye, Sergiyev-Posadsky District, Moscow Region, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Performance of building owner functions in electric power facilities retooling and new construction projects and in other industrial and civil construction projects
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Kochiyev Anatoly Mukhtarovich	1959	No interest	No interest
Yevstafieva Anastasia Igorevna	1977	No interest	No interest
Ramazanov Nasrullah Ramazanovich	1964	No interest	No interest
Bannikova Valeria Vladimirovna	1984	No interest	No interest
Zakharov Aleksandr Konstantinovich	1979	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Powers of a sole executive body are vested with the managing organization			
Full and abbreviated company names	Place of business	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Open Joint-Stock Company HydroOGK Management Company (JSC HydroOGK MC)	51, Arkhitektora Vlasova Str. , Moscow, Russian Federation	No interest	No interest

Full company name	Open Joint-Stock Company Nizhne-Bureiskaya HPP
Abbreviated company name	JSC Nizhne-Bureiskaya HPP
Place of business	49, Sovetskaya Str., vil. Novobureisky, Bureisky District, Amur Region, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Electric power generation
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Gorbenko Yuri Vassilievich (Chairman)	1958	No interest	No interest
Belyaev Dmitry Aleksandrovich	1983	No interest	No interest
Yudina Galina Petrovna	1955	No interest	No interest
Kabanova Larissa Vladimirovna	1977	No interest	No interest

Dmitriyenko Anastasia Vladimirovna	1983	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Powers of a sole executive body are vested with the managing organization			
Full and abbreviated company names	Place of business	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Open Joint-Stock Company HydroOGK Management Company (JSC HydroOGK MC)	51, Arkhitektora Vlasova Str. , Moscow, Russian Federation	No interest	No interest

Full company name	Open Joint-Stock Company Nizhne-Zeiskaya HPP
Abbreviated company name	JSC Nizhne-Zeiskaya HPP
Place of business	225/3, Zeiskaya Str., Blagoveshchensk, Amur Region, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Performance of building owner functions in electric power facilities retooling and new construction projects and in other industrial and civil construction projects
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Ustyugov Dmitry Vladimirovich (Chairman)	1976	No interest	No interest
Valyagin Vladimir Viktorovich	1981	No interest	No interest
Koblyuk Igor Aleksandrovich	1957	No interest	No interest
Mardanshina Irina Vladimirovna	1978	No interest	No interest
Dmitriyenko Anastasia Vladimirovna	1983	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Powers of a sole executive body are vested with the managing organization

Full and abbreviated company names	Place of business	Interest in the issuer's	Interest of the indicated person in
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		authorized capital (share fund)	the issuer's ordinary shares
Open Joint-Stock Company HydroOGK Management Company (JSC HydroOGK MC)	51, Arkhitektora Vlasova Str., Moscow, Russian Federation	No interest	No interest

Full company name	Open Joint-Stock Company Turboremont-VKK
Abbreviated company name	JSC Turboremont-VKK
Place of business	1a, Prospekt Lenina, Volzhsky, Volgograd Region
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Maintenance, upgrading and rehabilitation of heating and electrical equipment of power plants and industrial facilities
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich (Chairman)	1964	No interest	No interest
Maslov Aleksei Viktorovich	1981	No interest	No interest
Kozlov Antonyi Vladimirovich	1977	No interest	No interest
Valyagin Vladimir Viktorovich	1981	No interest	No interest
Yusupov Timur Maratovich	1961	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Gorin Nikolai Mikhailovich	1959	No interest	No interest

Full company name	Open Joint-Stock Company Elektroremont-VKK
Abbreviated company name	JSC Elektroremont-VKK
Place of business	Zhigulevskaya HPP, Zhigulevsk, Samara Region

Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Maintenance, upgrading and rehabilitation of heating and electrical equipment of power plants and industrial facilities
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich (Chairman)	1964	No interest	No interest
Timokhin Aleksei Sergeyeovich	1979	No interest	No interest
Kozlov Antonyi Vladimirovich	1977	No interest	No interest
Yusupov Timur Maratovich	1961	No interest	No interest
Olizko Sergei Prokofievich	1962	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Olizko Sergei Prokofievich	1962	No interest	No interest

Full company name	Open Joint-Stock Company Prometei
Abbreviated company name	JSC Prometei
Place of business	Vil. Gunib, Gubninsk District, Republic of Dagestan
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Supply (sale) of electric and heat power under the set rates and in accordance with electrical and heat load dispatch schedules
The company's importance for the issuer's	Of no substantial importance to the issuer's business

business			
Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Gamzatov Timur Gamzatovich (Chairman)	1965	No interest	No interest
Krenea Nadezhda Anatolievna	1962	No interest	No interest
Smirnova Yulia Vsevolodovna	1978	No interest	No interest
Melnikov Aleksei Aleksandrovich	1981	No interest	No interest
Goizenband Aleksandr Arkadievich	1970	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Gamzatov Timur Gamzatovich	1960	No interest	No interest

Full company name	Open Joint-Stock Company Sayano-Shushensky Motor Transport Centre		
Abbreviated company name	JSC SShATTs		
Place of business	Vil. Cheryomushki, Sayanogorsk, Republic of Khakassia		
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making		
The issuer's interest in the subsidiary company's authorized capital	100%		
The issuer's interest in the ordinary shares of the subsidiary company	100%		
The subsidiary company's interest in the issuer's authorized capital	No interest		
The subsidiary company's interest in the issuer's ordinary shares	No interest		
The company's core business	Transportation of cargo and passengers by motor transport, servicing and repairs of vehicles, operation and maintenance of roads		
The company's importance for the issuer's business	Of no substantial importance to the issuer's business		
Composition of the Board of Directors			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Suprun Mikhail Pavlovich (Chairman)	1955	No interest	No interest
Valyagin Vladimir Viktorovich	1981	No interest	No interest
Borisov Dmitry Sergeevich	1981	No interest	No interest
Lozhkin Aleksandr Viktorovich	1955	No interest	No interest
Safargaleyev Robert Vazykhovich	1955	No interest	No interest
Composition of the collegiate executive body (Management Board)			

The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Lozhkin Aleksandr Viktorovich	1955	No interest	No interest

Full company name	Open Joint-Stock Company Karachai-Circassian Hydrogeneration Company
Abbreviated company name	JSC Karachai-Circassian Hydrogeneration Company
Place of business	34, Prospect Lenina, Cherkessk, Karachai-Circassian Republic
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Supply (sale) of electric and heat power under the set rates and in accordance with electrical and heat load dispatch schedules
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors			
Full name		Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Dolmatov Aleksei Anatolievich (Chairman)	1962	No interest	No interest
Yevstafieva Anastasia Igorevna	1977	No interest	No interest
Lavrov Andrei Sergeyeovich	1977	No interest	No interest
Moskvin Aleksei Vassilievich	1978	No interest	No interest
Klochkov Roman Viktorovich	1969	No interest	No interest

Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Saratikian Grigor Aslibekovich	1955	No interest	No interest

Full company name	Open Joint-Stock Company Regional Energy Marketing and Investment Corporation
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Abbreviated company name	JSC REMIK
Place of business	11, pereylok Promyshlenny, Zeya, Zeisky District, Amur Region, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Assembly, adjustment and repairs of electric power equipment and facilities
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich (Chairman)	1964	No interest	No interest
Yusupov Timur Maratovich	1961	No interest	No interest
Kazarian Alla Sakhbizadovna	1957	No interest	No interest
Kozlov Antonyi Vladimirovich	1977	No interest	No interest
Popov Pavel Borisovich	1960	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Zilberblum Vitaly Nikolayevich	1974	No interest	No interest

Full company name	Open Joint-Stock Company Sayano-Shushensky Gidroenergoremont
Abbreviated company name	JSC SShGER
Place of business	Vil. Cheryomushki, Sayanogorsk, Republic of Khakassia, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest

The company's core business	Maintenance of power equipment in accordance with effective regulatory requirements, its timely and quality repairs, retooling and upgrading of power facilities
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Popov Viktor Nikolayevich (Chairman)	1964	No interest	No interest
Melnikov Aleksei Aleksandrovich	1981	No interest	No interest
Timokhin Aleksei Sergeyeovich	1979	No interest	No interest
Kozlov Antonyi Vladimirovich	1977	No interest	No interest
Yusupov Timur Maratovich	1961	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Год рождения	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Kyari Valery Arturovich	1949	No interest	No interest

Full company name	Open Joint-Stock Company South Yakutia Hydropower Complex
Abbreviated company name	JSC South Yakutia HPC
Place of business	4, Lineinaya Str. , Aldan, Republic of Sakha (Yakutia)
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Acting as a building owner of power plants and other industrial and civil engineering facilities; performance of design, surveying, and research and development works
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Gorbenko Yuri Vassilievich (Chairman)	1958	No interest	No interest
Smirnova Yulia Vsevolodovna	1978	No interest	No interest
Chepchuk Igor Vassilievich	1967	No interest	No interest

Zakharov Aleksandr Konstantinovich	1979	No interest	No interest
Kozlov Yevgeni Ivanovich	1959	No interest	No interest
Composition of the collegiate executive body (Management Board)			
The Articles of Association do not provide for a collegiate executive body			
Person acting as a sole executive body			
Powers of a sole executive body are vested with the managing organization			
Full and abbreviated company names	Place of business	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Open Joint-Stock Company HydroOGK Management Company (JSC HydroOGK MC)	51, Arkhitektora Vlasova Str. , Moscow, Russian Federation	No interest	No interest

Full company name	Open Joint-Stock Company Cheryomushki Physical Culture and Sports Centre
Abbreviated company name	JSC FSK Cheryomushki
Place of business	Vil. Cheryomushki, Sayanogorsk, Republic of Khakassia, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Business associated with renting of sports equipment and sportswear for leisure activities and recreation, including sports equipment renting proper
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Suprun Mikhail Pavlovich (Chairman)	1955	No interest	No interest
Kulakov Vladimir Yevgenievich	1979	No interest	No interest
Petrova Yulia Vladimirovna	1981	No interest	No interest
Luzin Viktor Yermilovich	1953	No interest	No interest
Plotnikov Vladimir Viktorovich	1960	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's	Interest of the indicated person in the issuer's ordinary
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		authorized capital (share fund)	shares
General Director – Plotnikov Vladimir Viktorovich	1960	No interest	No interest

Full company name	Open Joint-Stock Company Sulak Hydropower Cascade		
Abbreviated company name	JSC Sulak Hydropower Cascade		
Place of business	10, Magomed Gadjiev Str., vil. Komsomolskoye, Kizilyurt District, Republic of Daghestan		
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making		
The issuer's interest in the subsidiary company's authorized capital	100%		
The issuer's interest in the ordinary shares of the subsidiary company	100%		
The subsidiary company's interest in the issuer's authorized capital	No interest		
The subsidiary company's interest in the issuer's ordinary shares	No interest		
The company's core business	Performance of building owner functions in retooling and new construction projects, as well as in industrial and other facilities		
The company's importance for the issuer's business	Of no substantial importance to the issuer's business		

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Terebulin Sergei Sergeyeovich (Chairman)	1978	No interest	No interest
Stafievsky Valentin Anatolievich	1939	No interest	No interest
Borisov Dmitry Sergeyeovich	1981	No interest	No interest
Belyaev Dmitry Aleksandrovich	1983	No interest	No interest
Dolmatov Aleksei Anatolievich	1962	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Aliyev Nurmagomed Aliyevich	1954	No interest	No interest

Full company name	Open Joint-Stock Company New Binary Power Unit		
Abbreviated company name	JSC New Binary Power Unit		
Place of business	7, Krzhizhanovskogo Str., Bldg. 2, Moscow		
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making		
The issuer's interest in the subsidiary	100%		

company's authorized capital	
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Generation of electric and heat power
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Ponkratyev Pavel Aleksandrovich (Chairman)	1954	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Dmitriyenko Anastasia Vladimirovna	1983	No interest	No interest
Kozlov Dmitry Aleksandrovich	1981	No interest	No interest
Smolin Dmitry Vyacheslavovich	1978	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Powers of a sole executive body are vested with the managing organization

Full and abbreviated company names	Place of business	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Limited Liability Company Razvitiye Management Company (Razvitiye MC LLC)	7, Krzhizhanovskogo Str., Bldg. 2, Moscow	No interest	No interest

Full company name	Open Joint-Stock Company ChirkeiGESstroi
Abbreviated company name	JSC ChirkeiGESstroi
Place of business	Vil. Shamilkala, Untsukul District, Republic of Daghestan
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	74.99%
The issuer's interest in the ordinary shares of the subsidiary company	74.99%
The subsidiary company's interest in the issuer's authorized capital	0.01%
The subsidiary company's interest in the issuer's ordinary shares	0.01%
The company's core business	Engineering surveys for construction of buildings and structures of criticality rating I and II in accordance with government standards
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in	Interest of the indicated person in the issuer's
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		the issuer's authorized capital (share fund)	ordinary shares
Martsinkovsky Gennady Olegovich	1968	No interest	No interest
Stafievsky Valentin Anatolievich	1939	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Borisov Dmitry Sergeyeovich	1981	No interest	No interest
Popov Viktor Nikolayevich	1964	No interest	No interest
Idrisov Akhiyad Ilyasovich	1954	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Mukhudinov Mukhudin Sadrudinovich	1950	No interest	No interest

Full company name	Open Joint-Stock Company Zharki
Abbreviated company name	JSC Zharki
Place of business	41, Sovetsky res. district, Sayanogorsk, Republic of Khakassia, Russian Federation
Grounds for recognizing the company as the issuer's dependent entity	The company is a dependent entity with respect to the issuer because the latter possesses over 20% of shares in the company
The issuer's interest in the dependent company's authorized capital	25.001%
The issuer's interest in the ordinary shares of the dependent company	25.001%
The subsidiary company's interest in the issuer's authorized capital	No interest
The dependent company's interest in the issuer's ordinary shares	No interest
The company's core business	Travel and recreation business
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Borisov Dmitry Sergeyeovich	1981	No interest	No interest
Kazachenko Dmitry Sergeyeovich	1979	No interest	No interest
Kolesnikov Sergei Yevgenievich	1969	No interest	No interest
Bazavluk Aleksei Anatolievich	1979	No interest	No interest
Gostev Viktor Sergeyeovich	1948	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Gavrilenko Vera Alekseyevna	1968	No interest	No interest

Full company name	Open Joint-Stock Company Main Power Industry Data-Processing Centre
Abbreviated company name	JSC Power Industry GVTs
Place of business	7, Kitaigorodsky proyezd, Moscow, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is a dependent entity with respect to the issuer because the the latter possesses over 20% of shares in the company
The issuer's interest in the subsidiary company's authorized capital	42.53%
The issuer's interest in the ordinary shares of the subsidiary company	42.53%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Design, development and introduction of information technologies to cater for economic and financial needs of businesses and organizations
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Azbukin Vladimir Mikhailovich (Chairman)	1962	No interest	No interest
Akimov Leonid Yurievich	1970	No interest	No interest
Yesin Mikhail Pavlovich	1961	No interest	No interest
Smagin Andrei Viktorovich	1973	No interest	No interest
Piotrovich Nikolai Borisovich	1975	No interest	No interest
Smirnova Yulia Vsevolodovna	1978	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Bandurin Garald Ivanovich	1967	No interest	No interest
Smolyarov Dmitry Arkadievich	1967	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Aksyonov Yevgeni Gennadievich	1975	No interest	No interest

Full company name	Open Joint-Stock Company Urals Utility Management Company
Abbreviated company name	JSC UEUK
Place of business	4, Universitetskaya Str., Surgut, Tyumen Region, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary	20.66%

company's authorized capital	
The issuer's interest in the ordinary shares of the subsidiary company	20.66%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Performance of sole executive body functions in joint-stock companies and other business entities in accordance with the statutory and contractual procedures
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Valyagin Vladimir Viktorovich	1981	No interest	No interest
Smirnova Yulia Vsevolodovna	1978	No interest	No interest
Grave Irina Vladimirovna	1972	No interest	No interest
Kalybayeva Roza Zhalmuratovna	1983	No interest	No interest
Novosyolov Dmitry Borisovich	1959	No interest	No interest
Nikolayev Vladimir Nikolayevich	1969	No interest	No interest
Piotrovich Nikolai Borisovich	1975	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
General Director – Novokreshchenykh Yekaterina Ilyinichna	1979	No interest	No interest

Full company name	RusSUNHydro Limited
Abbreviated company name	RusSUNHydro Ltd
Place of business	42 Nestoros, Kaimakli, 1026 Nicosia, Cyprus
Grounds for recognizing the company as the issuer's dependent entity	The company is a dependent entity with respect to the issuer because the latter possesses over 20% of shares in the company
The issuer's interest in the dependent company's authorized capital	50%
The issuer's interest in the ordinary shares of the dependent company	50%
The subsidiary company's interest in the issuer's authorized capital	No interest
The dependent company's interest in the ordinary shares of the issuer	No interest
The company's core business	Investment business
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Miroshnichenko Yevgeni Nikolayevich	1980	No interest	No interest
Khemka Shiv Vikram	1960	No interest	No interest

Vaidianatan Venkatesvaran Sivakumar	1965	No interest	No interest
Gundobin Igor Valerievich	1954	No interest	No interest
Manakov Dmitry Mikhailovich	1970	No interest	No interest
Zubakin Vassily Aleksandrovich	1958	No interest	No interest
Pavlenko Sergei Alekseyevich	1966	No interest	No interest
Stremousov Andrei Leonidovich	1965	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Director – Pavlenko Sergei Alekseyevich	1966	No interest	No interest

Full company name	Limited Liability Company Power Industry Index - HydroOGK
Abbreviated company name	Power Industry Index – HydroOGK LLC
Place of business	101, Posppekt Vernadskogo, Bldg. 3, Moscow , Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Terebulin Sergei Sergeyeovich	1978	No interest	No interest
Miroshnichenko Yevgeni Nikolayevich	1980	No interest	No interest
Pushkarev Vadim Sergeyeovich	1981	No interest	No interest

Person acting as a sole executive body

General Director – Valyagin Vladimir Viktorovich	1981	No interest	No interest
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Full company name	Open Joint-Stock Company RusHydro Retail Supplier
Abbreviated company name	JSC RusHYdro ESK
Place of business	21, Gzhatskaya Str., St. Petersburg, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of	100%

the subsidiary company	
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Muravyov Aleksandr Olegovich (Chairman)	1977	No interest	No interest
Kazarian Alla Sakhibzadovna	1957	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Yevstafieva Anastasia Igorevna	1977	No interest	No interest
Miroshnichenko Yevgeni Nikolayevich	1980	No interest	No interest

Person acting as a sole executive body

Full and abbreviated company names	Place of business	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Open Joint-Stock Company HydroOGK Management Company (JSC HydroOGK MC)	51, Arkhitektora Vlasova Str., Moscow, Russian Federation	No interest	No interest

Full company name	Open Joint-Stock Company Nizhne-Kureiskaya HPP
Abbreviated company name	JSC Nizhne-Kureiskaya HPP
Place of business	51, Respubliki Str., Krasnoyarsky Territory, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Performance of functions of a building owner-developer in retooling and new construction power industry projects and other industrial and civil engineering construction projects
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
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Bychko Mikhail Aleksandrovich	1971	No interest	No interest
Melts Mikhail Isaakovich	1958	No interest	No interest
Korolyova Anna Mikhailovna	1982	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Lavrov Andrei Sergeevich	1977	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Bardyukov Vadim Grigorievich	1954	No interest	No interest

Full company name	Open Joint-Stock Company Far-Eastern Wind Power Plant
Abbreviated company name	JSC Far-Eastern WPP
Place of business	19, Uborevicha Str., Vladivostok, Primorsky Territory, Russian Federation
Grounds for recognizing the company as the issuer's subsidiary	The company is the issuer's subsidiary because the issuer by virtue of its predominant interest in the company's authorized capital can influence the company's decision making
The issuer's interest in the subsidiary company's authorized capital	100%
The issuer's interest in the ordinary shares of the subsidiary company	100%
The subsidiary company's interest in the issuer's authorized capital	No interest
The subsidiary company's interest in the issuer's ordinary shares	No interest
The company's core business	Design and implementation of projects to develop renewable electric power sources
The company's importance for the issuer's business	Of no substantial importance to the issuer's business

Composition of the Board of Directors

Full name	Year of birth	Interest of the indicated person in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Ponkratyev Pavel Aleksandrovich	1952	No interest	No interest
Gavrilov Aleksei Vladimirovich	1959	No interest	No interest
Vislovich Aleksandr Ivanovich	1976	No interest	No interest
Gavrilov Andrei Aleksandrovich	1980	No interest	No interest
Kozlov Antonyi Vladimirovich	1977	No interest	No interest

Composition of the collegiate executive body (Management Board)

The Articles of Association do not provide for a collegiate executive body

Person acting as a sole executive body

Full name	Year of birth	Interest in the issuer's authorized capital (share fund)	Interest of the indicated person in the issuer's ordinary shares
Gavrilov Aleksei Vladimirovich	1959	No interest	No interest

3.6. Composition, structure and value of the Issuer's fixed assets, information about plans to acquire, replace, retire fixed assets and about encumbrances on fixed assets of the Issuer

3.6.1. Fixed assets

In accordance with the financial (accounting) statements for the 1st quarter of 2009, the Issuer has the following groups of fixed assets on its balance sheet:

Group of fixed asset item	Initial (replacement) value, roubles	Accrued depreciation, roubles
Reporting date: 30 June 2009		
Buildings	34 398 353	865 884
Structures	174 329 246	4 693 216
Equipment	45 998 886	5 831 572
Other	1 085 057	242 221
Total:	255 811 542	11 632 893

Information about depreciation accrual methods by group of fixed asset item:

Depreciation is carried out by groups of fixed asset items by the straight line method, proceeding from the service life of these items.

Results of the latest revaluation of the fixed assets and fixed assets leased on a long-term basis, as carried out within a period of the 5 last complete financial years:

Since the Issuer's inception, specifically the period from 26 December 2004 until the end of the reporting quarter, no fixed asset revaluation was undertaken.

Information about plans to acquire, replace or retire fixed assets worth 10 or more per cent of the value of the Issuer's fixed assets, and other fixed assets at the Issuer's discretion:

The Issuer has no plans to acquire, replace or retire fixed assets worth 10 or more per cent of the value of its fixed assets.

Information about all encumbrances on the Issuer's fixed assets (indicating the nature of the encumbrance, the time the encumbrance arose, its term of validity and other terms and conditions at the discretion of the Issuer):

As of the closing date of the reporting quarter, there are no encumbrances on the Issuer's fixed assets.

IV. Information about the Issuer's financial and business performance

4.1. Results of the Issuer's financial and business activities

4.1.1. Profits and losses

No.	Indicator	30 June 2008 (quarter 2 of 2008)	30 June 2009 (quarter 2 of 2009)
1	Revenues, roubles	15 351 326 310	19 876 737 577
2	Gross profit, roubles	5 594 160 310	10 861 296 583
3	Net profit (undistributed profit/uncovered losses), roubles	4 101 013 00	9 566 021 716
4	Return on equity capital, %	2.64	4.18
5	Return on assets, %	2.25	3.87
6	Net profit ratio	26.71	48.13
7	Output (sales) profitability, %	36.44	54.64
8	Capital turnover	0.09	0.09
9	Amount of uncovered losses as of the reporting date, roubles	-	-
10	Ratio of uncovered losses as of the reporting date to the balance sheet total, %	-	-

Note: In calculating these indicators, use was made of the methodology recommended by the Regulations on disclosure of information by Issuers of equity securities, approved by Order of the Federal Financial Markets Service dated 10 October 2006, No. 06-117/pz-n.

Economic analysis of the Issuer's profitability/loss ratio, proceeding from the dynamics of the indicators presented:

Revenues for 2009 (Q2) amounted to 19 876 737 600 roubles and gross profit amounted to 10 861 296 600 roubles.

Returns on net assets mean the effectiveness with which the funds belonging to the company are used and serves as the chief criterion for assessing the price of the shares on the stock market. Return on capital employed must ensure payback on shareholder funds invested in the company. This ratio shows the profit received by the company from each rouble invested in assets. Return on assets, characterising the effectiveness with which the company's property is used, amounted, for 2009 (Q2) to 3.87% and for 2008 (Q2) to 2.25%. Analysing the dynamics of these indicators, a rise in return on capital as a result of growing net profit of the Issuer is seen for 2009.

The net profit margin, which demonstrates the efficiency with which total capital is used, including the raised part, amounted, as of 01 July 2009, to 48.13%, and as of 01 July 2008 – to 26.71%. The increase in this indicator is associated with the growth of net profit (for financing the Holding Company's investment programme).

The sales (output) profitability ratio reflects the company's income on each rouble earned. The ratio for 2009 (Q2) amounted to 54.64%. The rise in comparison with 2008 (Q2) is connected with inclusion of a bigger investment component in the tariff than in 2008.

The capital turnover ratio, characterising use of the company's funds and its business activity, amounted to 0.09 for 2009 (Q2) and 2008 (Q2).

The opinions of the Company's management bodies coincide concerning the above reasons and/or their degree of influence on the Issuer's financial and business performance.

The members of the Issuer's management bodies have no specific opinion regarding the above-mentioned reasons and/or their degree of influence on the Issuer's financial and business performance reflected in the Minutes of the meeting of the Issuer's management body that considered the relevant matters, and do not insist on such a (different) opinion being reflected in this quarterly report.

4.1.2. Factors affecting the change in the amount of revenues from sale by the Issuer of goods, products, work and services and the profits (losses) of the Issuer from its core activities

Factors affecting the change in the amount of revenues

Factor	Degree of influence	
	Q2 2008	Q2 2009
Inflation		Weak
Change in foreign currency exchange rates		Weak
Resolutions by government authorities	Moderate	Moderate
Other factors, including:		
Efficient operations by the Issuer on the wholesale electricity and capacity market	Moderate	Strong
Effective cost management	Moderate	Moderate

Factors affecting the change in the amount of profits

Factor	Degree of influence	
	Q2 2008	Q2 2009
Inflation		Weak
Change in foreign currency exchange rates		Weak
Resolutions by government authorities	Moderate	Moderate
Other factors, including:		
Efficient operations by the Issuer on the wholesale electricity and capacity market	Moderate	Strong
Effective cost management	Moderate	Moderate

Factors affecting the change in the size of production costs

Factor	Degree of influence	
	Q2 2008	Q2 2009
Inflation		Weak
Change in foreign currency exchange rates		Weak
Resolutions by government authorities	Moderate	Strong
Other factors, including:		
Efficient operations by the	Weak	Weak

Issuer on the wholesale electricity and capacity market		
Effective cost management	Moderate	Strong

The opinions of the management bodies of the Issuer in relation to these factors and/or their degree of influence on the financial and business indicators of the Issuer's activities coincide.

The members of the Issuer's management bodies have no specific opinion regarding the above-mentioned factors and/or their degree of influence on the Issuer's financial and business activities reflected in the Minutes of the meeting of the Issuer's management body that considered the relevant matters, and do not insist on such a (different) opinion being reflected in this quarterly report.

4.2. The Issuer's liquidity, adequacy of capital and working assets

No.	Indicator	30 June 2008	30 June 2009
1	Own working capital, thousand roubles	18 010 400	93 416 226
2	Net fixed assets index	0.96	0.81
3	Current liquidity ratio	1.81	7.29
4	Acid ratio	1.77	7.22
5	Equity-assets ratio	0.85	0.93

Note: The method used for calculating these indicators was that recommended by the Regulations on disclosure of information by Issuers of equity securities, approved by Order of the Federal Financial Markets Service on 10 October 2006, No. 06-117/pz-n.

Economic analysis of the liquidity and solvency of the Issuer:

Own circulating assets are the working capital remaining at the disposal of the organisation in the event of a one-time complete redemption of the organisation's short-term debt. The amount of own circulating assets has been rising during the period under review.

The net fixed assets index characterises the ratio between non-current assets to be financed from stable sources and the magnitude of these sources. As of 30 June 2009, the index stood at 0.81, compared to 0.96 as of 30 June 2008.

The current liquidity ratio, which makes it possible to assess the current assets per rouble of current liabilities, was above the norm (1.5) during the period under review, amounting to 7.29 as of 30 June 2009.

The acid ratio is analogous to the current liquidity ratio in assessing the liquidity of assets, but it is calculated for a narrower range of current assets, with the least liquid part – inventories – being excluded from the calculation. During the period under review, the ratio was above the norm (0.95) and amounted to 7.22 as of 30 June 2009.

The equity-assets ratio (financial sustainability) determines the proportion of the organisation's assets covered out of its equity capital. Throughout the period under review, the value of this ratio was substantially above the norm of 0.5. As of 30 June 2009, it amounted to 0.93, compared to 0.85 as of 30 June 2008. The ratio depicts the financial independence of the organisation, so, at the end of Q2 of 2009, 93% of the value of the organisation's property belonged to the Issuer's owners.

On the whole, the liquidity indicators characterise the company's status as sustainable.

4.3. Size and structure of the Issuer's capital and working assets

4.3.1. Size and structure of the Issuer's capital and working assets

Capital structure	As of 30 June 2008	As of 30 June 2009
Authorised equity capital, thousand roubles	195 860 497	255 014 019
Total value of the Issuer's shares (ownership interests) purchased by the Issuer for subsequent resale (transfer), indicating the percentage of such shares (ownership interests) among the outstanding shares (authorised equity capital) of the Issuer, thousand roubles		
Reserve capital, thousand roubles	970 610	1 793 122
Incremental capital, thousand roubles	68 276 996	92 343 619
Undistributed net profit, thousand roubles	35 917 702	89 337 496
Total capital	301 025 805	438 488 256

Structure of working assets	As of 30 June 2008	As of 30 June 2009
Stocks, thousand roubles	1 185 555	1 164 290
including:		
Raw and other materials and similar inventories, thousand roubles	555 782	650 050
Goods for resale, thousand roubles	1 032	898
Unexpired costs, thousand roubles	628 646	513 342
Other costs and expenses	95	-
Input value added tax, thousand roubles	357 977	302 525
Accounts receivable, thousand roubles	46 537 924	80 883 760
Short-term financial investments, thousand roubles	18 391 741	31 276 790
Cash, thousand roubles	3 525 538	14 791 133
Other working assets	135	134
Total working assets	69 998 870	128 418 632

Sources of working asset financing:

Own sources; accounts payable; short-term credits.

The Issuer's policy for financing working assets:

Working assets are financed out of the Issuer's own funds and borrowed funds.

Factors that might entail a change in the working assets financing policy and assessment of the likelihood of their emergence:

The Issuer's policy in relation to financing of working assets proceeds from the principle of maximum reliability of the Issuer. The Issuer's activities are financed out of equity capital and short-term credits and accounts payable.

A substantial proportion of the Issuer's own funds is invested in non-working assets. A factor that might entail a change in the policy for financing working assets is an improvement in the financial status of the Issuer.

There is a high likelihood of such an event occurring.

4.3.2. Financial investments of the Issuer

List of the financial investments of the company accounting for 10 or more per cent of all its financial investments as of 30 June, 2009:

1) Type of securities: ordinary shares

Full name of Issuer: Open Joint-Stock Company First Generating Company of the Electric Power Wholesale Market

Abbreviated name of Issuer: JSC OGK-1

Legal address: 625023, Tyumen, Odesskaya St., dom 1, corpus 1

Actual address: 117447, Moscow, Bolshaya Cheryomushkinskaya St., dom 13/17

State registration number of the equity securities issue: 1-02-65107-D

Date of state registration of the securities issue: 15 July, 2007

Registration authority performing state registration of the equity securities issue:

Federal Service for the Financial Market of Russia

Quantity of securities owned: 9 693 041 512 units

Total nominal value of the securities owned: 5 571 366 400.26 roubles.

Total balance sheet value of the securities: 28 798 026 332.15 roubles.

The Company did not issue any preference shares. In accordance with article 7 of the Articles of Association of JSC OGK-1, the time for payment of dividends is determined by the General Meeting of Shareholders of JSC OGK-1, but shall be no later than 60 days after the payment resolution is adopted.

The amount of dividends declared on ordinary shares in the current year (in the absence of data on the amount of dividends declared on ordinary shares in the current year, indicate the amount of dividends declared in the previous year) and payment deadline: not dividends were paid out in 2008.

The amount of the Issuer's investments in shares in JSC OGK-1 has not increased, i.e., the authorised equity capital of JSC OGK-1 was not increased in 2008.

Резервы под обесценение ценных бумаг не создавались.

4.3.3. Intangible assets of the Issuer

Group of intangible asset items	Initial (replacement) value, roubles	Amount of depreciation accrued, roubles
Reporting date: 30 June 2009		
Intangible assets of the organisation:		
Patents	183	71
R&D	36 825	0
Other	4 206	3 567
Total:	41 214	3 638

The financial reporting standards (rules) in accordance with which the Issuer presents information about its intangible assets:

RAS 4/99 "Corporate accounting" (approved by order of the Russian Federation Ministry of Finance dated 06 July 1999, No. 43n);

Regulations on financial accounting "Intangible asset accounting" RAS 14/2000 (approved by order of the Russian Federation Ministry of Finance dated 16 October 2000, No. 91n).

4.4. Information on the Issuer's policy and expenditures in the field of scientific and technical development, in relation to licenses and patents, new developments and research

The Issuer regularly carries out research into ways to improve technological processes (the study of the properties of materials, the condition of equipment, testing, etc.) for the purpose of enhancing the reliable, safe and effective operation of HPPs.

Information on the Issuer's policy for scientific and technical development in the corresponding reporting period preceding the expiry date of the latest reporting quarter, including the disclosure of expenditures on R&D work financed through the Issuer's own funds in the said reporting period: **the following R&D work was carried out in the second quarter for the purpose of scientific and technical development: "Studying the stability conditions of nontraditional electric power plants in the energy system. Determining and substantiating a possible and appropriate share of nontraditional electric power plants in the structure of generating capacities;" "Studying the possibilities of using powerful tidal plants in energy systems."**

Information on the creation of the Issuer's major intellectual property items and their legal protection obtained by the Issuer (including information on the date of issue and the validity periods of patents for invention, a useful model and an industrial design, the state registration of trade and service marks, the name of the place of origin of commodities), the guidelines for and the results of the use of the Issuer's major intellectual property items: **In the second quarter, the Issuer did not develop any intellectual property items subject to legal protection (including patents for invention, a useful model and an industrial design, the state registration of trade and service marks, the name of the place of origin of commodities).**

4.5. Analysis of development trends in the area of the Issuer's core activities

Basic trends in the development of the branch of industry, in which the Issuer carries out its core activities:

1. The global financial crisis, which spread to Russia in 2008, has made the prospects of the development of the electric power industry increasingly uncertain:

The depth of a possible decline in energy consumption is not yet known

a) regulators have not defined their position on the dynamics of the electric power market liberalization;

b) issues are currently under consideration to waive earlier signed contracts on the supply of electric power capacity.

At the same time:

2. The main elements of the capital market infrastructure created in the country can provide already today for a mobile flow of financial resources with low transaction costs, acceptable systemic risks and understandable procedures for the protection of investors' rights;

3. The Russian government has come close to mastering the techniques of long-term development forecasting, planning and financing in the energy sphere (the government approved in principle the "General Scheme for the Allocation of Power Plants in Russia," made decisions on the construction of gas and oil transportation infrastructure).

4. The Russian government, corresponding ministries and departments are promptly responding to changes on global financial markets. Authorities have adopted a number of laws to

support the Russian economy, including the power sector (in particular, the Russian government approved tax incentives for industrial enterprises, included JSC RusHydro in the list of the country's backbone enterprises, making it possible to count on state support, etc.).

Main factors influencing the sector's development:

The following trends have been observed in the sector as a whole in the past five years:

- considerable growth in power consumption since the late 1990s resulting in the corresponding increase in electric power output;
- improvement of the payment discipline among electric power consumers;
- improvement of the financial performance of electric power companies;
- reduction of cross subsidizing;
- commencement of large-scale works for modernization and technical upgrade of power companies' fixed assets (electric power plants, electric power grids, etc.) as a result of the reformation of JSC RAO UES of Russia and the arrival of new investors in the electric power sector;
- the increase of economically justified electricity rates due to the gradual transition to electricity tariff liberalization;
- stabilization of the political, social and economic situation in the country and in the region;
- dynamic changes in the legislation on electric power generation and sale;
- improvement of workers' skills in the electric power sector;
- the approval of the federal law "On Energy Saving and Better Energy Efficiency."

4.5.1. Analysis of the factors and conditions influencing the Issuer's activities

The factors and conditions influencing the Issuer's activities and the results of such activities, a forecast on the continuity of such factors and conditions:

The factors and conditions influencing the Issuer's activities and the results of its activities are as follows:

The pace of tapping Russia's hydropower potential

Russia's untapped hydropower potential is concentrated in the areas where there are currently no large consumers or the required infrastructure. At the same time, the development of these territories is a key direction of Russia's regional policy.

"Dualism"

The Company's activities are defined and will continue to be defined by two major vectors: the need to address state tasks along with the requirement to ensure growth of the Company's business value.

Forming a new model of markets

The market model that is being formed will define in the long term the efficiency of the functioning of electric power plants using renewable energy sources, the rate of development in their use and the degree of compensation for the unique contribution by HPPs to system reliability.

Corporate reorganization in the sector and in the Company

The cessation of the activities of RAO UES of Russia, the placement of shares on the stock market and the emergence of various groups of shareholders set enhanced requirements for the company's public status and the efficiency of its operations.

Development of electric power generation based on other renewable energy sources (wind, tidal, geothermal and other energy)

The focus on the global issue of developing electric power generation based on renewable energy sources, the assistance of industrial countries to the development of renewable energy, the need to diversify energy sources and reduce load on the environment along with the availability of considerable untapped potential of renewable energy sources in Russia create pre-requisites for the development of electric power generation using the sources of primary energy of this type.

Reliability and safety of equipment and hydropower facilities

The physical wear and depreciation of fixed assets, enhanced requirements for the reliable and accident-free operation of the Russian unified energy system, the growing need for regulating power of daily electricity consumption in the European part of Russia's unified energy system, the increasing threat of man-made accidents with grave consequences as a result of disintegration of hydropower facilities at unfinished HPPs and the increased standards of seismic safety at the location of the Company's HPPs require special attention to be paid to the reliability and safety of the Company's fixed assets.

Possibilities of related sectors

The R&D, design and survey, engineering and construction sectors have sustained considerable losses in the past few decades due to low demand for their products and services. In the short term, the Company will need large volumes of design and survey works, construction services, deliveries of equipment and materials. Limitations caused by the shortage of goods and services on these markets may considerably affect the rate of the Company's development.

Personnel provision

Some of the most acute problems on the way of large-scale hydropower development are the shortage of engineering and technical personnel, undermined professional continuity and the degraded system of personnel training for the sector as a result of crisis factors in the country's economy and social life.

Foreign activities

The rates of the development of hydropower potential and the potential of renewable energy sources in the world, and also the increased demand for electric power create favorable conditions for the Company's participation in international projects. The acquisition of the status of a global company may become a priority for the Company in the long-term perspective.

Global climate warming

The problem of climate change exerts ever greater direct influence on the Company's activities as it is becoming increasingly difficult to forecast water regimes due to growth in deviations from long-time annual averages of hydrographs and weather records.

The Issuer's measures and planned steps to efficiently use these factors and conditions:

- highlighting possibilities and submitting projects to the state and regions for industrial, infrastructural and social development requiring the operation of hydropower plants and constant demand for their output;
- finding a strategy of balanced development that would meet the interests of all groups of shareholders, new adequate schemes of financing and property distribution, including the efforts to determine the forms and the procedure for the state's participation in the Company's projects;
- forming a model of markets favorable for the use of renewable energy sources and ensuring adequate compensation for the Company's contribution to system reliability;

- acquiring competences for work in public conditions, meeting the requirements of the investment community and minority shareholders and also using the best corporate management practices;

- creating mechanisms ensuring the development of electric power generation based on renewable energy sources and the efficiency of renewable energy projects to increase considerably their share in the country's energy balance;

- reversing the trends of mounting functional and physical depreciation of equipment, raising the reliability and safety of hydropower facilities;

- developing an effective system of interaction with the key participants of resources markets, diversifying risks through the development of internal related businesses, organizing support for sectoral science and innovation technologies;

- creating an effective system of engineering personnel training, including the system of interaction with specialized educational institutions, and also mechanisms stimulating an inflow of personnel into the sector and the development of professional knowledge and skills;

- creating conditions for overcoming barriers to entry, including the acquisition of competences for operation on foreign markets and the expansion of business ties;

- participation in short-term efforts to create a system of water regime forecasting and observations and long-term efforts to expand the use of renewable energy sources.

Methods used and planned by the Issuer to reduce the negative effect of factors and conditions affecting the Issuer's activities:

- strategic planning;

- investment planning;

- business planning;

- budget planning;

- tax planning;

- corporate governance;

- using modern systems of incentives for the company's managers;

- developing a modern system of electric power distribution;

- enhancing financial control and introducing a cost-cutting program.

Material events/factors that could have the largest negative effect on the possibility for the Issuer to achieve the same or higher results in the future as compared with the results achieved in the latest reporting period:

Material events/factors that could have the largest negative effect on the possibility for the Issuer to achieve high results in the future are as follows:

- **High capital intensity and long periods of the implementation of projects for the construction of HPPs.** The projects for the construction of hydropower plants form the basis for the Company's development. However, they are highly capital-intensive and are characterized by long periods of their implementation. In addition, expenses on the construction of electricity grids for the supply of electric power generated by HPPs are also extremely large in most cases.

Therefore, these projects are normally characterized by low economic efficiency.

- **A deep structural crisis, which** spread to Russia in 2008, may significantly reduce projected demand for electric power both due to cuts in investment in the construction of new production facilities, for which the Company is creating new generating capacities, and the

closure of operating hydropower facilities ineffective in crisis conditions, to which the Company's functional generating capacities were oriented;

- **Hydropower engineering is currently viewed as a means of containing the growth of electricity tariffs and prices.** Apart from that, the system services provided by RusHydro are not adequately paid for.

- **The absence of mechanisms of state support for renewable energy sources.** High capital intensity required for the creation of power equipment for electric power plants using renewable energy sources, and the absence of mechanisms of state support in Russia for the use and development of technologies for power generation based on renewable energy sources make economically ineffective the operation of electric power plants using renewable energy sources.

The Issuer views as highly probable the onset of these factors.

Material events/factors that may improve the results of the Issuer's activities, the probability of their emergence and their duration:

Material events/factors that may improve the Issuer's performance comprise the factors influencing the sector as a whole. In order to function more effectively in new conditions, the Issuer is required to:

- draft and implement comprehensive long-term programs of technical upgrade and modernization, including the programs of increasing installed capacity, maneuverability and control of equipment operational modes, technological process automation and the use of new technologies, making it possible to avoid dangers linked with the wear and ageing of equipment, reduce the threat of accidents and raise the efficiency of operation of existing facilities;

- address the tasks, which the Issuer's management is facing in view of the need to meet the requirements of the investor community for public companies, making it possible to increase operational efficiency, the quality of corporate management and the quality of decisions in relation to the Issuer's strategic initiatives and plans;

- stimulate the demand of large consumers for electric power generated by HPPs, the creation of strategic alliances with federal companies interested in the implementation of cluster development projects;

- render assistance in creating organizational schemes of regional development management through regional development corporations, and also assistance in adopting a market model providing for the possibility of signing bilateral electricity purchase/sale contracts in non-price zones (areas where electricity is traded at regulated prices due to a lack of competition), and also the possibility of concluding export contracts;

- assist in adopting rules for the markets of electric power capacity and system services, making it possible to compensate adequately for the contribution by PSPPs to ensuring system reliability and safety;

- assist in adopting legislative acts aimed at ensuring state support for the use of renewable energy sources, and also employ economic mechanisms stipulated by existing international treaties on climate change prevention, including the mechanism of Joint Implementation set forth in the Kyoto protocol;

- the Company's management must take efforts to develop financial and legal schemes for the implementation of system-wide mega projects.

The Issuer assesses with medium probability the onset of the above-mentioned events/factors.

The implementation of these measures will enable the Issuer to keep its leading positions on the market of electricity sale in the short term and achieve considerable advantages in relation to potential competitors in the long term.

4.5.2. Competitors of the Issuer

Information about the main existing and potential competitors of the Issuer by its main spheres of business:

Main competitors	Description	Sphere of competition
JSC Concern Energoatom	Competitor's advantages: a large number and installed capacity of assets in the European part of the Russian Federation, close to optimum loading. Competitors' disadvantage: low manoeuvrability and low effect from BM, not represented in Siberia or the Far East.	In relation to trade – may take shape only at an extremely significant excess of supply of demand. In relation to development – the struggle for state financing.
Thermal generating companies (OGK, TGK)	Competitors' advantages: broad territorial coverage, main generators in the Russian Federation (70%), possibility of submitting price applications on the spot market and priority loading in cogeneration mode. Competitors' disadvantages: comparatively low manoeuvrability, dependence of price for electric power generated on the price of fuel, plus gas restrictions.	In relation to trade – competition with respect to volume during parts of the day under the cogeneration mode.
JSC TGK-1 (about 2900 MW per HPP), JSC TGK-8 (about 350 MW), other TGKs with HPP	Competitors' advantages: possibility of hedging the risks of lack of fuel or water. Competitors' disadvantages: in general, small HPPs with high production costs.	In relation to trade – competition with respect to volume during parts of the day. In relation to development – competition for the right to develop hydropotential.
HPP not belonging to RusHydro and other OGKs and TGKs	Irkutskenergo (over 9000 MW per HPP), Krasnoyarskaya HPP (6000 MW), Tatenergo (over 1200 MW) and other. Advantages - possibility of hedging the risks of lack of fuel or water. Disadvantages – high social and partnership obligations.	In relation to trade – competition for volumes during the high water period. In relation to development – competition with shareholders in privately-owned HPPs for the right to develop hydropotential.
RAO ES Vostoka	Coal thermal power stations, Competitors' advantages: joint ownership of generating assets and a single purchaser of electric power on the territory of the Far East. Competitors' disadvantages: in general, small electric power stations with high production costs.	In relation to trade – competition to get into the PDS. In relation to development – competition by new investment projects for sale of electric power for export and to new energy-intensive consumers.

JSC INTER RAO UES (since 2008 controlled by JSC Concern Energoatom)	Export-import operator and managing company of generating facilities in Russia and abroad. Advantages – full use of the opportunities of the generator and ESK. Disadvantages – regulated activities, falling export opportunities under conditions of deficit.	In relation to trade – competition with respect to volume during parts of the day. Competition for the right to be the state’s agent in implementing international projects and competition for the opportunity to participate in alliances and consortia.
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At the present time, the Issuer has no competitors abroad.

Within the scope of its international strategy, JSC RusHydro must strive to become an organisation investing in generating capacity using renewable energy sources, taking an active part in their development, design, construction and, subsequently, operation on different geographical markets, depending on how promising they are, including in the Russian Federation and beyond its borders. The Issuer must master the technology for creating regional and public wealth by capitalising on its participation in such projects and ensuring a rise in its business reputation, long-term harmonious growth of its value, a higher capitalisation of the RusHydro brand and fulfilment of the Issuer’s mission.

In this connection, the Issuer envisages competing in the future with the following companies: EDF, Statkraft, Iberdrola, Enel, Eon, Lahmeyer International, Mott MacDonald, SNC-Lavalin, Hindustan Construction Co (HCC), VA TECH Hydro, North American Hydro, GE Energy Financial Services, Electricité du Laos, Electricité du Vietnam, NHPC and NTPC.

List of factors behind the Issuer’s competitiveness, with a description of their degree of influence, in the Issuer’s opinion, on the competitiveness of the output (works, services) produced:

1. The environmentally favourable nature of electric power consumption, since hydro-resources are renewable and the most environmentally clean source of energy, use of which makes it possible to cut discharges into the atmosphere by thermal electric power stations and to preserve stocks hydrocarbon fuels.

2. A high degree of manoeuvrability, since it is precisely HPPs that are the most manoeuvrable and capable, if necessary, of increasing substantially the volumes produced in just a few minutes, thereby covering peak loads.

3. Absence of a fuel component in production costs, which ensures independence from changes in energy source prices and, as a consequence, the possibility of long-term price guarantees for consumers.

All the above factors exert an equally important influence on the competitiveness of the output (works, services) produced.

V. Detailed information on the persons that are members of the Issuer's management bodies, bodies of control over its financial and economic activities and brief information on the Issuer's employees (workers)

5.1. Information on the structure and competences of the Issuer's management bodies

Full description of the structure of the Issuer's management bodies and their competences in accordance with the Issuer's Articles of Association.

The Issuer's management bodies shall be:

- a General Meeting of Shareholders;
- the Board of Directors.

The Issuer's executive bodies shall be:

- the Management Board – a collective executive body;
- the Management Board Chairman – the sole executive body.

The competence of the General Meeting of the Issuer's Shareholders is defined by article 10 of the Issuer's Articles of Association:

“10.2. The General Meeting of Shareholders shall have the competence to:

- amend the Company's Articles of Association or approve a restated version of the Articles of Association;
- reorganise the Company;
- liquidate the Company, appoint a liquidation commission, and approve an interim and final liquidation balance sheets;
- determine the number, par value, class (type) of authorised shares and rights attaching thereto;
- increase the Company's authorised capital by way of raising the par value of shares or by placing additional shares;
- decrease the authorised capital of the Company by way of reducing the par value of shares, acquiring by the Company of part of the shares in order to reduce their total number, and by way of redeeming the shares acquired or bought out by the Company;
- split and consolidate shares in the Company;
- pass a resolution on placement by the Company of bonds convertible into shares and other investment securities convertible into shares;
- elect directors of the Company and terminate their powers;
- elect Internal Audit Commission members and terminate their powers;
- approve the Company's Auditor;
- approve annual reports, annual financial statements, including an income statement (profit and loss accounts) of the Company, as well as distribute profits (including pay (declare) dividends, with the exception of profits distributed as dividends for the first three, six or nine months of the financial year and losses the Company incurred in the financial year;

- pay (declare) dividends for the first three, six or nine months of the financial year;
- take decisions to approve material transactions as provided for by Article 79 of the Federal Law on Joint Stock Companies;
- take decisions to approve transactions as provided for by Article 83 of the Federal Law on Joint Stock Companies;
- take decisions to participate in financial-industrial groups, associations and other groups of commercial organisations;
- approve internal documents governing the activities of the Company management and supervisory bodies;
- pass resolutions on payment of remuneration and (or) compensation to Internal Audit Commission members;
- pass resolutions on payment of remuneration and (or) compensation to Directors;
- pass resolutions on other matters as provided for by the Federal Law on Joint Stock Companies.

10.3. Matters relegated to the terms of reference of the General Meeting of Shareholders may not be referred to the Board of Directors, Management Board or Chairman of the Management Board of the Company.

The General Meeting of the Company may not discuss and decide on any issues outside its terms of reference under the Federal Law on Joint Stock Companies.”

The competence of the Issuer’s Board of Directors is stipulated by article 12 of the Issuer’s Articles of Association:

“12.1. The Board of Directors of the Company shall exercise general management of the Company's activities except for the matters relegated to the terms of reference of the General Meeting of Shareholders by the Federal Law on Joint Stock Companies and these Articles of Association.

The Board of Directors shall have the competence to:

- determine priority areas of the Company’s activities and approve long-term programs of the Company development (including the Company’s investment program);
- convene annual and extraordinary General Meetings of Shareholders, and pass resolutions on issues related to the calling, preparing and holding of General Meetings of Shareholders;
- place the Company’s bonds and other investment securities, unless otherwise provided for by the Federal Law on Joint Stock Companies and by these Articles of Association;
- approve decisions on the issue of securities, prospectuses of securities, reports on acquisition of shares from the Company’s shareholders, reports on redemption of shares, reports on the results of requests by the Company’s shareholders concerning buyout of shares held by them;
- assess the price (cash value) of property, placement and buyout price of investment securities as provided for by the Federal Law on Joint Stock Companies, as well as in addressing issues referred to in Subclauses 7, 20 and 21, Clause 12.1 hereof;
- acquire shares, bonds and other securities issued by the Company as provided for by the Federal Law on Joint Stock Companies;

- dispose (realise) the Company's shares acquired by the Company as a result of purchase or buyout of shares from the Company's shareholders or otherwise in accordance with laws and regulations of the Russian Federation;
- determine the number of members in the Company Management Board, elect the Management Board members, determine remuneration and compensation payable to them, terminate their powers, including to pass a decision on early termination of their contracts;
- elect the Chairman of the Management Board of the Company and terminate his powers, including to pass a decision terminating his work contracts, apply disciplinary penalties and incentives to the Chairman of the Management Board in accordance with labour laws of the Russian Federation, pass decisions on nominating the Chairman of the Management Board for national awards;
- authorise the Chairman of the Management Board and members of the Management Board to hold posts in management bodies of other entities, as well as other paid positions in other entities;
- elect the Chairman and deputy Chairman of the Board of Directors and terminate their powers;
- form committees of the Company's Board of Directors, elect Board of Directors committee members, and approve regulations on the committees of the Company's Board of Directors;
- elect and terminate powers of the Secretary of the Company's Board of Directors;
- approve (adjust) the Company's key performance indicators, the business plan of the Company, and review reports on their implementation;
- determine remuneration payable to the Auditor;
- give recommendations to the General Meeting of Shareholders on the size of dividends on shares and the procedure for dividend payment;
- approve internal documents of the Company establishing the procedure for the formation and use of the funds of the Company, and pass decisions on the use of the Company's funds;
- approve internal documents of the Company, other than internal documents subject to the approval by the General Meeting of Shareholders or relegated to the terms of reference of executive bodies of the Company, and approve internal documents drafted for the purpose of compliance with the requirements of laws and regulations of the Russian Federation and securities market organiser's regulations for issuers whose shares are traded on the stock market;
- establish affiliates and open representative offices of the Company, liquidate them, make amendments to the Company Articles of Association concerning the establishment of affiliates and opening of representative offices (including changes in names and locations of affiliates and representative offices of the Company) and their liquidation;
- participation by the Company in other entities, changes in ownership interests (number of shares, size of ownership interest or share), encumbrance of shares and interests, and termination of participation by the Company in other entities;
- give prior approval of decisions on the Company entering into:
 - (a) transactions with non-circulating assets of the Company in excess of 10 (ten) per cent of the balance sheet value of such assets of the Company as of the date of the decision to enter into said transaction;
 - (b) transactions (several associated transactions) involving disposal or potential disposal of the Company's property consisting of fixed assets, intangible assets, and construction in

progress in cases (amounts) and in a manner subject to individual resolutions to be passed by the Company Board of Directors;

- determinate the Company's lending policy insofar as issue of loans by the Company, entering into credit agreements and loan agreements, issue of guarantees, assumption of liabilities under a bill (issue of promissory notes or bills of exchange) and pass decisions on the Company effecting the said transactions where the procedure for making decisions thereon is not defined in the lending policy of the Company, and pass decisions in accordance with the accepted lending policy;

- give prior approval of decisions on the Company entering into transactions related to gratuitous assignment of property (title) to third parties in cases (amounts) to be determined by an individual resolution of the Company's Board of Directors;

- approve major transactions as specified in Chapter X of the Federal Law on Joint Stock Companies;

- approve transactions as specified in Chapter XI of the Federal Law on Joint Stock Companies;

- approve the Company's registrar and terms and conditions of the contract therewith, as well as early termination of such contract;

- approve the procedure for the Company's relationships with business entities in which the Company owns shares or interests;

- define the attitude of the Company (representatives of the Company), including instructions to participate or not to participate in voting on items on the agenda, vote for or against or abstain from voting with respect to the following items on the agenda of the management bodies of subsidiaries and dependent companies (hereinafter the SDC (SDCs)):

- (a) determination of the agenda for a general Meeting of Shareholders (members) of an SDC (unless consideration of such matters is mandatory under Clause 1 of Article 47, Articles 53 and 55 of the Federal Law on Joint Stock Companies);

- (b) reorganisation or liquidation of an SDC;

- (c) determination of the number, par value, class (type) of authorised shares in SDCs and of rights attaching thereto;

- (d) increase in the authorised capital of an SDC by way of augmenting the par value of shares or by way of placing additional shares;

- (e) placement of SDC securities convertible into ordinary shares;

- (f) splitting or consolidation of SDC shares;

- (g) approval of major transactions to be entered into by SDCs;

- (h) participation by an SDC in other entities (joining an existing entity or establishing a new one), and acquisition, disposal or encumbering of shares and interests in the authorised capital of entities in which an SDC participates, changing of interests in the authorised capital of the relevant entity;

- (i) SDC entering into transactions (including several associated transactions) that involve disposal or potential disposal of the SDC's property comprising fixed assets, intangible assets, and construction in progress designated for production, transmission, dispatching and distribution of electricity and heat in cases (amounts) subject to the manner of the relations between the Company and entities in which the Company is a member subject to approval by the Company's Board of Directors;

– determine the attitude of the Company (representatives of the Company) concerning the following items on the agenda of SDC Board of Directors meetings (including whether to vote on items on the agenda, vote for or against or abstain from voting):

(a) determination of the attitude of SDC representatives on items on the agenda of management bodies of the SDC's subsidiaries and dependent companies with respect to entering into (approval of) transactions (including several associated transactions) involving disposal or potential disposal of property comprising fixed assets, intangible assets or construction in progress designated for production, transmission, dispatching and distribution of electricity and heat in cases (amounts) subject to the manner of relationship between the Company and entities in which the Company is a member that is subject to approval by the Company's Board of Directors;

(b) determination of the attitude of SDC representatives on items on the agenda of management bodies of the SDC's subsidiaries and dependent companies engaged in production, transmission, dispatching, distribution and sale of electricity and heat, relating to reorganisation, liquidation, increase of the authorised capital by way of augmenting the par value of shares or by way of placing additional shares or issuing securities convertible into ordinary shares;

– determine the policy of the Company in the area of insurance coverage for the Company and approve the Insurer for the Company;

– define the procurement policy of the Company, including the Regulations on the Procedure for the Regular Procurement of Goods, Works and Services, and take decisions in accordance with the approved Regulations;

– approve the procedure for the selection of the appraisers and (or) candidate appraiser(s) to estimate the value of shares, property and other assets of the Company as provided for by the Federal Law on Joint Stock Companies, these Articles of Association, and individual resolutions of the Company's Board of Directors;

– approve a collective bargaining agreement and agreements entered into by the Company with non-commercial organisations on aspects of social security for Company employees;

– take decisions on other matters included in the terms of reference of the Board of Directors by the Federal Law on Joint Stock Companies and these Articles of Association.

12.2. Matters included in the terms of reference of the Company's Board of Directors may not be referred to the Chairman of the Management Board and the Management Board.”

The Issuer's executive bodies:

By virtue of subclause 17.1, article 17 of the Issuer's Articles of Association, day-to-day operations of the Company shall be managed by the Chairman of the Management Board of the Company as a sole executive body and by the Management Board of the Company as a collective executive body.

The competence of the Issuer's Management Board is defined by article 18 of the Issuer's Articles of Association:

“18.2. Relegated to the terms of reference of the Management Board of the Company shall be the following matters:

- development and submission to the Board of Directors of priority lines of the Company's activities and long-term implementation plans;
- preparation of reports on the implementation of decisions passed by the General Meeting of shareholders and the Company's Board of Directors;

- submission to the Company’s Board of Directors of reports on reaching basic performance indicators by the Company and implementation of the Company’s business plan;
- approval (adjustment) of the Company’s budget;
- determination of the position of the Company (representatives of the Company), including instructions on whether or not to take part in voting on an agenda item, to vote for, against or abstain from voting on the following item on the agenda for the management bodies of subsidiaries and dependent companies (hereinafter the SDC (SDCs)):
 - (a) approval (adjustment) of the key performance targets (KPT) of SDCs and consideration of reports on their fulfillment;
- nomination by the Company of persons to be elected to the sole executive bodies, other management bodies, control bodies, and nomination of auditor for organisations in which the Company participates in cases and according to a procedure determined by the Company’s Board of Directors;
- passing decisions on matters relegated to the terms of reference of the top management bodies of business entities in which 100 (one hundred) percent of the authorised capital is held by the Company;
- decisions on other issues of management of the Company’s day-to-day operations pursuant to resolutions of the General Meeting of Shareholders and the Company’s Board of Directors, and issues referred to the Management Board by the Chairman of the Management Board.”

The competence of the Chairman of the Issuer’s Management Board is defined by article 19 of the Issuer’s Articles of Association:

“19.1. Relegated to the terms of reference of the Chairman of the Management Board shall be all matters related to the management of the Company’s day-to-day operations with the exception of any issues falling within the terms of reference of the General Meeting of Shareholders, the Board of Directors or the Management Board of the Company.

The Chairman of the Company’s Management Board shall act on behalf of the Company without a power of attorney, including as follows:

- enter into transactions on behalf of the Company, issue powers of attorney, and open the Company’s settlement and other accounts with banks;
- dispose of the Company’s property at his discretion subject to restrictions stipulated by the effective laws and regulations and these Articles of Association;
- hire and dismiss employees of the Company, and apply incentives and disciplinary penalties to them;
- organise the work of the Company’s Management Board and chair its meetings;
- submit proposals to appoint or dismiss members of the Management Board for approval by the Board of Directors;
- approve personnel arrangements and salaries of the Company’s employees;
- distribute duties among the deputies of the Chairman of the Management Board;
- ensure the implementation of the Company’s plans of action necessary to reach its objectives;
- approve regulations for the Company’s affiliates and representative offices, and appoint directors of the Company’s affiliates and representative offices;
- make arrangements for keeping the Company’s records and accounts;

- issue orders, approve directives and other internal documents of the Company related to matters relegated to the terms of reference of the Chairman of the Management Board, and give instructions binding upon all employees of the Company;
- address other matters in the day-to-day operations of the Company with the exception of issues relegated to the terms of reference of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

The Code of Corporate Governance of Open Joint Stock Company RusHydro was approved by the Issuer's Board of Directors (Minutes No. 66 of October 31, 2008).

The text of this internal document is freely available on the Issuer's website at: http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Kodeks_Korporativnogo_upravleniya_OAO_RusGidro.pdf

The activity of the Issuer's management bodies is regulated by the following internal documents of the Issuer:

- Regulations on Procedures for the Preparation and Holding of the General Meeting of Shareholders as approved by Resolution of the Board of Directors of JSC RAO UES of Russia performing the functions of the General Meeting of the Issuer's Shareholders (Minutes No. 254 of June 22, 2007).
- Regulations on Procedures for the Convocation and Holding of the Board of Directors Meetings as approved by Resolution of the Board of Directors of JSC RAO UES of Russia performing the functions of the General Meeting of the Company's Shareholders (Minutes No. 254 of June 22, 2007).
- Regulations on the Strategy Committee under the Company's Board of Directors as approved by the Company's Board of Directors (Minutes No. 5 of April 25, 2005), with amendments approved by the Company's Board of Directors (Minutes No. 35 of July 20, 2007).
- Regulations on the Reliability Committee of the Company's Board of Directors as approved by the Company's Board of Directors (Minutes No. 13 of December 16, 2005).
- Regulations on the Management Board of Open Joint Stock Company RusHydro as approved by Resolution of the annual General Meeting of JSC RusHydro Shareholders (Minutes No. 1 of June 26, 2008).
- Regulations on the Audit Commission as approved by Resolution of the Management Board of JSC RAO UES of Russia performing the functions of the General Meeting of Shareholders (Minutes No. 1187pr/3 of April 6, 2005).
- Regulations on the Internal Audit and Risk Management Department as approved by the Company's Board of Directors (Minutes No. 37 of August 15, 2007).
- Regulations on the Audit Committee under the Company's Board of Directors as approved by the Company's Board of Directors (Minutes No. 45 of December 26, 2007).
- Regulations on the Committee for Personnel and Remuneration under the Company's Board of Directors as approved by the Company's Board of Directors (Minutes No. 59 of July 18, 2008).
- Regulations on the Investment Committee under the Board of Directors as approved by the Company's Board of Directors (Minutes No. 59 of July 18, 2008).

- Procedure for Interaction between JSC RusHydro and entities with RusHydro participation as approved by the Company’s Board of Directors (Minutes No. 66 of October 31, 2008).

Full texts of the current edition of the Issuer’s Articles of Association and internal documents regulating the activity of the Issuer’s bodies are freely available on the Issuer’s website at:

<http://www.rushydro.ru/investors/disclosure/regulations>

5.2. Information on persons that are members of the Issuer's management bodies

Information on members of the Issuer’s Board of Directors

Sergei Ivanovich Shmatko – Chairman	
Year of birth	1966
Education	Higher education. Graduated in 1990 from the Urals State University, faculty of mechanics and mathematics, faculty of political economy; Graduated in 1992 from the University of Marburg, faculty of economics; Graduated in 2004 from the Military Academy of the General Staff of the Russian Armed Forces, higher academic courses in “Defense and Security of the Russian Federation”
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2002-2005 State Conversion Fund, Chairman June 2005 – June 2008 CJSC Atomstroyexport, President January 2008 – June 2008 OJSC Atomenergoprom, Deputy Director June 2008 to present Energy Minister of the Russian Federation
The person’s stake in the Issuer’s authorized capital	None
The proportion of the Issuer’s ordinary shares held by such person	None
The quantity of the Issuer’s shares of each category (class), which the person may acquire through the exercise of the person’s option rights	None
The person’s stake in the authorized (share) capital (unit fund) of the Issuer’s subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer’s subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person	None

may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Andrei Vladimirovich Sharonov	
Year of birth	1964
Education	Higher education, graduated in 1986 from the Ufa Aviation Institute named after S. Ordzhonikidze with a degree in electrical engineering; Graduated in 1996 from the Russian Academy of Civil Service under the President of the Russian Federation with a degree in law
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	June 2003 – April 2004 First Deputy Economic Development and Trade Minister of the Russian Federation April 2004 – 2005 Deputy Economic Development and Trade Minister of the Russian Federation 2005-2007 State Secretary, Deputy Economic Development and Trade Minister of the Russian Federation 2007 to present Troika Dialog investment company, Managing Director
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary	None

shares held by such person	
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Anatoly Borisovich Ballo	
Year of birth	1961
Education	Higher education, 1983, Moscow Finance Institute, a degree in international financial relations
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2002-2005. OJSC Vneshtorgbank, Head of Project, Structured and Trade Finance Department 2005 to present State Corporation "Bank for Development and Foreign Economic Affairs

	(Vnesheconombank),”Management Board Member - Deputy Management Board Chairman
The person’s stake in the Issuer’s authorized capital	None
The proportion of the Issuer’s ordinary shares held by such person	None
The quantity of the Issuer’s shares of each category (class), which the person may acquire through the exercise of the person’s option rights	None
The person’s stake in the authorized (share) capital (unit fund) of the Issuer’s subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer’s subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person’s option rights to shares of the Issuer’s subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer’s management bodies and/or the bodies of control over the Issuer’s financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer’s management bodies and/or the bodies of control over the Issuer’s financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Oleg Vyacheslavovich Surikov	
Year of birth	1970
Education	Higher education
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2002-2005 OJSC Mosenergo, Department Head, Deputy Managing Director, Deputy General Director for Legal Issues and Corporate Governance

	<p>2005-2008 OJSC RAO UES of Russia, Chief Expert, Deputy Head, Head of the Financial and Corporate Controlling Center</p> <p>August 2008 to present</p> <p>OJSC Norilsk Nickel Mining and Metals Company, Corporate Department Director, Company Secretary</p>
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Sergei Sergeevich Beloborodov	
Year of birth	1967
Education	Higher education, 1991, Moscow Institute of Physics and Technology, a degree in engineering physics 1993 – Michigan Technological University
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2003 – 2005 LLC EuroSibEnergо, General Director 2005 – 2006 LLC Basic Element, Advisor to the Staff of the Board of Directors 2006 to present LLC Gazenergoprom Corporation, First Deputy General Director, General Director
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted	The person did not hold any such posts

against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	
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Boris Feliksovich Vainzikher	
Year of birth	1968
Education	Higher education, 1993, St. Petersburg State Technical University, a degree in turbo-machine building 2002 – Open Business School of the Open University UK, a degree in management
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2002 – 2005 OJSC Kirishi State District Electric Power Station, Executive Director, General Director 2005-2008 OJSC RAO UES of Russia, Management Board Member, Technical Director 2007 OJSC Power Machines, General Director 2008 to present OJSC TGC-1, General Director
The person's stake in the Issuer's authorized capital	0.009%
The proportion of the Issuer's ordinary shares held by such person	0.009%
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None

The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Eduard Petrovich Volkov	
Year of birth	1938
Education	Higher education, Moscow Energy Institute, a degree in heat power engineering
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2004 – 2008 Energy Institute named after Krzhizhanovsky, Executive Director 2004-2008 Moscow Energy Institute, Department Head
The person's stake in the Issuer's authorized capital	0. 000036%
The proportion of the Issuer's ordinary shares held by such person	0. 000036%
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the	None

Issuer's subsidiary or dependent company	
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Viktor Ivanovich Danilov-Danilyan	
Year of birth	1938
Education	Higher education, graduated in 1960 from Lomonosov Moscow State University with a degree in mathematics Doctor of Sciences (Economics), Professor, Corresponding Member of the Russian Academy of Sciences
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2003 to present Director of the Water Problems Institute of the Russian Academy of Sciences 2005 to present Russian University of Peoples' Friendship, Department Head 2006 to present Encyclopedia publishing house of Infra-M publishing group, Editor-in-Chief
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent	None

company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Vasily Aleksandrovich Zubakin	
Year of birth	1958
Education	Higher education, graduated in 1980 from the Omsk Polytechnic Institute; Post-graduate studies at the Plekhanov Moscow Institute of the National Economy, graduated in 1986, Candidate of Sciences (Economics) PhD studies at the Plekhanov Russian Academy of Economics, graduated in 1993, Doctor of Sciences (Economics)
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	July 2004 – June 2006 OJSC RAO UES of Russia, Management Board Member Head of Capital Management Department, Head of the Department for Restructuring Processes at the Center for Reform Management 2006 to present JSC HydroOGK Managing Company, First Deputy General Director, General Director

	2006 to present JSC RusHydro, Deputy Management Board Chairman, Acting Management Board Chairman
The person's stake in the Issuer's authorized capital	0.013%
The proportion of the Issuer's ordinary shares held by such person	0.013%
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Sergei Vladimirovich Maslov	
Year of birth	1960
Education	Higher education, graduated in 2004 from Moscow State Law Academy with a degree in law
Posts held at the Company (the Issuer) and	February 2001 – October 2008

other organizations in the past five years and currently in chronological order	OJSC Transnefteproduct, President April 2008 to present CJSC St. Petersburg International Commodity and Raw Materials Exchange, President
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Sergei Vladimirovich Serebryannikov	
Year of birth	1952
Education	Higher education, graduated in 1975 from the Moscow Energy Institute with a degree in electrical engineering
Posts held at the Company (the Issuer) and	2004 to present

other organizations in the past five years and currently in chronological order	Moscow Energy Institute (Technical University), Vice Rector for Scientific Work, Department Head, Professor, Rector
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Vladimir Vitalyevich Tatsiy	
Year of birth	1960
Education	Higher education, graduated in 1984 from the Moscow Energy Institute with a degree in cryophysical engineering
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	September 2003 – November 2007 Joint stock bank of the gas industry Gazprombank (CJSC), Vice President – Head

	of the Depository Center November 2007 to present OJSC Gazprombank, First Vice-President – Head of the Depository Center
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Rustem Zakiyevich Khamitov	
Year of birth	1954
Education	Higher education, the Bauman Moscow Higher Technical School, a degree in mechanical engineering
Posts held at the Company (the Issuer) and	October 2003 – March 2004

other organizations in the past five years and currently in chronological order	State Tax Service of Russia, Head of the Department for Major Taxpayers March 2004 to present Head of the Federal Agency for Water Resources
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Information on Members of the Issuer's Management Board

Vasily Aleksandrovich Zubakin – Acting Management Board Chairman	
Year of birth	1958
Education	Higher education, graduated in 1980 from the

	<p>Omsk Polytechnic Institute; Post-graduate studies at the Plekhanov Moscow Institute of the National Economy, graduated in 1986, Candidate of Sciences (Economics)</p> <p>PhD studies at the Plekhanov Russian Academy of Economics, graduated in 1993, Doctor of Sciences (Economics)</p>
<p>Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order</p>	<p>July 2004 – June 2006</p> <p>OJSC RAO UES of Russia, Management Board Member Head of Capital Management Department, Head of the Department for Restructuring Processes at the Center for Reform Management</p> <p>2006 to present JSC HydroOGK Managing Company, First Deputy General Director, General Director</p> <p>2006 to present JSC RusHydro, Deputy Management Board Chairman, Acting Management Board Chairman</p>
<p>The person's stake in the Issuer's authorized capital</p>	0.013%
<p>The proportion of the Issuer's ordinary shares held by such person</p>	0.013%
<p>The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights</p>	None
<p>The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies</p>	None
<p>The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)</p>	None
<p>The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company</p>	None
<p>The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities</p>	<p>The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities</p>
<p>Information on penalties for offences in the</p>	No record of such offences

sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Oleg Borisovich Oksuzyan	
Year of birth	1960
Education	Higher education, graduated in 1982 from the Novorossiysk Higher Engineering Marine School, graduated in 2002 from the Academy of the National Economy under the Government of the Russian Federation
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	1998 – 2004 OJSC RAO UES of Russia, Director for Corporate Governance 2004-2008 OJSC RAO UES of Russia Deputy Managing Director of Hydrogeneration business unit 2005-2007 OJSC HydroOGK Managing Company Deputy General Director for Corporate Governance 2005 to present JSC RusHydro, Management Board Member, Executive Director for Corporate Governance
The person's stake in the Issuer's authorized capital	0.0074%
The proportion of the Issuer's ordinary shares held by such person	0.0074%
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that	None

are joint stock companies)	
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Boris Borisovich Bogush	
Year of birth	1952
Education	Higher education, graduated from the Togliatti Polytechnic Institute in 1975 with a degree in mechanical engineering
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	<p>2002 – 2005 OJSC Volga HydroEnergy Cascade Managing Company, Deputy General Director – Director for Production</p> <p>2004 – 2005 OJSC RAO UES of Russia, Hydrogeneration business unit, Head of the Department for Production and Technical Policy</p> <p>2005-2007 OJSC HydroOGK Managing Company, Deputy Head of the Production business unit</p> <p>2005 to present JSC RusHydro, Head of the Department for Production and Technical Policy, Member of the Management Board, Managing Director, Head of the Production business unit</p>
The person's stake in the Issuer's	0.000011

authorized capital	
The proportion of the Issuer's ordinary shares held by such person	0.000011
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Rasim Magsumovich Khaziakhmetov	
Year of birth	1954
Education	Higher education, graduated from the Kazan branch of the Moscow Energy Institute in 1977
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2001 – 2005 OJSC Volga HydroEnergy Cascade Managing Company, General Director 2005 – 2007 OJSC HydroOGK Managing Company,

	Deputy General Director, Head of the Production business unit 2005 to present JSC RusHydro, Member of the Management Board, Deputy General Director, Managing Director, Head of the Engineering business unit
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Sergei Aleksandrovich Yushin	
Year of birth	1972

Education	Higher education, graduated from the Moscow Energy Institute in 1995
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	<p>2002 – 2004 Non-Government Pension Fund of the Electric Power Sector, Deputy General Director, Vice-President</p> <p>2004-2005 OJSC RAO UES of Russia, Deputy Managing Director of the Hydrogeneration business unit</p> <p>2005 to present OJSC HydroOGK Managing Company, Deputy General Director for Economic and Financial Relations</p> <p>2005 to present JSC RusHydro, Member of the Management Board, Deputy General Director, Executive Director for Economic and Financial Relations</p>
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the	The person did not hold any such posts

management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	
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Alexander Yuryevich Sergeev	
Year of birth	1977
Education	Higher education, graduated from the Urals State Technical University in 1999
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2004-2005 OJSC RAO UES of Russia, Head of the Market Directorate at the Hydrogeneration business unit 2005-2007 OJSC HydroOGK Managing Company, Deputy General Director 2005 to present JSC RusHydro, Member of the Management Board, Head of the Sales business unit
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the	No record of such offences

sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Alexander Valentinovich Toloshinov	
Year of birth	1957
Education	Higher education, graduated from the Leningrad Polytechnic Institute in 1980
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	<p>2002 – 2005 OJSC Sayano-Shushenskaya Hydro Power Plant named after P. S. Neporozhniy, General Director, First Deputy General Director – Executive Director</p> <p>.2005-2007 JSC RusHydro, Member of the Management Board, Head of the Investment Project business unit</p> <p>2007 to present JSC RusHydro, Member of the Management Board, Managing Director, Head of the North Division</p>
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the	None

person's option rights to shares of the Issuer's subsidiary or dependent company	
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Konstantin Vladimirovich Belyayev	
Year of birth	1968
Education	Higher education, graduated from the All-Russian Correspondence Financial and Economic Institute in 1997
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	<p>2001-2007 Svyazinvest group of companies OJSC Svyazinvest, Chief Accountant, Deputy General Director</p> <p>2007 AFK Sistema group of companies CJSC Sistema-Telecom, Deputy Head of the Directorate for Asset Management</p> <p>2007 to present JSC RusHydro, Member of the Management Board, Executive Director for Organizational Development and Control</p>
The person's stake in the Issuer's authorized capital	None
The proportion of the Issuer's ordinary shares held by such person	None
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's	None

subsidiaries and dependent companies	
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy (insolvency) was introduced in relation to such organizations	The person did not hold any such posts

Information on the Issuer's sole executive body (Management Board Chairman):

Vasily Aleksandrovich Zubakin – Acting Management Board Chairman	
Year of birth	1958
Education	Higher education, graduated from the Omsk Polytechnic Institute in 1980; Post-graduate studies at the Plekhanov Moscow Institute of the National Economy, graduated in 1986, Candidate of Sciences (Economics) PhD studies at the Plekhanov Russian Academy of Economics, graduated in 1993, Doctor of Sciences (Economics)
Posts held at the Company (the Issuer) and other organizations in the past five years and currently in chronological order	2002 – 2004 OJSC RAO UES of Russia, Member of the Management Board, Head of Capital Management Department 2004 – 2006 OJSC RAO UES of Russia, Management Board Member

	<p>Head of Capital Management Department, Head of the Department for Restructuring Processes at the Center for Reform Management</p> <p>2006 to present JSC HydroOGK Managing Company, First Deputy General Director, General Director</p> <p>2006 to present JSC RusHydro, Deputy Management Board Chairman, Acting Management Board Chairman</p>
The person's stake in the Issuer's authorized capital	0.013%
The proportion of the Issuer's ordinary shares held by such person	0.013%
The quantity of the Issuer's shares of each category (class), which the person may acquire through the exercise of the person's option rights	None
The person's stake in the authorized (share) capital (unit fund) of the Issuer's subsidiaries and dependent companies	None
The proportion of ordinary shares held by the person in a subsidiary or a dependent company of the Issuer (for the Issuer's subsidiaries and dependent companies that are joint stock companies)	None
The quantity of shares of each category (class) in a subsidiary or a dependent company of the Issuer, which the person may acquire through the exercise of the person's option rights to shares of the Issuer's subsidiary or dependent company	None
The nature of any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities	The person does not have any kinship with other persons that are members of the Issuer's management bodies and/or the bodies of control over the Issuer's financial and economic activities
Information on penalties for offences in the sphere of finances, taxes, the securities market or criminal liability (record of conviction) for crimes in the economic sphere or crimes against government	No record of such offences
Information on posts held in the management bodies of commercial organizations during the period when bankruptcy proceedings were instituted against these organizations and/or one of the bankruptcy procedures stipulated by the law of the Russian Federation on bankruptcy	The person did not hold any such posts

(insolvency) was introduced in relation to such organizations

5.3. Information on the size of remuneration, benefits and/or compensation for expenses paid to each management body of the Issuer

The payment of remuneration to members of the Board of Directors

Remuneration and compensation shall be paid to members of the Board of Directors in compliance with the Regulations on the Payment of Remuneration and Compensation to Members of the JSC RusHydro Board of Directors as approved by the annual General Meeting of the JSC RusHydro Shareholders (Minutes No. 1 of June 26, 2008).

The Regulations on the payment of remuneration and compensation do not apply to members of the Company Board of Directors that are the sole executive body of the Company or members of the collegial executive body of the Company, and also to members of the Company Board of Directors holding state posts and civil service posts.

A member of the Company Board of Directors shall be paid remuneration for participation in a meeting of the Board of Directors (irrespective of the form in which the meeting is held) in the amount equivalent to 10 (ten) minimum monthly tariff rates of a first-grade worker as set by the

Industry Tariff Agreement in the electricity sector of the Russian Federation (hereinafter referred to as the Agreement) on the day on which the meeting of the Company Board of Directors is held, subject to indexation provided for under the Agreement, within seven calendar days from the day of holding the meeting of the Company Board of Directors.

The amount of the remuneration paid to the Board of Directors Chairman (Deputy Chairman of the Board of Directors) for each meeting at which he/she acted as Chairman of the Board of Directors shall be increased by 50%.

Members of the Board of Directors shall be paid an additional remuneration if the General Meeting of Company Shareholders adopts a resolution to pay out dividends on ordinary shares in the Company for the fiscal year (with regard for interim dividends, if a relevant resolution was adopted by the General Meeting of Company Shareholders).

Members of the Board of Directors shall be paid an additional remuneration in the event of an increase in the amount of market capitalisation of the Company during the term of the Board of Directors.

Information on remuneration, including salary, bonuses, fees, benefits and/or compensation for expenses, and also other financial amounts paid by the Issuer for the last completed fiscal year:

Name of the Issuer's management body	Type of remuneration	For 2008, rubles
Board of Directors	Remuneration for participation in meetings	10 181 387.59
	Salary	
	Bonuses	
	Fees	
	Benefits and/or compensation for	

	expenses	
	Other remuneration	

The Issuer did not conclude any additional agreements with members of the Board of Directors on the payment of remuneration and other financial amounts in the current fiscal year.

The payment of remuneration to members of the Management Board

Remuneration and compensation shall be paid to members of the Issuer's Management Board in compliance with the terms of labour contracts and the Regulations on material incentives to top managers of JSC RusHydro as approved by resolution of the Company's Board of Directors dated June 21, 2007 (Minutes No. 34 of June 21, 2007).

Information on remuneration, including salary, bonuses, fees, benefits and/or compensation for expenses, and also other financial amounts paid by the Issuer for the last completed fiscal year:

Name of the Issuer's management body	Type of remuneration	For 2008, rubles
Management Board	Salary	29 294 217.55
	Bonuses	28 053 221.94
	Fees	-
	Benefits and/or compensation for expenses	2 212 400
	Other remuneration	-

The Issuer did not conclude any additional agreements with members of the Management Board on the payment of remuneration and other financial amounts in the current fiscal year.

5.4. Information on the structure and competence of the bodies of control over the financial and economic activities of the Issuer

The structure of the bodies of control over the Issuer's financial and economic activities and their competence are stipulated in article 20 of the Issuer's Articles of Association:

“20.1. The Company's Internal Audit Commission shall be elected annually by the General Meeting of Shareholders to exercise control over the financial and economic activities of the Company.

The Internal Audit Commission of the Company shall consist of 5 (five) members.

20.2. By decision of the General Meeting of Shareholders the powers of all and any members of the Internal Audit Commission of the Company may be early terminated.

In the event of the Company's Internal Audit Commission or any of its members being elected at an extraordinary General Meeting of Shareholders, the Internal Audit Commission shall be deemed elected for a period up to the date of the Annual General Meeting of Shareholders.

The Company's Internal Audit Commission shall have the competence to:

- confirm the reliability of information contained in the annual report, balance sheet, and the profit and loss account of the Company;

- analyse the financial condition of the Company, identify existing reserves for improving the financial condition of the Company, and develop recommendations for the management bodies of the Company;
- organise and conduct audits of the financial and economic activities of the Company, in particular:
 - audits of financial, accounting, payment-and-settlement and other documents of the Company related to its financial and economic activities in respect of its compliance with the laws of the Russian Federation, these Articles of Association and internal documents of the Company;
 - control over the preservation and use of fixed assets;
 - control over compliance with the established procedure for charging insolvent debtors' liabilities to the losses of the Company;
 - control over the Company's expenditures in accordance with the approved financial documents of the Company;
 - control over formation and use of the reserve fund and other specialised funds of the Company;
 - checking if dividends on the Company's shares, interest on bonds and return on other securities are correctly and timely calculated and paid;
 - checking if earlier prescriptions to remedy violations or defects revealed by previous audits have been satisfied;
 - other actions (measures) related to the audits of financial and economic activities of the Company.

Information on the system of internal control over the Issuer's financial and economic activities

Information on the availability of the internal audit service, the term of its work and its key employees:

In accordance with Order No. 73 of March 28, 2007 by the JSC RusHydro Management Board Chairman "On Approving the Organizational Structure of JSC RusHydro," the Issuer has set up the Internal Audit and Risk Management Department (hereinafter referred to as the Department).

As of the date of the completion of the reporting quarter, the JSC RusHydro Internal Audit and Risk Management Department worked for 15 (full) months.

Key employees:

Vadim Anatolyevich Zakharov – Head of the JSC RusHydro Internal Audit and Risk Management Department.

The main functions of the internal audit service:

Under the Regulations on the Internal Audit and Risk Management Department approved by the Company's Board of Directors (Minutes No. 38 of August 15, 2007), the main objectives and functions of the Department shall be the following:

- exercising control over compliance of the business and economic transactions entered into by the Company, the Company's branches or structural subdivisions with the Company's interests;
- verification of the Company's bookkeeping and operation-related information submitted by subdivisions of the Company's management structure or the Company's branches;
- arrangement of the Company's property auditing;
- evaluation and analysis of the Company's financial standing in the aggregate and that of the Company's branches or structural subdivisions according to the directions issued by the Chairman of the Company's Management Board;
- exercising control over transactions of interest and material transactions;
- monitoring procedures for internal control over the Company's operation and analysis of the Company's internal control system efficiency;
- development and introduction of methodologies for internal control system arrangement in the Company, the Company's branches and structural subdivisions;
- identification, classification and analysis of risks connected with financial and economic activities, drafting proposals on the risk mitigation;
- cooperating with the Company's Audit Commission and outside auditors;
- timely provision of information to the Chairman of the Company's Management Board on the detected deviations or violations in the Company's operation and submitting proposals on rectification of deviations or elimination of violations in the Company's operation detected as a result of inspection and monitoring violations and drawbacks, and provision of recommendations on management efficiency upgrading;
- analysis and development of arrangements aimed at upgrading efficiency and productivity of the Company's financial and economic activities, assessment of applicability of the approved standards, regulations and techniques practiced in the Company;
- exercising internal control in the Company's subsidiaries and dependent companies (SDCs) through the SDCs Audit Commissions;
- arrangement of cooperation with the Accounts Chamber of the Russian Federation and other governmental agencies of financial control;
- cooperating with the Audit Committee under the Company's Board of Directors;
- exercising control over the Board of Directors members', the Company's management bodies' and other officers' complying with norms of the effective legislation and special requirements provided for in the Company's internal documents for the purposes of preventing conflict of interests and constraining insider information abuse.

Accountability of the internal audit service, cooperation with the Issuer's executive bodies of management and the Issuer's Board of Directors, cooperation between the Issuer's internal audit service and outside auditors:

Under the Regulations on the Internal Audit and Risk Management Department, the Department operation shall be regulated by the following:

- resolutions of the Company's Board of Directors;
- resolutions of the Company's Management Board, orders and directions issued by the Chairman of the Company's Management Board.

The organizational arrangement and staffing table of the Department shall be approved by the Chairman of the Issuer's Management Board.

The Department's Head shall be appointed and dismissed by the Chairman of the Issuer's Management Board.

The main objectives and functions of the Department shall be the following:

- evaluation and analysis of the Issuer's financial standing in the aggregate and that of the Issuer's branches or structural subdivisions according to the directions issued by the Chairman of the Issuer's Management Board;
- cooperating with the Issuer's Audit Commission and outside auditors;
- timely provision of information to the Chairman of the Company's Management Board on the detected deviations or violations in the Company's operation and submitting proposals on rectification of deviations or elimination of violations in the Company's operation detected as a result of inspection and monitoring violations and drawbacks, and provision of recommendations on management efficiency upgrading;
- cooperating with the Audit Committee under the Issuer's Board of Directors;
- exercising control over the Board of Directors members', the Company's management bodies' and other officers' complying with norms of the effective legislation and special requirements provided for in the Company's internal documents for the purposes of preventing conflict of interests and constraining insider information abuse.

To fulfill the assigned functions, the Department shall employ the following procedures for internal control over the Company's activities:

- analysis of the results obtained through the Company auditing, exercising control over drafting and implementation of action plans aimed at remedying violations detected in the course of audit inspections;
- consideration under instructions of the Chairman of the Company's Management Board, the Management Board or the Board of Directors of draft resolutions to be issued by the Company's governing bodies to verify their compliance with the Company's financial and economic interests;

The Head of the Company's Department shall be entitled to do the following:

- submit proposals to the Chairman of the Management Board and Audit Committee under the Company's Board of Directors on the basic lines of the Department activities for the current period and for a long run;

- exercise control over execution of the orders issued by the Chairman of the Management Board, resolutions of the Company's Management Board, Board of Directors, recommendations and instructions given by the Company's Auditor and Audit Committee under the Company's Board of Directors;

- submit proposals to the Chairman of the Company's Management Board on rewarding the Department employees or imposing of disciplinary penalty for poor workmanship;

- submit proposals to the Chairman of the Management Board on appointment, rotation or dismissal of the Department employees;

- submit proposals to the Chairman of the Audit Committee under the Company's Board of Directors on considering any issues referred to the Committee competence;

- represent the Company's interests on the basis of the Power of Attorney issued by the Chairman of the Management Board.

The Head of the Department shall have to do the following:

- submit written reports on the Department's operation to the Chairman of the Company's Management Board in accordance with the Chairman's instructions and according to Article 6 of the Regulations;

- keep the Audit Committee under the Company's Board of Directors or, in its absence, the Company's Board of Directors informed about detected material violations;

- once (1) a quarter submit information (report) to the Audit Committee under the Company's Board of Directors.

The Head of the Department shall draw up operation plan for the Department on the basis of his/her own proposals, those provided by the Company's Board of Directors (represented by the Audit Committee under the Company's Board of Directors), the Chairman of the Company's

Management Board and the Company's Audit Commission. The operation plan for the Department shall be approved by the Chairman of the Company's Management Board.

The Department shall draw up a report on the monitoring of the Company's financial and economic operation and submit it for consideration to the Chairman of the Company's Management Board and the Company's Management Board.

The semi-annual reports shall be submitted for consideration to the Chairman of the Company's Management Board. The annual reports shall be submitted for consideration to the Audit Committee under the Company's Board of Directors.

Cooperation of the internal audit service with external auditors:

Under the Regulations on the Internal Audit and Risk Management Department, one of the Department's basic functions is cooperation with the Company's external auditors. The

Department analyses the results of the Company's audits, exercises control over the drafting and the implementation of the plans of measures to eliminate violations detected in the course of audits. The Head of the Department exercises control over the fulfillment of the methodological instructions of the Company's auditor.

Information on the Issuer's internal document setting the rules for the prevention of the use of insider information:

The regulations on the Issuer's insider information were approved by the Company's Board of Directors, Minutes No. 10 of October 10, 2005.

The full text of the current edition of the JSC RusHydro Regulations on Insider Information is posted on the website at: www.rushydro.ru

5.5. Information about members of the bodies for control over the financial and economic activity of the Issuer

Information about the members of the Issuer's Audit Commission:

Kochanov Andrei Aleksandrovich	
Year of birth	1972
Educational background	Higher education
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	<p>2003-2004 JSC ARS-Consult, Head of the Department of In-House Quality Control</p> <p>2004-2005 JSC RAO UES of Russia, Leading Expert at the Development Projects Department, BU Hydrogeneration</p> <p>2005-2005 JSC RusHydro, Leading Expert at the Department for Strategy and Development Projects</p> <p>2005-2006 JSC HydroWGC MC, Principal Expert, Development Strategy Department</p> <p>2006-2007 JSC Boguchanskaya HPP, Deputy General Director for Economics</p> <p>2007 JSC RusHydro MC, Leading Expert, Internal Audit and Risk Management Department</p> <p>2008 – up to date JSC RusHydro, Head of the Department for the Organization and Execution of Control Measures in the Companies, Internal Audit and Risk Management Department</p>
The share of this person in the authorized	Does not have any

capital of the Issuer	
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Tikhonova Maria Gennadyevna	
Year of birth	
Educational background	
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	
The share of this person in the authorized	Does not have any

capital of the Issuer	
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Gataulin Denis Vladislavovich	
Year of birth	1978
Educational background	Higher education, Moscow State Institute of International Relations, year of graduation 2000
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	2001-2005 JSC RAO UES of Russia, Leading Specialist, Principal Specialist of the Corporate Policy

	<p>Department, Deputy Head of the Corporate Policy Department of Hydrogeneration Business Unit</p> <p>2005 JSC RusHydro, Deputy Head of the Corporate Governance Department</p> <p>2005-2007 JSC HydroOGK MC, Deputy Head of the Corporate Governance Department; Head of the Office of Corporate Audit and Financial Control in the Department of Assets and Business Processes; Head of the Office of Corporate Audit and Financial Control in the Department of Management and Control of Capital</p> <p>2007 – to date JSC RusHydro, Deputy Head of the Capital Management Department</p>
The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market	Has not been prosecuted

or for criminal offences (record of conviction) in the sphere of economy or offences against the state	
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Kovaleva Marina Alexandrovna	
Year of birth	
Educational background	
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	
The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market	Has not been prosecuted

or for criminal offences (record of conviction) in the sphere of economy or offences against the state	
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Kolyada Andrei Sergeevich	
Year of birth	1984
Educational background	Higher, in 2007 graduated from the State University of Management, specializing in organisational management
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	<p>2007 – 2008 Federal Property Management Agency, 1st grade expert of Fuel and Energy Property Unit of the Commercial Sector Companies Department</p> <p>2008 Federal Property Management Agency, leading expert of Fuel and Energy and Coal Industry Unit of the Infrastructural Industries and Military Industrial Complex Companies Department</p> <p>2008 – to date Federal Property Management Agency, head expert of Fuel and Energy and Coal Industry Unit of the Infrastructural Industries and Military Industrial Complex Companies Department</p>
The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated	Does not have any

company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Information on the officers of the Internal Audit and Risk Management Department

Zakharov Vadim Anatolyevich	
Year of birth	1971
Educational background	Higher education
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	<p>2002-2004 Ministry of Transport of the Russian Federation, Head of the Supervision and Auditing, and Organization and Inspection Department</p> <p>2004 Ministry of Transport of the Russian Federation, Advisor</p> <p>2004-2006 JSC ZhASO Insurance Company, Deputy General Director for Economy and Finance</p> <p>2007 – up to date JSC RusHydro, Head of the Internal Audit and Risk Management Department</p>

The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer's ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Ukraintsev Petr Yurievich	
Year of birth	1965
Educational background	Higher education
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	2003-2005 CJSC Agroimpeks, General Director

	<p>2005-2007 JSC HydroOGK MC, Principal Expert, Design Group for the Boguchanskaya HPP</p> <p>2007-2008 JSC RusHydro MC, Deputy Head of the Internal Audit and Risk Management Department</p> <p>2008 – up to date JSC RusHydro, Deputy Head of the Internal Audit and Risk Management Department</p>
The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy	Has not occupied any such position

procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	
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Kochanov Andrei Aleksandrovich	
Year of birth	1972
Educational background	Higher education
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	<p>2003-2004 JSC ARS-Consult, Head of the Department of In-House Quality Control</p> <p>2004-2005 JSC RAO UES of Russia, Leading Expert at the Development Projects Department, BU Hydrogeneration</p> <p>2005-2005 JSC RusHydro, Leading Expert at the Department for Strategy and Development Projects</p> <p>2005-2006 JSC HydroWGC MC, Principal Expert, Development Strategy Department</p> <p>2006-2007 JSC Boguchanskaya HPP, Deputy General Director for Economics</p> <p>2007 JSC RusHydro MC, Leading Expert, Internal Audit and Risk Management Department</p> <p>2008 – up to date JSC RusHydro, Head of the Department for the Organization and Execution of Control Measures in the Companies, Internal Audit and Risk Management Department</p>
The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any

The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Batnikov Aleksandr Vladimirovich	
Year of birth	1983
Educational background	Higher education
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	<p>2005-2007 JSC Mosenergo, Leading Specialist, Principal Specialist, Deputy Head of Department for Wholesale Market Activities</p> <p>2007 JSC MC RusHydro, Leading Specialist, Internal Audit and Risk Management Department</p> <p>2008 – up to date JSC RusHydro, Head of the Office of Corporate Risk Management, Internal Audit and Risk Management Department</p>
The share of this person in the authorized	Does not have any

capital of the Issuer	
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position

Kartsev Dmitrii Alekseevich	
Year of birth	1975
Educational background	Higher education, Candidate of Science (Economics)
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	10.2000 – 06.2004 JSC RAO UES of Russia, Principal Specialist, Financial Audit Department

	<p>06.2004 – 07.2008 JSC RAO UES of Russia, Leading Expert, Internal Audit Department</p> <p>07.2008 – up to date JSC RusHydro, Principal Expert, Internal Audit and Risk Management Department</p>
The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted
Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation	Has not occupied any such position

bankruptcy laws	
Babaev Konstantin Vladimirovich	
Year of birth	1983
Educational background	Higher education
Positions occupied in the Issuer and other organizations during the past 5 years and at present, in chronological order	<p>08.2003-11.2006 LLC Raduga-HIT, Design Engineer</p> <p>11.2006-07.2008 JSC Mosenergo, Principal Specialist, Commercial Dispatcher, Office for WEM Activities; Principal Specialist, Directorate for WEM Activities</p> <p>07.2008 – up to date JSC RusHydro, Principal Expert, Internal Audit and Risk Management Department</p>
The share of this person in the authorized capital of the Issuer	Does not have any
The share of this person in the Issuer' ordinary stock	Does not have any
The number of the Issuer's shares of each category (type) that can be purchased by such person as the result of exercising the right regarding the Issuer's options belonging to him	Does not have any
The share of this person in the authorized (reserve) capital (unit fund) of affiliated and associated companies of the Issuer	Does not have any
The shares of this person in the ordinary stock of an affiliated or associated company of the Issuer (for the affiliated or associated companies of the Issuer that are joint-stock companies)	Does not have any
The number of the shares of an affiliate or associated company of the Issuer in each category (type) that can be purchased by such person as the result of exercising the right regarding the options of this affiliate or associated company belonging to him	Does not have any
The character of any sibs with other members of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity	This person is not a sib for any other member of the Issuer's management bodies and/or bodies for the control of the Issuer's financial and economic activity
Information about prosecution of the member of the Issuer's body for control of its economic and financial activity for administrative offences in the sphere of finances, taxes and dues, or security market or for criminal offences (record of conviction) in the sphere of economy or offences against the state	Has not been prosecuted

Information about positions of the member of the Issuer's body for control of its economic and financial activity in the management bodies of commercial organizations in a period when bankruptcy procedures were initiated with respect to such organizations and/or one such procedure was launched as provided by the legislation of the Russian Federation bankruptcy laws	Has not occupied any such position
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5.6. Information on the size of remuneration, benefits and/or compensation for expenses paid to the body of control over the Issuer's financial and economic activities

Remuneration and compensation shall be paid to members of the Audit Commission in compliance with the Regulations on the Payment of Remuneration and Compensation to Members of the JSC RusHydro Audit Commission as approved by the annual General Meeting of the JSC RusHydro Shareholders (Minutes No. 1 of June 26, 2008).

Under these Regulations, a member of the Audit Commission shall be paid lump sum remuneration for participation in the audit of the Company's financial and economic activities, in the amount equivalent to twenty-five minimum monthly tariff rates of a first-grade worker as set by the

Industry Tariff Agreement in the electricity sector of the Russian Federation (hereinafter referred to as the Agreement) for the period of holding the audit, subject to indexation provided for under the Agreement.

Remuneration shall be paid within a week after drawing up an auditor statement on the results of the audit.

Information on remuneration, including salary, bonuses, fees, benefits and/or compensation for expenses, and also other financial amounts paid by the Issuer for the last completed fiscal year:

Name of the Issuer's control body	Type of remuneration	For 2008, rubles
Audit Commission	Remuneration for participation in audits	369 450
	Salary (paid to Issuer's employees)	4 370 820.76
	Bonuses (for Issuer's employees)	2 144 136.00
	Fees	-
	Benefits and/or compensation for expenses	-
	Other remuneration	374 00

The Issuer did not conclude any additional agreements with members of the Audit Commission on the payment of remuneration and other financial amounts in the current fiscal year.

Information on remuneration, including salary, bonuses, fees, benefits and/or compensation for expenses, and also other financial amounts paid by the Issuer for the last completed fiscal year:

Name of the Issuer's	Type of remuneration	For 2008, rubles
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control body		
Internal Audit and Risk Management Department	Salary	5 250 936.96
	Bonuses	2 012 481
	Fees	-
	Benefits and/or compensation for expenses	-
	Other remuneration	-

The Issuer did not conclude any additional agreements with members of the JSC RusHydro Internal Audit and Risk Management Department on the payment of remuneration and other financial amounts in the current fiscal year.

5.7. Information on personnel size and generalized data on the education and composition of the Issuer's employees (workers), and also on changes in the number of the Issuer's employees (workers)

Indicator	June 30, 2009
Average staffing number	5 511
Share of the Issuer's personnel with higher professional education, %	62
Funds channeled to wage payment, rubles	1 141 654 247
Funds channeled for social provision, rubles	216 139 810
Total volume of spending, rubles	1 357 794 057

5.8. Information about any liabilities of the Issuer with respect to employee (staff) participation in the authorised (equity) capital (share fund) of the Issuer

The Issuer has no liabilities towards its staff (employees) or agreements concerning the possibility of their participation in the authorised (equity) capital (share fund) of the Issuer (acquisition of the Issuer's shares), including any agreements envisaging issue or granting to staff (employees) of options of the Issuer.

VI. Information on the Issuer's participants (shareholders) and on concluded transactions which the Issuer was interested in

6.1. Information on the total number of shareholders (participants) in the Issuer

Total number of participants in the Issuer at the closing of the reporting quarter – **312 075**

Total number of persons registered in the shareholders' register of the Issuer at the closing of the reporting quarter – **312 075**

Total number of nominal holders of shares in the Issuer – **39**

6.2. Information on shareholders (participants) in the Issuer holding at least 5 per cent of the authorised (equity) capital (share fund) or at least 5 per cent of its ordinary shares, as well as information shareholders (participants) in such persons holding at least 20 per cent of their authorised (equity) capital (share funds) or at least 20 per cent of their ordinary shares

Persons holding at least 5 per cent of the authorised (equity) capital (share fund) or at least 5 per cent of the ordinary shares in the issuer as of the closing of the reporting period:

Full and abbreviated corporate name	The Russian Federation represented by the Federal Agency for State Property Management Rosimushchestvo)
Taxpayer's Identification Number	7710542402
Location	103685, Moscow, Nikolskiy Pereulok, 9
Ownership interest of the participant (shareholder) in the Issuer in the authorised equity capital of the Issuer	61.93 %
Proportion of ordinary shares in the issuer belonging thereto	61.93 %

Persons holding at least 20 per cent of the authorised (equity) capital (share funds) or at least 20 per cent of the ordinary shares of the given participants (shareholder) – N/A.

Shares in the Issuer constituting at least 5% of the authorised equity capital of the Issuer and at least 5% of the ordinary shares in the Issuer, registered in the shareholders' register of the Issuer in the name of nominal holders:

Full and abbreviated corporate name	Closed Joint-Stock Company Depository-Clearing Company (CJSC DCC)
Location	115162, Moscow, Shabolovka St., d.31, bldg. B
Contact telephone and fax numbers, email address	Tel./fax: (495) 956-09-99, 411-83-38, 232-68-04, 411-83-37, E-mail: dcc@dcc.ru
Number, date of issue and term of validity of the licence of a professional participant on the securities market, name of licence issuing authority	Licence No. 177-06236-000100 of a professional participant on the securities market to perform depository activities, issued on 09 October, 2002 by the Federal Committee for the Securities Market of Russia, unlimited term of validity
Number of ordinary shares in the Issue registered in the shareholders' register in the	21 212 591 918 units

name of a nominal holder	
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Full and abbreviated corporate name	Non-commercial partnership National Depository Centre (NDC)
Location	Moscow, Paveletskaya Square, d. 2, bldg. 2
Contact telephone and fax numbers, email address	Tel:.(495) 234-42-80, fax: (495) 956-09-38, email address: info@ndc.ru
Number, date of issue and term of validity of the licence of a professional participant on the securities market, name of licence issuing authority	Licence No. 177-03431-000100 to perform depository activities, issued on 04 December, 2000 by the Federal Committee for the Securities Market of Russia, unlimited term of validity
Number of ordinary shares in the Issue registered in the shareholders' register in the name of a nominal holder	21 713 448 839 units

Full and abbreviated corporate name	ING BANK (EURASIA) CJSC (CLOSED JOINT STOCK COMPANY)
Location	127473, Russia , Moscow, Krasnoproletarskaya St. d. 36
Contact telephone and fax numbers, email address	Tel. +7 495 755 54 00 Fax +7 495 755 54 99 E-mail: mail.russia@ingbank.com
Number, date of issue and term of validity of the licence of a professional participant on the securities market, name of licence issuing authority	Licence No. 177-03728-000100 to perform depository activities, issued on 07 December, 2000 by the Federal Committee for the Securities Market of Russia, unlimited term of validity
Number of ordinary shares in the Issue registered in the shareholders' register in the name of a nominal holder	23 646 234 814 units

6.3. Information about the participatory share of the state or municipality in the authorised (equity) capital (share fund) of the Issuer, existence of special rights (golden share)

Proportion of the authorised equity capital of the Issuer in state (federal) ownership: 61.93 %

Name of the manager of the state-owned block of shares and the person that fulfils the functions of shareholder in the Issuer on behalf of the Russian Federation: Federal Agency for State Property management (Rosimushchestvo).

Location of the manager of the state-owned block of shares and of the persons that fulfils the functions of shareholder in the Issuer on behalf of the Russian Federation: 103685, Moscow, Nikolskiy Pereulok, 9.

Proportion of the authorised equity capital of the Issuer owned by constituent entities of the Russian Federation: 0.000001988 %

Name of the manager of the municipally-owned block of shares and the person that fulfils the functions of shareholder in the Issuer on behalf of the constituent entity of the Russian Federation: Ministry of Property Relations of the Moscow Region.

Location of the manager of the municipally-owned block of shares and the person that fulfils the functions of shareholder in the Issuer on behalf of the constituent entity of the Russian Federation: 143969, Moscow Region, Reutov, Yubileiniy Prospekt, d. 54.

Information about the share in the authorised equity capital of the Issuer in municipal ownership:

Name of the manager of the municipally-owned block of shares and the person that fulfils the functions of shareholder in the Issuer on behalf of the constituent entity of the Russian Federation	Location of the manager of the municipally-owned block of shares and the person that fulfils the functions of shareholder in the Issuer on behalf of the constituent entity of the Russian Federation	Proportion of the authorised equity capital of the Issuer, %
Committee for Management of Municipal Property of Zeya Administration of Ashilta	676246. Amur Region, Zeya, Mukhina St., d. 217	0.00053865
Administration of Verkhniy Chiryurt-Gelbakh	368240 Republic of Dagestan. Untsukul'skiy District, Ashilta	0.00258026
Administration of Gergebil	368100. Republic of Dagestan. Izilyurtockiyy District, Verkhniy Chiryurt. 2-11-38	0.01533187
Administration of Gimry	368250 Republic of Dagestan. Gerghebil'skiy District, Gergebil	0.00841007
Administration of Novo-Chirkey	368240. Republic of Dagestan. Untsukul'skiy District, Gimry	0.02201589
Administration of Salta	368106 Republic of Dagestan. Untsukul'skiy District, Novo-Chirkey	0.01973504
Administration of Untsukul	368340. Republic of Dagestan. Gunib'skiy District, Salta	0.00167321
Administration of Chirkata	368240. Republic of Dagestan. Untsukul'skiy District, Untsukul	0.00439437
Administration of Chirkey	368933. Republic of Dagestan. Gumbetov'skiy District, Chirkata	0.0177360
Administration of the Bureyskiy District, Amur Region	368114. Republic of Dagestan. Buinak'skiy District, Chirkey	0.07709083
Administration of municipality "village Sary Bavtugai", Kizilyurt, Republic of Dagestan	676701. Amur Region, Novobureisk, Sovetskaya St., d. 49	0.00059646
Administration of Rural Community "Selsoviet Khvartikuninskiy"	368101. Republic of Dagestan. Kizilyurt, Sary Bavtugai, Omara Chokhskovov St., d. 1a	0.00998641
Total share in the authorised equity capital of the Issuer in municipal ownership	368258. Republic of Dagestan. Gerghebil'skiy District, Khvartikuni	0.00841007
		0.19

Special right of the Russian Federation, constituent entities of the Russian Federation, municipalities to participate in management of the Issuer (golden share), N/A.

6.4. Information about restrictions on participation in the authorised (equity) capital (share fund) of the Issuer

The Articles of Association of the Issuer do not set any restrictions on the number of shares belonging to a single shareholder and/or their aggregate nominal value and/or the maximum number of votes granted to a single shareholder.

The legislation of the Russian Federation and other regulatory and legal acts of the Russian Federation do not set any restriction on the participatory share of foreign entities in the authorised equity capital of the Issuer.

Other restrictions connected with participation in the authorised (equity) capital (share fund) of the Issuer:

In accordance with part II, article 9 of Federal Law of 26 March, 2003 No. 36-FZ "On specifics of the functioning of the electric power industry during the transitional period and on introduction of amendments into certain legislative acts of the Russian Federation and recognition of certain legislative acts of the Russian Federation as having lost effect in connection with adoption of the Federal Law "On the Electric Power Industry"", in the process of the transformation of the Russian Open Joint-Stock Company for Power and Electrification "Unified Power System of Russia, no reduction is permitted in the participatory share of the Russian Federation (if the given share exceeds 50 per cent) in the authorised equity capital: of joint-stock companies that own or otherwise possess on grounds envisaged by federal laws hydro-electric power stations already operating on the day this Federal law comes into effect; organisations (or their legal successors) in relation to which the given joint-stock companies are subsidiary companies.

6.5. Information about changes in the composition and size of participation of shareholders (participants) in the Issuer that hold at least 5 per cent of its authorised (equity) capital (share fund) or at least 5 per cent of its ordinary shares

In the completed 2005 and 2006 financial years of the issuer's activities, JSC RAO UES of Russia was the only participant in the Issuer and, by virtue of clause 3, article 47 of the Federal Law "On Joint-Stock Companies", no lists of persons entitled to participate in the General Meeting of Shareholders of the Issuer were drawn up by the Issuer during this period. The functions of the General Meeting of Shareholders of the Issuer were fulfilled by the Management Board of JSC RAO UES of Russia and, from 1 July, 2005, by the Board of Directors of JSC RAO UES of Russia. The list of persons entitled to participate in the General Meeting of Shareholders of the Issuer was first drawn up by the Issuer as of 27 August, 2007.

Date on which the list of persons entitled to participate in the General Meeting is drawn up	Full corporate name of the legal entity or full name of the private individual (abbreviated corporate name of the legal entity)	Share of the given person in the authorised equity capital of the Issuer, %	Proportion of ordinary share in the Issuer belonging to the given person, %
27 August, 2007	Russian Open Joint-Stock Company for Power and Electrification UES of Russia (JSC RAO UES of Russia)	96.27	96.27

In January, 2008, the first stage of the reform was completed, the result being that 20 Joint-Stock HPPs were reorganised in the form of absorption into JSC RusHydro, while the share of JSC RAO UES of Russia in the authorised equity capital of JSC RusHydro fell to 77.93 %.

The list of persons entitled to participate in the General Meeting of Shareholders of the Issuer drawn up by the Issuer as of 15 May, 2008.

Date on which the list of persons entitled to participate in each General Meeting is drawn up	Full corporate name of the legal entity or full name of the private individual (abbreviated corporate name of the legal entity)	Share of the given person in the authorised equity capital of the Issuer, %	Proportion of ordinary share in the Issuer belonging to the given person, %
15 May, 2008	Russian Open Joint-Stock Company for Power and Electrification UES of Russia (JSC RAO UES of Russia)	77.93	77.93

In July 2008, the final stage of the reform was completed, as a result of which JSC RAO UES of Russia ceased to exist as an independent legal entity, JSC Irganayskaya HPP, as well as JSC Minority Holding HidroOGK and JSC State Holding HidroOGK, which were split off from JSC RAO UES of Russia, were reorganised in the form of absorption into JSC RusHydro. At the same time, the share of the Russian Federation (represented by Rosimushchestvo) in the authorised equity capital of JSC RusHydro increased to reach 60.37%.

The list of persons entitled to participate in Extraordinary General Meetings of Shareholders of the Issuer drawn up by the Issuer as of 08 October, 2008 and 16 October, 2008.

Date on which the list of persons entitled to participate in each General Meeting is drawn up	Full corporate name of the legal entity or full name of the private individual (abbreviated corporate name of the legal entity)	Share of the given person in the authorised equity capital of the Issuer, %	Proportion of ordinary share in the Issuer belonging to the given person, %
08 October, 2008	Russian Federation represented by the Federal Agency for State Property Management	60.37	60.37
16 October, 2008	Russian Federation represented by the Federal Agency for State Property Management	60.37	60.37

The list of persons entitled to participate in the Annual General Meeting of Shareholders of the Issuer drawn up by the Issuer as of 30 April, 2009.

Date on which the list of persons entitled to participate in each General Meeting is drawn up	Full corporate name of the legal entity or full name of the private individual (abbreviated corporate name of the legal entity)	Share of the given person in the authorised equity capital of the Issuer, %	Proportion of ordinary share in the Issuer belonging to the given person, %
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30 April, 2009	Russian Federation represented by the Federal Agency for State Property Management	61.93	61.93
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6.6. Information on transactions of interest performed by the Issuer

Indicator	Q2 2009
The total number and the money value of the Issuer's transactions of interest in the reporting period that required approval from the Issuer's authorized management body, number/rubles	18/582 079 019.06 rubles
The number and the money value of the Issuer's transactions of interest in the reporting period that were approved by the general meeting of the Issuer's participants (shareholders), number/rubles	None
The number and the money value of the Issuer's transactions of interest in the reporting period that were approved by the Issuer's Board of Directors (Supervisory Board), number/rubles	18/582 079 019.06 rubles
The number and the money value of the Issuer's transactions of interest in the reporting period that required approval but were not approved by the Issuer's authorized management body, number/rubles	None

Transactions (several associated transactions) totaling 5 and more percent of the balance sheet value of the Issuer's assets as determined on the basis of the Issuer's financial statements as of the last reporting date before the transaction was performed by the Issuer in the last reporting quarter:

The said transactions were not performed.

The total value of the Issuer's transactions of interest in the reporting period, which did not require approval from the Issuer's authorized management body (except for transactions where the cost of services under such transactions is determined in accordance with a formula by actual fulfillment):

In the reporting period, two transactions of interest were performed between JSC RusHydro and the Russian Federation (represented by the Federal Agency for State Property Management) for the acquisition of JSC RusHydro additional shares as part of the exercise of the pre-emptive right to purchase JSC RusHydro additional shares. The money value of the said two transactions totaled 4 923 866 100 rubles. In accordance with clause 2, article 81 of the Federal Law "On Joint Stock Companies," the said transactions did not require a preliminary approval from the JSC RusHydro authorized management body (the Board of Directors) as they were performed as part of the exercise by the JSC RusHydro shareholder (the Russian Federation represented by the Federal Agency for State Property Management) of the pre-emptive right for the acquisition of JSC RusHydro additional shares.

Transactions (several associated transactions) of interest, which required approval but were not approved by the Issuer's authorized management body (a resolution on their approval by the board of directors (the supervisory board) or a general meeting of the Issuer's participants (shareholders) was not passed in cases when such approval was mandatory in accordance with the legislation of the Russian Federation):

Such transactions were not performed.

6.7. Information about accounts receivable

Type of accounts receivable	Total as of 01 April 2009	Including by maturity date		Total as of 01 July 2009	Including by maturity date	
		Up to one year	Over one year		Up to one year	Over one year
Accounts receivable of buyers and customers, thousand roubles	3 943 790	3 943 790	-	5 820 178	5 754 519	65 659
Including overdue, thousand roubles	-	-	-	-	-	-
Accounts receivable on bills receivable, thousand roubles	-	-	-	-	-	-
Including overdue, thousand roubles	-	-	-	-	-	-
Accounts receivable of participants (founders) on contributions to authorised equity capital, thousand roubles	-	-	-	-	-	-
Including overdue, thousand roubles	-	-	-	-	-	-
Accounts receivable on advances issued, thousand roubles	3 471 775	2 917 916	553 859	3 320 971	3 034 126	286 845
Including overdue, thousand roubles	-	-	-	-	-	-
Other accounts receivable, thousand roubles	69 093 840	60 883 119	8 210 721	71 742 611	63 595 297	8 147 314
Including overdue, thousand roubles	-	-	-	-	-	-
Total, thousand roubles	76 509 405	67 744 825	8 764 580	80 883 760	72 383 942	8 499 818
Including total overdue, thousand roubles	-	-	-	-	-	-

Information on debtors accounting for at least 10% of the total amount of accounts receivable

Name, location, full name of debtor (for an affiliated individual – position held in the Issuer organisation, its SDC, main parent company, managing company)	Quarter 2 of 2009				Information about affiliates	
	Share in total accounts receivable, %	Amount of accounts receivable, thousand roubles	Including overdue, thousand roubles	Terms of overdue debt	Participatory share in the authorised equity capital of the Issuer, %	Participatory share of the Issuer in the authorised equity capital of the debtor, %
JSC Zagorskaya PSPP-2	18.50	14 965 163	0.00	-	-	100.00
Energy Industry Index – HidroOGK LLC	17.11	13 841 781	0.00	-	0.64	100.00
JSC Boguchanskaya HPP	11.66	9 433 605	0.00	-	-	93.72

VII. Financial accounting of the Issuer and other financial information

The financial reporting is formed on the basis of the rules for financial accounting and reporting in effect in the Russian Federation, in particular Federal Law of 21 November, 1996 No. 129-FZ "On Financial Accounting", the Russian Accounting Standards "Accounting policy of organisations" RAS 1/98 approved by order of the Ministry of Finance of the Russian Federation of 09 December, 1998 No. 60n, the Regulations for Financial Accounting and Reporting in the Russian Federation, approved by order of the Ministry of Finance of 29 July, 1998 No. 34n, order of the Ministry of Finance of the Russian Federation of 22 July, 2003 No. 67-n "On forms of financial accounting and reporting", effective circulars and regulations of JSC RAO UES of Russia.

7.1. Annual financial statements of the Issuer

The annual financial statements of the Issuer for the last complete financial year, drawn up in accordance with the requirements of the legislation of the Russian Federation are not included in the quarterly report for quarter 2.

The annual financial statements of the Issuer in accordance with the International Financial Reporting Standards and the US Generally Accepted Accounting Principles for 2008 are presented in Appendix I.

7.2. The quarterly reporting of the Issuer for the last complete reporting quarter

The quarterly financial reporting of the Issuer for the 1st half-year of 2009, drawn up in accordance with the requirements of the legislation of the Russian Federation, is presented in Appendix II to this quarterly report.

Composition of the financial reporting for the 1st half-year of 2009:

Accounting balance sheet (Form No. 1);

Profit and loss statements (Form No. 2).

No quarterly financial reporting of the Issuer for quarter 2 of 2009 has been drawn up in accordance with the International Financial Reporting Standards or the US Generally Accepted Accounting Principles.

7.3. Cumulative financial reporting of the Issuer for the last complete financial year

The Issuer does not draw up cumulative financial reporting according to Russian Accounting Standards since the Issuer does draw up cumulative (consolidated) reporting in accordance with the International Financial Reporting Standards, which complies with the criteria of clause 8 of the Methodological recommendations for compiling and filing cumulative financial reporting, approved by Order of the Ministry of Finance of the Russian Federation of 30 December, 1996 No. 112.

7.4. Information about the Issuer's accounting policy

The Issuer's accounting policy is determined independently by the Issuer in accordance with the legislation of the Russian Federation on financial accounting and approved by order No. 869 dated 30 December, 2008.

During the reporting quarter, no amendments were introduced into the accounting policy adopted by the Company for the current financial year.

7.5. Information on total exports and the share of exports in total sales

The Issuer does not export products (goods, works, services) outside the Russian Federation.

7.6. Information about the value of the Issuer's real estate and material changes in the composition of the Issuer's property since the closing date of the last complete financial year

The total value of the Issuer's real estate as of 30 June 2009 amounts to 208 208 162 thousand roubles and the amount of accrued depreciation as of 30 June 2009 – to 5 485 036 thousand roubles.

Real estate	Initial (replacement) value, thousand roubles	Amount of accrued depreciation, thousand roubles
Buildings	41 886 566	1 068 781
Hydraulic structures	161 100 294	4 029 042
Other structures	5 221 302	387 214
Total:	208 208 162	5 485 036

No material changes occurred in the composition of the Issuer's real estate during the 12 months preceding the closing date of the reporting quarter.

The Issuer did not acquire or retire any property with a balance sheet value of over 5% of the total balance sheet value of the Issuer's assets, and no other material changes occurred in the composition of the Issuer's property from the closing date of the last complete financial year to the closing date of the reporting quarter.

7.7. Information of participation by the Issuer in judicial proceedings if such participation might have a substantial effect on the financial and business activities of the Issuer

There are no judicial proceedings participation in which might have a substantial effect on the financial and business activities of the Company.

VIII. Additional information on the Issuer and its equity securities

8.1. Additional information on the Issuer

8.1.1. Information on the size, structure of the Issuer's authorized (share) capital (unit fund):

The size of the Issuer's authorized (share) capital (unit fund) as of the expiry date of the last reporting quarter in compliance with the Issuer's Articles of Association:

255 014 018 667 (two hundred and fifty-five billion, fourteen million, eighteen thousand, six hundred and sixty-seven) rubles 00 kopecks.

Total par value of each category of shares:

255 014 018 667 (two hundred and fifty-five billion, fourteen million, eighteen thousand, six hundred and sixty-seven) rubles 00 kopecks.

The total par value of preferred shares: preferred shares were not issued by the Issuer.

The proportion of each category of shares in the Issuer's authorized capital:

The proportion of ordinary shares in the Issuer's authorized capital: 100%.

The proportion of preferred shares in the Issuer's authorized capital: 0%.

The Issuer's shares do not circulate outside the Russian Federation as the stock circulating under the foreign law on foreign issuers' securities certifying rights to the Issuer's shares.

8.1.2. Information on changes in the size of the Issuer's authorized (share) capital (unit fund)

A resolution on enlarging the Issuer's authorized capital was passed by an extraordinary General Meeting of the Issuer's Shareholders (the Board of Directors of JSC RAO UES of Russia) on October 28, 2005 (Minutes No. 207 of October 28, 2005).

The size and the structure of the Issuer's authorized (share) capital (unit fund) as of the commencement date of the stated period: 103 951 322 702 rubles.

The name of the Issuer's management body, which passed a resolution on changing the size of the Issuer's authorized (share) capital (unit fund): an extraordinary General Meeting of Shareholders (the Board of Directors of JSC RAO UES of Russia).

The compilation date and the No. of the minutes of the meeting (session) held by the Issuer's management body to pass a resolution on changing the size of the Issuer's authorized (share) capital (unit fund):

Minutes No. 207 of October 28, 2005.

The size of the Issuer's authorized (share) capital (unit fund) after the change: 140 954 759 856 rubles.

The name of the Issuer's management body, which passed a resolution on changing the size of the Issuer's authorized (share) capital (unit fund): an extraordinary General Meeting of Shareholders (the Board of Directors of JSC RAO UES of Russia).

The compilation date and the No. of the minutes of the meeting (session) held by the Issuer's management body to pass a resolution on changing the size of the Issuer's authorized (share) capital (unit fund):

Minutes No. 252 of May 25, 2007.

The size of the Issuer's authorized (share) capital (unit fund) after the change: 156 864 373 776 rubles.

The name of the Issuer's management body, which passed a resolution on changing the size of the Issuer's authorized (share) capital (unit fund): an extraordinary General Meeting of Shareholders (the Board of Directors of JSC RAO UES of Russia).

The compilation date and the No. of the minutes of the meeting (session) held by the Issuer's management body to pass a resolution on changing the size of the Issuer's authorized (share) capital (unit fund):

Unnumbered minutes of October 16, 2007.

The size of the Issuer's authorized (share) capital (unit fund) after the change: 195 860 496 735 (one hundred and ninety-five billion, eight hundred and sixty million, four hundred and ninety-six thousand, seven hundred and thirty-five) rubles 00 kopecks.

The compilation date and the No. of the minutes of the meeting (session) held by the Issuer's management body to pass a resolution on changing the size of the Issuer's authorized (share) capital (unit fund):

Minutes No. 1 of June 26, 2008.

The size of the Issuer's authorized (share) capital (unit fund) after the change: 245 014 059 191 (two hundred and forty-five billion, fourteen million, fifty-nine thousand, one hundred and ninety-one) rubles 00 kopecks.

The compilation date and the No. of the minutes of the meeting (session) held by the Issuer's management body to pass a resolution on changing the size of the Issuer's authorized (share) capital (unit fund):

Minutes No. 2 of November 20, 2008.

The size of the Issuer's authorized (share) capital (unit fund) after the change: 255 014 018 667 (two hundred and fifty-five billion, fourteen million, eighteen thousand, six hundred and sixty-seven) rubles 00 kopecks.

8.1.3. Information about formation and use of the reserve fund and other funds of the Issuer

No.	Fund	Indicator	As of 01 July 2009 (for quarter 2)
1	Accumulation fund	Amount of the fund as established by the constituent documents, thousand roubles	N/A
2		Current amount of the fund, thousand roubles	22 976 201
3		Allocations to the fund during the reporting period, thousand roubles	15 627 727
4		Amount of funds used during the reporting period, thousand roubles	19 270 751
		including	
5		Investment funds	18 988 222
6		Acquisition of equipment	
7		Other	282 530
8	Reserve fund	Amount of the fund as established by the constituent documents, thousand roubles	N/A
9		Current amount of the fund, thousand roubles	1 793 122
10		Allocations to the fund during the reporting period, thousand roubles	822 512

11	Amount of funds used during the reporting period, thousand roubles	
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In accordance with clause 8.3, article 8 of the Issuer's Articles of Association, the Company is entitled to organise, in compliance with the requirements of the legislation of the Russian Federation, other funds to secure its financial and business activities as a subject of civil turnover.

As of the closing date of the reporting period, the Issuer had not formed any other funds out of net profits.

8.1.4. Information on the procedure for convening and holding a meeting (session) of the Issuer's supreme managing body

The name of the Issuer's supreme managing body: a General Meeting of Shareholders.

The procedure for notifying shareholders (participants) of a meeting (session) of the Issuer's supreme managing body:

In compliance with clause 10.11 of the Issuer's Articles of Association:

"Notice of the forthcoming General Meeting of Shareholders shall be published by the Company in the Vedomosti newspaper and placed on the Company's website in the Internet no less than 30 (thirty) days prior to the date thereof.

Notice of a forthcoming extraordinary General Meeting of Shareholders the proposed agenda of which contains election of Directors shall be published by the Company in the Vedomosti newspaper and placed on the Company's website in the Internet no less than 70 (seventy) days prior to the date thereof."

Persons (bodies) entitled to convene (request holding) an extraordinary meeting (session) of the Issuer's supreme managing body, and also the procedure of sending (making) such requests:

In compliance with clause 10.15 of the Issuer's Articles of Association:

10.15.1 The Extraordinary General Meeting of Shareholders shall be held pursuant to a decision of the Board of Directors on their own initiative, a request from the Company's Internal Audit Commission or the Company's Auditor or a shareholder(s) holding no less than 10 (ten) per cent of the Company's voting shares as of the date of the request.

10.15.2. The Extraordinary General Meeting of Shareholders requested by the Company's Internal Audit Commission or the Company's Auditor or a shareholder(s) holding no less than 10 (ten) per cent of the Company's voting shares as of the date of the request shall be convened by the Company Board of Directors and should be held within 40 (forty) days from the date of the request.

If the proposed agenda of the Extraordinary General Meeting of Shareholders includes election of the Company Board of Directors, such General Meeting of Shareholders should be held within 70 (seventy) days from the date of the request.

10.15.3. Within 5 (five) days from the date of the request to convene an Extraordinary General Meeting of Shareholders, the Board of Directors should pass a decision to convene an Extraordinary General Meeting of Shareholder or to deny its convocation.

The decision of the Board of Directors to convene an Extraordinary General Meeting of Shareholders or a substantiated decision to deny its convocation shall be given to persons requesting its convocation within 3 (three) days from the time such decision is adopted.

10.15.4. In the event that within the period specified in Clause 10.15.3 of this article the Board of Directors fails to pass a decision to convene an Extraordinary General Meeting of

Shareholders or passes a decision to deny such convocation, the Extraordinary General Meeting of Shareholders may be convened by persons requesting convocation thereof.

And the bodies and persons convening the Extraordinary General Meeting of Shareholders shall have the powers provided for by the Federal Law on Joint Stock Companies and by these Articles of Association that are necessary to convene and hold a General Meeting of Shareholders.

The procedure for determining the date of holding a meeting (session) of the Issuer's supreme managing body:

In compliance with clause 10.7 of the Issuer's Articles of Association:

“The General Meeting of Shareholders shall be held within no less than two months and no more than six months after the end of the financial year.”

In compliance with clause 10.15.2 of the Issuer's Articles of Association:

“The Extraordinary General Meeting of Shareholders requested by the Company's Internal Audit Commission or the Company's Auditor or a shareholder(s) holding no less than 10 (ten) per cent of the Company's voting shares as of the date of the request shall be convened by the Company Board of Directors and should be held within 40 (forty) days from the date of the request.

If the proposed agenda of the Extraordinary General Meeting of Shareholders includes election of the Company Board of Directors, such General Meeting of Shareholders should be held within 70 (seventy) days from the date of the request.”

In compliance with clause 10.10 of the Issuer's Articles of Association:

“The list of persons entitled to attend the General Meeting of Shareholders shall be made according to the information in the Company's shareholder register as of the date set by the Board of Directors in the decision on matters related to holding the General Meeting of Shareholders pursuant to Article 51 of the Federal Law on Joint Stock Companies.”

Persons entitled to include items in the agenda of a meeting (session) of the Issuer's supreme managing body and also the procedure for making such proposals:

In compliance with article 11 of the Issuer's Articles of Association:

11.1. Shareholder(s) holding in aggregate at least 2 (two) per cent of the Company's voting shares shall have the right to include items in the agenda of the Annual General Meeting of Shareholders and nominate persons for the Board of Directors and the Internal Audit Commission of the Company, with the number of such nominees not exceeding the number of members of the relevant body.

Such proposals shall be received by the Company no less than 90 (ninety) days after the end of the financial year.

11.2. A proposal to include items in the agenda of the General Meeting of Shareholders and a nomination proposal shall be in writing, specifying the name(s) of shareholder(s) making a proposal, the number and class (type) of shares held by such shareholder(s), and should be signed by the shareholder(s).

11.3. A proposal to include items in the agenda of the General Meeting of Shareholders shall contain the wording of each proposed item, and a nomination proposal shall specify the name and details of the identity document (series and (or) number of the document, time and place of issuance, and the authority that issued the document) of each nominee, and the name of the body for which a given person is nominated.

11.4. The Board of Directors shall consider all incoming proposals and decide either to put them on the agenda of the General Meeting of Shareholders or to refuse to do so within no more than 5 (five) days after the end of the term specified in Clause 11.1 hereof.

11.5. The Board of Directors shall have the right to deny inclusion of items proposed by the shareholder(s) in the agenda of the General Meeting of Shareholders and inclusion of nominees in the list of nominees to a relevant body of the Company on the grounds set out in the Federal Law on Joint Stock Companies and other laws and regulations of the Russian Federation.

A substantiated decision of the Board of Directors denying inclusion of any item in the agenda of the General Meeting of Shareholders or of a nominee on the list of the nominees to be put to vote for election to the relevant body of the Company shall be given to the shareholder(s) within no more than 3 (three) days from the date of such decision.

11.6. The Board of Directors may not change the wording of items proposed for inclusion on the agenda of the General Meeting of Shareholders and the wording of resolutions on such issues (if any).

11.7. In addition to items proposed for the agenda of the General Meeting of Shareholders, and in the event there are no such proposals or none or an insufficient number of nominees for the relevant body, the Board of Directors shall have the right to include items in the agenda or nominees in the list of nominees at its discretion.

Persons entitled to familiarize themselves with information (materials) provided for preparing and holding a meeting (session) of the Issuer's supreme managing body, and also the procedure of familiarization with such information (materials):

Persons specified in the list of persons entitled to participate in a general meeting of shareholders.

The procedure of familiarization with such information (materials):

In compliance with clause 10.12 of the Issuer's Articles of Association:

“Information (material) concerning the General Meeting of Shareholders agenda items shall be within 20 (twenty) days, and in the event of a General Meeting of Shareholders the agenda of which includes an issue of reorganisation of the Company within 30 (thirty) days prior to the General Meeting of Shareholders made available to persons entitled to attend the General Meeting of Shareholders for familiarization at addresses specified in the notice of the forthcoming General Meeting of Shareholders and also placed on the Company's website in the Internet.

The procedure for presenting to persons entitled to attend the General Meeting of Shareholders the information (material) on the agenda items of the General Meeting of Shareholders and the list of such information (material) shall be determined by decision of the Board of Directors of the Company.”

The procedure for announcing decisions adopted by the Issuer's supreme managing body, and also voting results (bringing them to the notice of the Issuer's participants (shareholders)):

In compliance with article 10 of the Issuer's Articles of Association:

10.16. The minutes of the General Meeting of Shareholders shall be made within no more than 15 (fifteen) days after the closure of the General Meeting of Shareholders held in the form of joint attendance or after the last date of acceptance by the Company of ballots if the General Meeting of Shareholders is held by absentee vote.

The minutes of the General Meeting of Shareholders shall be signed by the Chairman of the General Meeting of Shareholders (the person presiding at the General Meeting of Shareholders) and by the secretary of the General Meeting of Shareholders.

10.17. Voting results and resolutions passed by the General Meeting of Shareholders can be announced at the General Meeting of shareholders.

Resolutions passed by the General Meeting of Shareholders, as well as vote results in the form of a voting results report within no more than 10 (ten) days after the date of the voting results report has been compiled shall be published by the Company in the Vedomosti newspaper, and placed on the Company's website in the Internet.

8.1.5. Information about commercial organizations in which the Issuer holds at least 5 per cent of the authorized (joint-stock) capital (participation fund) or at least 5 per cent of the ordinary shares

Full business name	Open Joint-Stock Company Gidroremont-VKK
Abbreviated business name	JSC Gidroremont-VKK
Location	62 Krasnoarmeiskaya Str., Samara
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Zagorskaya PSPP-2
Abbreviated business name	JSC Zagorskaya PSPP-2
Location	100 Bogorodskoye, Sergiyev-Posad District, Moscow Region
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Nizhne-Bureiskaya HPP
Abbreviated business name	JSC Nizhne-Bureiskaya HPP
Location	49 Sovetskaya Str., Novobureisky, Bureisky District, Amur Region
Participation share of the Issuer in the authorized capital of the commercial	100%

organization	
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None
Full business name	Open Joint-Stock Company Nizhne-Zeiskaya HPP
Abbreviated business name	JSC Nizhne-Zeiskaya HPP
Location	225/3 Zeiskaya Str., Blagoveshchensk, Amur Region
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None
Full business name	Open Joint-Stock Company Zaramagskiye HPPs
Abbreviated business name	JSC Zaramagskiye HPPs
Location	2 Energetikov Str., Alagir, Alagir District, Republic of North Ossetia-Alania
Participation share of the Issuer in the authorized capital of the commercial organization	95.46%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	95.46%
Participation share of the commercial organization in the authorized capital of the Issuer	0.11%
Proportion of ordinary shares in the Issuer belonging to the commercial organization	0.11%
Full business name	Open Joint-Stock Company Turboremont-VKK
Abbreviated business name	JSC Turboremont-VKK
Location	1a Prospekt Lenina, Volzhsky, Volgograd Region
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the	100%

commercial organization belonging to the Issuer	
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Elektroremont-VKK
Abbreviated business name	JSC Elektroremont-VKK
Location	Zhigulevskaya HPP, Zhigulevsk, Samara Region
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company HydroOGK Management Company
Abbreviated business name	JSC HydroOGK MC
Location	8A Prospekt Vernadskogo, Moscow
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Sayano-Shushensky Motor Transport Centre
Abbreviated business name	JSC SSh MTC
Location	Cheremushki, Sayanogorsk, Republic of Khakasia
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Prometei
Abbreviated business name	JSC Prometei
Location	Gunib, Gunib District, Republic of Dagestan
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Karachayevo-Cherkessian Hydrogeneration Company
Abbreviated business name	JSC Karachayevo-Cherkessian HGC
Location	34 Prospekt Lenina, Cherkessk, Republic of Karachayevo-Cherkessia
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Closed Joint-Stock Company HydroEngineering Sibir
Abbreviated business name	CJSC HydroEngineering Sibir
Location	St.Petersburg, Russian Federation
Participation share of the Issuer in the authorized capital of the commercial organization	99%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	99%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Malaya Mezenskaya TPP
Abbreviated business name	JSC Malaya Mezenskaya TPP
Location	St. Petersburg, Russian Federation
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Power Facilities Research Institute
Abbreviated business name	JSC NIIES
Location	7a Stroitelny proyezd, Moscow
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company B.Ye. Vedeneyev Russian Research Institute of Hydraulic Engineering
Abbreviated business name	JSC B.Ye. Vedeneyev VNIIG
Location	21 Gzhatskaya Str., St. Petersburg
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company UES Power Facilities Building Complex
Abbreviated business name	JSC UES ESCO
Location	33 Arkhitekтора Vlasova Str., Moscow
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company UES Power Facilities Building Complex
Abbreviated business name	JSC UES ESCO
Location	33 Arkhitekтора Vlasova Str., Moscow
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Private company limited by shares HydroOGK Power Company Limited
Abbreviated business name	HydroOGK Power Company Limited

Location	Republic of Cyprus, 16 Kyriakos Matisis Avenue, Nicosia
Participation share of the Issuer in the authorized capital of the commercial organization	99.99% (100% – 1 share)
Proportion of ordinary shares in the commercial organization belonging to the Issuer	99.99% (100% – 1 share)
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Private company limited by shares HydroOGK Aluminium Company Limited
Abbreviated business name	HydroOGK Aluminium Company Limited
Location	Republic of Cyprus, 16 Kyriakos Matisis Avenue, Nicosia
Participation share of the Issuer in the authorized capital of the commercial organization	99.99% (100% – 1 share)
Proportion of ordinary shares in the commercial organization belonging to the Issuer	99.99% (100% – 1 share)
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Closed Joint-Stock Company Boguchanskaya HPP Building Sponsor
Abbreviated business name	CJSC Boguchanskaya HPP Building Sponsor
Location	10/1 Prospekt Leninskogo Komsomola, Kodinsk, Kezhemsky District, Krasnoyarsk Territory
Participation share of the Issuer in the authorized capital of the commercial organization	51%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	51%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Closed Joint-Stock Company Boguchanskaya HPP Building Owner
Abbreviated business name	CJSC Boguchanskaya HPP Building Owner
Location	10/1 Prospekt Leninskogo Komsomola, Kodinsk,

	Kezhemsky District, Krasnoyarsk Territory
Participation share of the Issuer in the authorized capital of the commercial organization	49%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	49%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Closed Joint-Stock Company Boguchany Aluminium Smelter Building Sponsor
Abbreviated business name	CJSC Boguchany Aluminium Smelter Building Sponsor
Location	10/1 Prospekt Leninskogo Komsomola, Kodinsk, Kezhemsky District, Krasnoyarsk Territory
Participation share of the Issuer in the authorized capital of the commercial organization	49%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	49%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Closed Joint-Stock Company Boguchany Aluminium Smelter Building Owner
Abbreviated business name	CJSC Boguchany Aluminium Smelter Building Owner
Location	10/1 Prospekt Leninskogo Komsomola, Kodinsk, Kezhemsky District, Krasnoyarsk Territory
Participation share of the Issuer in the authorized capital of the commercial organization	51%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	51%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Closed Joint-Stock Company Boguchany Aluminium Smelter Building Owner
Abbreviated business name	CJSC Boguchany Aluminium Smelter Building

	Owner
Location	10/1 Prospekt Leninskogo Komsomola, Kodinsk, Kezhemsky District, Krasnoyarsk Territory
Participation share of the Issuer in the authorized capital of the commercial organization	51%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	51%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Geoterm
Abbreviated business name	JSC Geoterm
Location	60 Akademika Korolyova Str., Petropavlovsk-Kamchatsky
Participation share of the Issuer in the authorized capital of the commercial organization	71.61%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	71.61%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Pilot Verkhne-Mutnovskaya GeoPP
Abbreviated business name	JSC Pilot Verkhne-Mutnovskaya GeoPP
Location	60 Akademika Korolyova Str., Petropavlovsk-Kamchatsky
Participation share of the Issuer in the authorized capital of the commercial organization	48.04%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	48.04%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Hidroinvest
Abbreviated business name	JSC Hidroinvest
Location	8A Prospekt Vernadskogo, Moscow

Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	0.342%
Proportion of ordinary shares in the Issuer belonging to the commercial organization	0.342%

Full business name	Open Joint-Stock Company Regional Energy Marketing and Investment Corporation
Abbreviated business name	JSC REMIK
Location	11 Promyshlenny per., Zeya, Zeisky District, Amur Region
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Sayano-Shushensky Gidroenergoremont
Abbreviated business name	JSC SShGER
Location	Cheremushki, Sayanogorsk, Republic of Khakasia
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company South Yakutian Hydropower Complex
Abbreviated business name	JSC South Yakutian HPC
Location	4 Lineinaya Str., Aldan, Republic of Sakha (Yakutia)
Participation share of the Issuer in the authorized capital of the commercial	100%

organization	
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Physical Culture and Sport Centre
Abbreviated business name	JSC PhCS Cheremushki
Location	Cheremushki, Sayanogorsk, Republic of Khakasia
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Zharki
Abbreviated business name	JSC Zharki
Location	41 Sovetsky microdistrict, Sayanogorsk, Republic of Khakasia
Participation share of the Issuer in the authorized capital of the commercial organization	25.001%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	25.001%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Sulak Hydropower Cascade
Abbreviated business name	JSC Sulak Hydropower Cascade
Location	10 Magomeda Gadzhiyeva Str., Komsomolskoye, Kizilyurt District, Republic of Dagestan
Grounds for recognition of the company as dependent on the Issuer	The Company is the Issuer's affiliate since the Issuer's predominant participation in its authorized capital allows it to determine decisions taken by the Company
Participation share of the Issuer in the authorized capital of the affiliated company	100%
Proportion of ordinary shares in the affiliated company belonging to the Issuer	100%
Participation share of the affiliated company in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the affiliated company	None

Full business name	Open Joint-Stock Company New Binary Power Unit
Abbreviated business name	JSC New Binary Power Unit
Location	7, Bldg. 2, Krzhizhanovskogo Str., Moscow
Grounds for recognition of the company as dependent on the Issuer	The Company is the Issuer's affiliate since the Issuer's predominant participation in its authorized capital allows it to determine decisions taken by the Company
Participation share of the Issuer in the authorized capital of the affiliated company	100%
Proportion of ordinary shares in the affiliated company belonging to the Issuer	100%
Participation share of the affiliated company in the authorized capital of the Issuer	None

Full business name	Open Joint-Stock Company Lengidproekt
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Abbreviated business name	JSC Lengidroproekt
Location	22, Prospekt Ispytatelei, St. Peterburg
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Kolymaenergo
Abbreviated business name	JSC Kolymaenergo
Location	84, Bldg. 2, Proletarskaya Str., Magadan
Participation share of the Issuer in the authorized capital of the commercial organization	64.27%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	64.27%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Energy Sector Main Computer Centre
Abbreviated business name	JSC Energy Sector MCC
Location	7 Kitaigorodsky pr., Moscow
Participation share of the Issuer in the authorized capital of the commercial organization	42.53%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	42.53%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company ChirkeiGESstroi
Abbreviated business name	JSC ChirkeiGESstroi
Location	Shamilkala, Untsukul District, Republic of Dagestan
Participation share of the Issuer in the authorized capital of the commercial organization	74.99%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	74.99%
Participation share of the commercial organization in the authorized capital of the Issuer	0.01%
Proportion of ordinary shares in the Issuer belonging to the commercial organization	0.01%

Full business name	Open Joint-Stock Company Urals Energy Managing Company
Abbreviated business name	JSC UEUK
Location	4 Universitetskaya Str., Surgut, Tyumen Region
Participation share of the Issuer in the authorized capital of the commercial organization	20.67%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	20.67%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company First Generating Company of the Wholesale Electricity Market
Abbreviated business name	JSC OGK-1
Location	1, Bldg. 1, Odesskaya Str., Tyumen, Tyumen Region
Participation share of the Issuer in the authorized capital of the commercial organization	21.71%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	21.71%
Participation share of the commercial organization in the authorized capital of the Issuer	0.018%
Proportion of ordinary shares in the Issuer belonging to the commercial organization	0.018%

Full business name	Open Joint-Stock Company Ust-Srednekanskaya HPP
Abbreviated business name	JSC Ust-Srednekanskaya HPP

Location	84, Bldg. 2, Proletarskaya Str., Magadan
Participation share of the Issuer in the authorized capital of the commercial organization	5.11%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	5.11%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	RusSUNHydro Limited
Abbreviated business name	RusSUNHydro Ltd.
Location	42 Nestoros, Kaimakli, 1026 Nicosia, Cyprus
Participation share of the Issuer in the authorized capital of the commercial organization	50%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	50%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Limited Liability Company Energy Sector Index – HydroOGK
Abbreviated business name	LLC Energy Sector Index – HydroOGK
Location	101, Bldg. 3, Prospekt Vernadskogo, Moscow
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	-
Participation share of the commercial organization in the authorized capital of the Issuer	0.64%
Proportion of ordinary shares in the Issuer belonging to the commercial organization	0.64%

Full business name	Open Joint-Stock Company Energy Sales Company RusHydro
Abbreviated business name	JSC ESC RusHydro
Location	21 Gzhatskaya Str., St. Petersburg
Participation share of the Issuer in the authorized capital of the commercial organization	57.44%

Proportion of ordinary shares in the commercial organization belonging to the Issuer	57.44%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Limited Liability Company IT Energy Service
Abbreviated business name	LLC IT Energy Service
Location	101, Bldg. 3, Prospekt Vernadskogo, Moscow
Participation share of the Issuer in the authorized capital of the commercial organization	19.99%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	-
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None
Full business name	Open Joint-Stock Company Nizhne-Kureiskaya HPP
Abbreviated business name	JSC Nizhne-Kureiskaya HPP
Location	51 Respubliki St. Krasnoyarsk, Krasnoyarsk Territory Russian Federation
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

Full business name	Open Joint-Stock Company Far Eastern WPP
Abbreviated business name	JSC Far Eastern WPP
Location	19 Uborevicha St., Vladivostok, Maritime Territory, Russian Federation
Participation share of the Issuer in the authorized capital of the commercial organization	100%
Proportion of ordinary shares in the commercial organization belonging to the Issuer	100%
Participation share of the commercial organization in the authorized capital of the Issuer	None
Proportion of ordinary shares in the Issuer belonging to the commercial organization	None

8.1.6. Information about major transactions concluded by the Issuer

During the reporting quarter, the Issuer did not conclude any major transactions involving assets worth 10 or more per cent of the book value of the Issuer's assets according to the financial statements for the last reporting quarter preceding the transaction date.

8.1.7. Information about credit ratings of the Issuer

1. Credit rating subject: the Issuer JSC RusHydro.

2. Credit ratings as of 30 June, 2009:

According to the international investment level scale:

Rating agency	Standard&Poor's	Moody's	Fitch
Ratings	BBB-	Baa3	BB+

According to the national investment level scale:

Rating agency	Standard&Poor's	Moody's	Fitch
Ratings	ruAAA	Aaa.ru	AA (rus)

3. On 04 February, 2009, against the background of a reduction in Russia's national rating, the Fitch Ratings international rating agency lowered JSC RusHydro's rating. The Issuer's long-term rating in foreign currency was lowered from BBB- to BB+. The national scale long-term rating was also lowered from AA+(rus) to AA(rus).

4. Full corporate names and dates on which ratings awarded.

- 14 September, 2006: MOODY'S Investors Service Ltd. Rating agency, together with CJSC Rating Agency Moody's Interfax, awarded the issuer an international credit rating of investment level Baa3.
- 18 December, 2007: Fitch Ratings Ltd. Rating agency awarded the issuer an international credit rating of investment level BBB-.
- 18 December, 2007: Standard & Poor's International Services, Inc. awarded the Issuer an international credit rating of investment level BBB-.

5. Rating agency details:

5.1. Moody's: 7 World Trade Center at 250 Greenwich Street New York, NY 10007 USA

<http://www.moodys.ru>;

5.2. RAMI: 103006, Russia, Moscow, 1st Tverskaya-Yamskaya St., d. 2

<http://rating.interfax.ru>;

5.3. Fitch: Fitch Ratings 101 Finsbury Pavement London EC2A 1RS UK

<http://www.fitchratings.ru>;

5.4. S&P: 125009, Russia, Moscow, Vozdvizhenka St., 4/7, bldg. 2

<http://standardandpoors.ru>.

6. No ratings were awarded to the Issuer's securities.

8.2. Information about each category (type) of the Issuer's shares

Share category: **registered ordinary**

Nominal value of each share: **1 (one) rouble**

Number of shares in circulation (number of shares not redeemed or annulled):

255 014 018 667 (two hundred and fifty-five billion, fourteen million, eighteen thousand, six hundred and sixty-seven) units.

State registration number and date of state registration of the issue (date of state registration of the report on the results of the issue):

Principal issue: 1-01-55038-E

Date of state registration of the issue: 22 February, 2005

Date of state registration of the report on the results of the issue: 22 February, 2005

Authority performing state registration of the issue and the report on the results of the issue:
Federal Service for the Financial Market of Russia

Ordinary registered shares declared by the Company for placement grant their holders the rights envisaged by clause 6.2 of the Articles of Association.

Number of shares on the Issuer's balance sheet:

— No such shares exist.

Number of additional shares that might be placed as a result of conversion of outstanding securities convertible into shares or as a result of discharge by the issuer of option obligations:

— No such shares exist.

Rights granted by shares to their owners:

The given rights are envisaged by clause 6.2., article 6 of the Articles of Association of the Issuer:

— "Each ordinary registered share in the Company grants the shareholder that owns it an identical volume of rights.

Shareholders holding ordinary registered shares in the Company have the right:

— to participate personally or through their representatives in the General Meeting of Shareholders of the Company with voting rights on all matters falling within its terms of reference;

— to make suggestions for inclusion on the agenda for a General Meeting of the Shareholders in the manner envisaged by the effective legislation of the Russian Federation and these Articles of Association;

— to receive information about the activities of the Company and to familiarise themselves with the Company's documents in accordance with article 91 of the Federal Law "On Joint-Stock Companies";

— to receive dividends declared by the Company;

— to exercise the pre-emptive right to acquire additional shares and equity securities convertible into shares placed by public offer in a number proportional to the number of shares of this category (type) belonging to them;

— to receive part of the Company's assets in the event of its liquidation;

— to exercise other rights envisaged by the legislation of the Russian Federation and these Articles of Association".

The Issuer has not issued any preference shares.

8.3. Information about the Issuer's previous issues of securities other than shares

The Issuer has previously not issued any equity securities other than its shares.

8.4. Information about the security provider(s) for the bond issue

No information is provided, since the Issuer has not issued any bonds or options.

8.5. Terms and conditions of ensuring fulfilment of obligations under the bond issue

No information available, since the Issuer has not issued any bonds or options.

8.6. Information about organisations registering rights to the Issuer's equity securities

The register of holders of the Issuer's registered securities is, by Resolution of the Board of Directors of the Issuer (Minutes No. 3 of 14 March 2005), maintained by the following registrar:

Full corporate name:

Open Joint-Stock Company Central Moscow Depositary

Abbreviated corporate name:

JSC Central Moscow Depositary, JSC CMD

Location: **3 Orlikov Pereulok, bldg. V, Moscow, 107078**

Licence to maintain registers of equity securities:

Licence No.: **10-000-1-00255**

Date of issue: **13 September 2002**

Valid until: **unlimited**

Licence issuing authority: **Federal Securities Market Commission**

Postal address: **34 Bolshaya Pochtovaya St., bldg. 8, Moscow, 105082**

Telephone, fax: **(495) 221-13-35; fax (495) 221-13-33**

Website: www.mcd.ru

8.7. Information about legislative acts regulating import and export of capital that might impact on payment of dividends and interest and other payments to non-residents

List of regulatory acts with respect to dividends, including those regulating payments to non-residents:

- Civil Code of the Russian Federation (Part one) dated 30 November 1994, No. 51-FZ;
- Tax Code of the Russian Federation (Part one) dated 31 July 1998, No. 146-FZ (articles 11 and 45);
- Tax Code of the Russian Federation (Part two) dated 05 August 2000, No. 117-FZ (articles 207, 208, 215, 224, 284, 310 and 312);
- Federal Law on Joint-Stock Companies dated 25 December 1995, No. 208-FZ (articles 42 and 43);
- Federal Law on the Securities Market dated 22 April 1996, No. 39-FZ;
- Federal Law on Protection of the Rights and Legitimate Interests of Investors on the Securities Market dated 05 March 1999, No. 46-FZ;
- Federal Law on the Legal Status of Foreign Nationals in the Russian Federation dated 25 July 2002, No. 115-FZ;
- Federal Law on Insolvency (Bankruptcy) dated 26 October 2002, No. 127-FZ;

- Federal Law on Currency Regulation and Currency Control dated 10 December 2003, No. 173-FZ;
- Federal Law on Combating Legalisation (Laundering) of the Proceeds from Crime and the Financing of Terrorism dated 07 August 2007;
- Resolution of the Federal Securities Market Commission of Russia dated 02 October 1997, No. 27 on Approval of the Regulations on Maintenance of Registers of Holders of Registered Securities;
- Resolution of the Plenum of the Supreme Court of Arbitration of the Russian Federation dated 18 November 2003, No. 19 on Certain Aspects of Application of the Federal Law on Joint-Stock Companies (clause 15).
- Intergovernmental treaties on avoidance of double taxation (in relation to income and property taxes, as well as preventing tax evasion in relation to income and property taxes).

8.8. Description of the procedure for taxation of income on outstanding and placed equity securities of the Issuer

In setting out information on this matter, the Issuer is governed by the effective tax legislation. Corporate income tax on outstanding and placed securities in the form of dividends:

Name of income on securities: dividends.

1.2. Name of tax on securities income: profit tax.

1.3. Tax rate: legal entities resident for tax purposes in the Russian Federation – 9%;

Foreign legal entities (non-residents) receiving income from sources on the territory of the Russian Federation – 15%.

1.4. Tax payment procedure and timeline:

Taxes on income in the form of dividends are levied at source and remitted to the budget authorities by the tax agent making the income payment within 10 days of doing so.

1.5. Specifics of the taxation procedure for this category of securities holders:

For legal entities resident for tax purposes in the Russian Federation, the total tax amount is determined as the product of the tax rate (9%) and the difference between dividends due for distribution among the shareholders (participants) during the current tax period, reduced by the sum of the dividends due for payment by the tax agent to a foreign organisation and (or) an individual not resident in the Russian Federation, during the current tax period, and the sum of dividends received by the tax agent itself during the current reporting (tax) period and the previous reporting (tax) period, if these sums of dividends were not involved previously in calculation of the taxable income in the form of dividends. In the event that the sum obtained is negative, there is no obligation to pay tax and no reimbursement from the budget takes place.

If the dividends are paid to a foreign organisation that has a permanent establishment in the Russian Federation and is a resident of a state with which the Russian Federation has concluded a Treaty on avoidance of double taxation containing provisions on non-discrimination against residents of the relevant foreign state with respect to residents of the Russian Federation applicable to income in the form of dividends, the tax rate applied is that established in subclause 1, clause 3, article 284 of the Tax Code of the Russian Federation for Russian organisations receiving dividends – 9 %. At the same time, the foreign recipient of dividends should confirm its permanent residence in the state with which the Russian Federation has concluded the relevant treaty on avoidance of double taxation.

If the source of the taxpayer's income is a foreign organisation, it itself determines the amount of the tax on the dividends received, proceeding from the sum of dividends received and the rate envisaged by subclause 2, clause 3, article 284 of the Tax Code of the Russian Federation – 15%.

1.6. Legal and regulatory acts governing the procedure for taxation of these types of income:

Chapter 25 "Corporate Profit Tax" of the Tax Code of the Russian Federation. Personal income tax on outstanding and placed securities in the form of dividends.

2.1. Name of income on securities: dividends.

2.2. Name of tax on securities income: personal income tax.

2.3. Tax rate: individual residents of the Russian Federation – 9%;

Individuals receiving income from sources located in the Russian Federation and not resident for tax purposes in the Russian Federation – 30%.

2.4. Tax payment procedure and timeline:

The responsibility for withholding the tax from the taxpayer's income and remitting it to the relevant budget authorities is borne by the Russian organisation (tax agent) constituting the source of the taxpayer's income in the form of dividends. The accrued tax is withheld directly from the taxpayer's income at the time of payment. Tax agents are required to remit the calculated and withheld tax no later than the day on which the cash is received in the bank for payment of the income, as well as the day on which the income is debited from the tax agents' accounts to the accounts of the taxpayer or, on its instructions, to the accounts of third parties in banks.

2.5. Specifics of the taxation procedure for this category of securities holders:

Individuals receiving income from sources in the Russian Federation and not resident for tax purposes in the Russian Federation:

Elimination of double taxation.

For tax exemption, deductions, receipt of tax benefits or other tax privileges, the taxpayer must provide the bodies of the Ministry for Taxes and Levies of the Russian Federation with official confirmation that it is a resident of a state with which the Russian Federation has concluded a treaty (agreement) on avoidance of double taxation that is in effect during the relevant tax period (or part thereof), as well as a document on the income received and tax paid outside the Russian Federation, certified by the tax authorities of the relevant foreign state. The confirmation may be presented both before payment of tax or advance tax payment, or during one year following the end of the tax period for which the taxpayer is claiming exemption from payment of taxes, deductions, tax benefits or privileges.

2.6. Legal and regulatory acts governing the procedure for taxation of this type of income:

Chapter 23 "Personal Income Tax" of the Tax Code of the Russian Federation.

Taxation of the incomes of legal entities from sale of outstanding and placed securities.

3.1. Name of securities income:

Legal entities resident in the Russian Federation:

Income from operations involving sale of securities;

Foreign legal entities (non-residents) receiving income from sources located on the territory of the Russian Federation:

Income from the sale of shares in Russian organisations with assets consisting over 50% of real estate located on the territory of the Russian Federation.

3.2. Name of tax on securities: profit tax.

3.3. Tax rate: legal entities resident in the Russian Federation – 20%;

Foreign legal entities (non-residents) receiving income from sources located on the territory of the Russian Federation – 20%.

3.4. Tax payment procedure and timeline: legal entities resident in the Russian Federation:

Tax due for payment at the end of the tax period shall be paid no later than 28 March of the year following the elapsed tax period. Advance payments based on the results of the reporting period are payable no later than 28 days from the end of the reporting period.

Monthly advance payments due for payment during the reporting period are payable no later than the 28th day of each month of this reporting period. Taxpayers making monthly advance payments based on profits actually received shall make these payments no later than the 28th day of the month following that on which the tax is based. On the basis of the results of the reporting (tax) period, amounts of monthly advance payments made during the reporting (tax) period are taken into account on payment of advance payments based on the results of the reporting period. Advance payments based on the results of the reporting period are set off against payment of taxes based on the results of the tax period.

Foreign legal entities (non-residents) receiving income from sources located on the territory of the Russian Federation:

The tax withheld from the income of foreign organisations is remitted by the tax agent to the federal budget when the income is paid, either in the currency in which payment is made or in the currency of the Russian Federation at the official exchange rate of the Central Bank of the Russian Federation on the date the tax is remitted.

3.5. Specifics of the tax procedure for foreign legal entities (non-residents) receiving income from sources located on the territory of the Russian Federation:

When provisions of international treaties of the Russian Federation are applied, the foreign organisation is required to furnish the tax agent paying the income with confirmation that this foreign organisation is permanently resident in the state with which the Russian Federation has concluded the relevant international treaty (agreement) regulating taxation matters. This confirmation shall be certified by a competent authority of the foreign state. In the event that this confirmation is drawn up in a foreign language, the tax agent is also provided with its translation into Russian.

If the foreign organisation entitled to receive the income provides the tax agent paying the income with the above-mentioned confirmation before the payment date of the income for which the international treaty of the Russian Federation envisages preferential tax treatment in the Russian Federation, such income shall be exempt from withholding of tax at source or reduced rates of withholding tax at source shall be applied.

3.6. Legal and regulatory acts governing the procedure for taxation of this type of income:

Chapter 25 "Corporate Profit Tax" of the Tax Code of the Russian Federation.

Taxation of income of individuals from sale of outstanding and placed securities.

4.1. Name of income on outstanding securities:

Incomes (losses) from the sale of securities, determined as the difference between the sums received from sale of the securities and the costs of acquiring, selling and safe-keeping the securities actually incurred by the taxpayer and documented.

4.2. Name of tax on securities income:

Personal income tax.

4.3. Tax rate: individuals resident in the Russian Federation – 13%;

Individuals receiving income from sources located in the Russian Federation and not resident for tax purposes in the Russian Federation – 30%.

4.4. Tax payment procedure and timeline:

The tax agent calculates and pays the tax at the end of the tax period (calendar year) or on payment of the taxpayer's monetary funds before the end of the regular tax period. When the monetary funds are paid before the end of the regular tax period, the tax is paid from the part of the income corresponding to the actual amount of monetary funds paid.

4.5. Specifics of the taxation procedure for this category of securities holders:

Individuals resident in the Russian Federation:

In the absence of documentary confirmation of costs, the individual is entitled to apply a property-related tax deduction in the amount of the receipts from sale of securities, to a maximum of 125 000 roubles.

Individuals receiving income from sources in the Russian Federation and not resident for tax purposes in the Russian Federation:

Elimination of double taxation.

For tax exemption, deductions, receipt of tax benefits or other tax privileges, the taxpayer must provide the bodies of the Ministry for Taxes and Levies of the Russian Federation with official confirmation that it is a resident of a state with which the Russian Federation has concluded a treaty (agreement) on avoidance of double taxation that is in effect during the relevant tax period (or part thereof), as well as a document on the income received and tax paid outside the Russian Federation, certified by the tax authorities of the relevant foreign state. The confirmation may be presented both before payment of tax or advance tax payment, or during one year following the end of the tax period for which the taxpayer is claiming exemption from payment of taxes, deductions, tax benefits or privileges

4.6. Legal and regulatory acts governing the procedure for taxation of this type of income: Chapter 23 "Personal Income Tax" of the Tax Code of the Russian Federation.

8.9. Information about declared (accrued) and paid dividends on the Issuer's shares, as well as about income on the Issuer's bonds

	2005
Share category	ordinary
Size of declared (accrued) dividends on the Issuer's shares of each category (type) per share	0.000268289 roubles
Size of declared (accrued) dividends on the Issuer's shares of each category (type) in aggregate for all shares of a single category (type)	27 889 000 roubles
Name of the Issuer's management body that decided on (declared) payment of dividends on the Issuer's shares	General Meeting of Shareholders of the Issuer (the Board of Directors of JSC RAO UES of Russia)
Date of the meeting of the Issuer's management body that decided on (declared) payment of dividends; date and number of the Minutes of the meeting of the Issuer's management body that decided on (declared) payment of dividends	14 December 2005; Minutes dated 14 December 2005, No. 210
Period allotted for payment of the declared dividends on the Issuer's shares	Within a period of 60 days from adoption of the resolution on payment of dividends
Form and other conditions of payment of dividends on the Issuer's shares	Cash
Reporting period (year, quarter) for which the dividends on the Issuer's shares are (were) paid out	9 months of 2005
Total amount of dividends paid on all the Issuer's shares of a single category (type) for each reporting period for which payment (declaration) of dividends is decided	27 889 000 roubles
If the declared dividends on the Issuer's shares are not paid or were paid out in part by the Issuer – the reasons for non-payment of the declared dividends	The declared dividends have been paid out in full by the Issuer
Other information about declared and/or paid out dividends on the Issuer's shares provided at the Issuer's discretion	n/a

	2006
Share category	ordinary
Size of declared (accrued) dividends on the Issuer's shares of each category (type) per share	0.005441922 roubles
Size of declared (accrued) dividends on the Issuer's shares of each category (type) in aggregate for all shares of a single category (type)	565 695 000 roubles

Name of the Issuer's management body that decided on (declared) payment of dividends on the Issuer's shares	General Meeting of Shareholders of the Issuer (the Board of Directors of JSC RAO UES of Russia)
Date of the meeting of the Issuer's management body that decided on (declared) payment of dividends; date and number of the Minutes of the meeting of the Issuer's management body that decided on (declared) payment of dividends	23 June 2006; Minutes dated 23 June 2006, No. 224
Period allotted for payment of the declared dividends on the Issuer's shares	Within a period of 60 days from adoption of the resolution on payment of dividends
Form and other conditions of payment of dividends on the Issuer's shares	Cash
Reporting period (year, quarter) for which the dividends on the Issuer's shares are (were) paid out	2005
Total amount of dividends paid on all the Issuer's shares of a single category (type) for each reporting period for which payment (declaration) of dividends is decided	565 695 000 roubles
If the declared dividends on the Issuer's shares are not paid or were paid out in part by the Issuer – the reasons for non-payment of the declared dividends	The declared dividends have been paid out in full by the Issuer
Other information about declared and/or paid out dividends on the Issuer's shares provided at the Issuer's discretion	n/a
	2006
Share category	ordinary
Size of declared (accrued) dividends on the Issuer's shares of each category (type) per share	0.002151 roubles
Size of declared (accrued) dividends on the Issuer's shares of each category (type) in aggregate for all shares of a single category (type)	223 599 000 roubles
Name of the Issuer's management body that decided on (declared) payment of dividends on the Issuer's shares	General Meeting of Shareholders of the Issuer (the Board of Directors of JSC RAO UES of Russia)
Date of the meeting of the Issuer's management body that decided on (declared) payment of dividends; date and number of the Minutes of the meeting of the Issuer's management body that decided on (declared) payment of dividends	23 June 2006; Minutes dated 23 June 2006, No. 224
Period allotted for payment of the declared dividends on the Issuer's shares	Within a period of 60 days from adoption of the resolution on payment of dividends
Form and other conditions of payment of dividends on the Issuer's shares	Cash
Reporting period (year, quarter) for which the dividends on the Issuer's shares are paid out	1st quarter of 2006

Total amount of dividends paid on all the Issuer's shares of a single category (type) for each reporting period for which payment (declaration) of dividends is decided	223 599 000 roubles
If the declared dividends on the Issuer's shares are not paid or were paid out in part by the Issuer – the reasons for non-payment of the declared dividends	The declared dividends have been paid out in full by the Issuer
Other information about declared and/or paid out dividends on the Issuer's shares provided at the Issuer's discretion	n/a

	2006
Share category	ordinary
Size of declared (accrued) dividends on the Issuer's shares of each category (type) per share	0.00106384 roubles
Size of declared (accrued) dividends on the Issuer's shares of each category (type) in aggregate for all shares of a single category (type)	113 904 000 roubles
Name of the Issuer's management body that decided on (declared) payment of dividends on the Issuer's shares	General Meeting of Shareholders of the Issuer (the Board of Directors of JSC RAO UES of Russia)
Date of the meeting of the Issuer's management body that decided on (declared) payment of dividends; date and number of the Minutes of the meeting of the Issuer's management body that decided on (declared) payment of dividends	19 September 2006; Minutes dated 19 September 2006, No. 228
Period allotted for payment of the declared dividends on the Issuer's shares	Within a period of 60 days from adoption of the resolution on payment of dividends
Form and other conditions of payment of dividends on the Issuer's shares	Cash
Reporting period (year, quarter) for which the dividends on the Issuer's shares are paid out	First six months of 2006
Total amount of dividends paid on all the Issuer's shares of a single category (type) for each reporting period for which payment (declaration) of dividends is decided	113 904 000 roubles
If the declared dividends on the Issuer's shares are not paid or were paid out in part by the Issuer – the reasons for non-payment of the declared dividends	The declared dividends have been paid out in full by the Issuer
Other information about declared and/or paid out dividends on the Issuer's shares provided at the Issuer's discretion	n/a

	2006
Share category	ordinary
Size of declared (accrued) dividends on the	0.005739431 roubles

Issuer's shares of each category (type) per share	
Size of declared (accrued) dividends on the Issuer's shares of each category (type) in aggregate for all shares of a single category (type)	809 000 000 roubles
Name of the Issuer's management body that decided on (declared) payment of dividends on the Issuer's shares	General Meeting of Shareholders of the Issuer (the Board of Directors of JSC RAO UES of Russia)
Date of the meeting of the Issuer's management body that decided on (declared) payment of dividends; date and number of the Minutes of the meeting of the Issuer's management body that decided on (declared) payment of dividends	12 December 2006; Minutes dated 12 December 2006, No. 238
Period allotted for payment of the declared dividends on the Issuer's shares	Within a period of 60 days from adoption of the resolution on payment of dividends
Form and other conditions of payment of dividends on the Issuer's shares	Cash
Reporting period (year, quarter) for which the dividends on the Issuer's shares are paid out	9 months of 2006
Total amount of dividends paid on all the Issuer's shares of a single category (type) for each reporting period for which payment (declaration) of dividends is decided	809 000 000 roubles
If the declared dividends on the Issuer's shares are not paid or were paid out in part by the Issuer – the reasons for non-payment of the declared dividends	The declared dividends have been paid out in full by the Issuer
Other information about declared and/or paid out dividends on the Issuer's shares provided at the Issuer's discretion	n/a

The Annual General Meeting of Shareholders of the Issuer (the Board of Directors of JSC RAO UES of Russia, Minutes dated 22 June 2007, No. 254) resolved as follows:

In consideration of payment of dividends on ordinary shares in the Company on the basis of the results of the 1st quarter, six months and nine months of 2006 in the amount of 1 146 503,600 roubles, dividends on ordinary shares in the Company for the results of 2006 shall not be paid.

	2007
Share category	ordinary
Size of declared (accrued) dividends on the Issuer's shares of each category (type) per share	0.00793872 roubles
Size of declared (accrued) dividends on the Issuer's shares of each category (type) in aggregate for all shares of a single category (type)	1 119 000 000 roubles
Name of the Issuer's management body that decided on (declared) payment of dividends on the Issuer's shares	General Meeting of Shareholders of the Issuer (the Board of Directors of JSC RAO UES of Russia)

Date of the meeting of the Issuer's management body that decided on (declared) payment of dividends; date and number of the Minutes of the meeting of the Issuer's management body that decided on (declared) payment of dividends	22 June 2007; Minutes dated 22 June 2007, No. 254
Period allotted for payment of the declared dividends on the Issuer's shares	Within a period of 60 days from adoption of the resolution on payment of dividends
Form and other conditions of payment of dividends on the Issuer's shares	Cash
Reporting period (year, quarter) for which the dividends on the Issuer's shares are paid out	1st quarter of 2007
Total amount of dividends paid on all the Issuer's shares of a single category (type) for each reporting period for which payment (declaration) of dividends is decided	1 119 000 000 roubles
If the declared dividends on the Issuer's shares are not paid or were paid out in part by the Issuer – the reasons for non-payment of the declared dividends	The declared dividends have been paid out in full by the Issuer
Other information about declared and/or paid out dividends on the Issuer's shares provided at the Issuer's discretion	n/a

The Issuer has not issued any bonds, so it has not paid out any income on bonds since its inception.

8.10. Other information

Not available.

Appendix I. Combined and consolidated financial statements prepared with international financial reporting standards (IFRS) as at end for three years ended 31 december 2008, 2007 and 2006.

**RUSHYDRO GROUP
COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
AS AT AND FOR THE THREE YEARS ENDED
31 DECEMBER 2008, 2007 AND 2006**

INDEPENDENT AUDITOR'S REPORT

**To the shareholders and the Board of Directors of Open Joint Stock Company "RusHydro"
(OJSC "RusHydro"):**

We have audited the accompanying combined and consolidated balance sheets of **OJSC "RusHydro"** and its subsidiaries (the "Group") as of 31 December 2008, 2007 and 2006 and the related combined and consolidated income statements, combined and consolidated statements of changes in equity and combined and consolidated cash flow statements for the years then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined and consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying combined and consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2008, 2007 and 2006, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

ZAO PricewaterhouseCoopers Audit

15 May 2009
Moscow, Russian Federation

RusHydro Group
Combined and Consolidated Balance Sheet as at 31 December 2008, 2007 and 2006
(in thousands of Russian Rubles)


	Note	31 December 2008	31 December 2007	31 December 2006
ASSETS				
Non-current assets				
Property, plant and equipment	7	337,117,452	271,578,940	142,869,195
Investments in associates and jointly controlled entities	8	15,799,183	6,105,985	-
Available-for-sale financial assets	9	2,011,215	102,504	20,499
Other non-current assets	10	14,990,718	2,488,141	1,968,660
Total non-current assets		369,918,568	280,275,570	144,858,354
Current assets				
Cash and cash equivalents	11	24,837,862	8,266,748	6,604,333
Accounts receivable and prepayments	12	25,685,109	20,785,306	16,063,708
Inventories	13	1,035,211	1,020,329	993,217
Other current assets	14	4,894,349	3,198,408	486,676
Total current assets		56,452,531	33,270,791	24,147,934
TOTAL ASSETS		426,371,099	313,546,361	169,006,288
EQUITY AND LIABILITIES				
Equity				
Share capital	15	245,014,059	156,864,374	140,954,760
Treasury shares	15	(8,172,275)	(5,427,507)	-
Share premium	15	12,005,099	12,005,099	391,080
Merger reserve	15	(77,449,212)	(40,249,247)	(39,473,786)
Retained earnings and other reserves		171,238,173	85,858,152	3,061,546
Equity attributable to shareholders of OJSC RusHydro		342,635,844	209,050,871	104,933,600
Minority interest		976,352	29,129,055	21,208,867
TOTAL EQUITY		343,612,196	238,179,926	126,142,467
Non-current liabilities				
Deferred income tax liabilities	16	34,819,008	32,561,956	6,408,017
Non-current debt	18	20,015,485	20,839,133	16,396,769
Other non-current liabilities	19	2,735,694	2,112,696	2,142,475
Total non-current liabilities		57,570,187	55,513,785	24,947,261
Current liabilities				
Current debt and current portion of non-current debt	18	3,376,901	3,178,035	5,186,176
Accounts payable and accruals	20	16,239,906	15,188,505	11,279,237
Current income tax liabilities		362,165	106,391	69,323
Other taxes payable	21	5,209,744	1,379,719	1,381,824
Total current liabilities		25,188,716	19,852,650	17,916,560
TOTAL LIABILITIES		82,758,903	75,366,435	42,863,821
TOTAL EQUITY AND LIABILITIES		426,371,099	313,546,361	169,006,288

Member of Management Board



S.A. Yushin

Chief Accountant



O.V. Otto

15 May 2009

The accompanying notes are an integral part of these combined and consolidated financial statements

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RusHydro Group
Combined and Consolidated Income Statement for the three years ended 31 December 2008, 2007 and 2006
(in thousands of Russian Rubles)

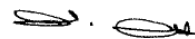
	Note	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Revenue	22	107,669,781	80,756,471	53,436,335
Operating expenses	23	(84,658,214)	(70,391,958)	(53,318,240)
Impairment (charge) / reversal related to property, plant and equipment	7	(32,552,821)	-	14,971,413
Operating (loss)/profit		(9,541,254)	10,364,513	15,089,508
Finance costs, net	24	(1,494,816)	(1,824,819)	(816,209)
Impairment of available-for-sale financial assets	9	(6,464,323)	-	-
Share of loss of associates and jointly controlled entities	8	(1,531,348)	(119,309)	-
(Loss) / Profit before income tax		(19,031,741)	8,420,385	14,273,299
Total income tax charge	16	(448,557)	(2,949,364)	(6,649,609)
(Loss) / Profit for the period		(19,480,298)	5,471,021	7,623,690
Attributable to:				
Shareholders of OJSC RusHydro		(19,955,433)	5,663,018	6,034,402
Minority interest		475,135	(191,997)	1,589,288
Earnings per ordinary share for (loss)/ profit attributable to the shareholders of OJSC RusHydro – basic and diluted (in Russian Rubles per share)	25	(0.0925)	0.0381	0.0487
Weighted average number of shares outstanding – basic and diluted	25	215,648,425	148,502,176	124,027,549

Member of Management Board



S.A. Yushin

Chief Accountant



O.V. Otto

15 May 2009

RusHydro Group
Combined and Consolidated Cash Flow Statement for the three years ended 31 December 2008, 2007
and 2006
(in thousands of Russian Rubles)

	Note	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
CASH FLOWS FROM OPERATING ACTIVITIES:				
(Loss)/Profit before income tax		(19,031,741)	8,420,385	14,273,299
Depreciation of property, plant and equipment	7, 23	9,332,702	8,457,485	4,292,271
Loss on disposal of property, plant and equipment	23	303,336	164,417	2,587,178
Interest expense, net		1,494,816	1,824,819	816,209
Gain on disposal of subsidiary to a jointly-controlled entity	2	-	(270,565)	-
Write-off and charge of impairment of accounts receivable		1,087,764	505,311	521,462
Impairment charge / (reversal) related to property, plant and equipment	7	32,552,821	-	(14,971,413)
Impairment of available-for-sale financial assets	9	6,464,323	-	-
Share of loss of associates and jointly controlled entities		1,531,348	119,309	-
Effect of share option plan	6	749,994	268,405	-
Pension expenses		478,481	194,803	736,128
Other		389,630	(452,705)	(403,587)
Operating cash flows before working capital changes and income tax paid		35,353,474	19,231,664	7,851,547
Working capital changes:				
Increase in accounts receivable and prepayments		(9,294,172)	(4,752,848)	(8,522,746)
Decrease / (increase) in other current assets		2,715,784	(516,768)	755,340
Decrease / (increase) in inventories		77,625	(189,620)	(3,951)
Decrease / (increase) in other non-current assets		96,337	(181,963)	631,884
Increase / (decrease) in accounts payable and accruals		3,167,501	8,965,768	(4,182,077)
Increase / (decrease) in other taxes payable		5,760,178	(205,739)	(268,325)
Increase / (decrease) in other non-current liabilities		1,176,309	(1,032,929)	(178,447)
Income tax paid		(11,422,296)	(4,283,309)	(2,298,578)
Net cash generated by (used in) operating activities		27,620,740	17,034,256	(6,215,353)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of property, plant and equipment		34,494	229,230	25,528
Purchase of property, plant and equipment		(25,354,163)	(32,308,097)	(20,834,630)
Purchase of promissory notes and other short-term investments		(7,549,261)	(4,120,047)	(430,190)
Purchase of entities under common control		(1,820,784)	-	-
Purchase of subsidiaries from third parties, net of cash acquired		(1,297,241)	-	-
Loans issued		-	(311,680)	(140,000)
Proceeds from sale of investments		980,274	1,503	-
Proceeds from loan redemption		60,000	174,923	-
Interest received		1,924,069	451,169	-
Net cash used in investing activities		(33,022,612)	(35,882,999)	(21,379,292)

The accompanying notes are an integral part of these combined and consolidated financial statements

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RusHydro Group
Combined and Consolidated Cash Flow Statement for the three years ended 31 December 2008, 2007
and 2006
(in thousands of Russian Rubles)

	Note	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
CASH FLOWS FROM FINANCING				
ACTIVITIES:				
Proceeds from short-term debt		24,671,748	16,285,320	5,407,567
Proceeds from long-term debt		150,000	1,500,000	14,300,000
Repayment of debt		(4,596,127)	(9,899,514)	(7,268,965)
Interest paid		(1,544,163)	(1,660,803)	(902,731)
Dividends paid by the Group to RAO UES of Russia shareholders		-	(2,049,054)	(1,004,402)
Dividends paid by the Group to minority interest shareholders		(7,758)	(609,442)	(312,748)
Proceeds from share issuance		6,013,971	26,637,507	20,990,000
Purchase of treasury shares		-	(5,427,507)	-
Purchase of the Group's subsidiaries additional share issuance by RAO UES of Russia		-	-	892,427
Advances received from RAO UES of Russia under Investment agreements		-	4,344	1,291,358
Repayment of advances to RAO UES of Russia under Investment agreements		(625,866)	(3,760,442)	(834,520)
Finance lease payments		(2,088,819)	(509,251)	(343,693)
Net cash generated by financing activities		21,972,986	20,511,158	32,214,293
Increase in cash and cash equivalents		16,571,114	1,662,415	4,619,648
Cash and cash equivalents at the beginning of the period		8,266,748	6,604,333	1,984,685
Cash and cash equivalents at the end of the period		24,837,862	8,266,748	6,604,333

Member of Management Board



S.A. Yushin

Chief Accountant



O.V. Otto

15 May 2009

RusHydro Group
Combined and Consolidated Statement of Changes in Equity for the three years ended 31 December 2008, 2007 and 2006
(In thousands of Russian Rubles)

	Ordinary share capital	Treasury shares	Share premium	Merger reserve	Revaluation reserve	Retained earnings	Equity attributable to shareholders of		Minority interest	Total equity
							RusHydro	OJSC		
As at 1 January 2006	103,951,323	-	-	(21,944,450)	-	(1,111,657)	80,895,216	18,522,241	1,589,288	99,417,457
Profit for the period	-	-	-	-	-	6,034,402	6,034,402	1,589,288	-	7,623,690
Total recognised income for 2006	-	-	-	-	-	6,034,402	6,034,402	1,589,288	-	7,623,690
Share issuance (Note 15)	37,003,437	-	391,080	(17,149,516)	-	-	20,245,001	-	-	20,245,001
Effect of changes in minority interest (Note 15)	-	-	-	-	-	(82,733)	(82,733)	1,526,549	-	1,443,816
Acquisition of subsidiary (Note 15)	-	-	-	(206,593)	-	-	(206,593)	-	-	(206,593)
Effect of carve-out accounting (Note 15)	-	-	-	(173,227)	-	-	(173,227)	-	-	(173,227)
Dividends (Note 15)	-	-	-	-	-	(1,778,466)	(1,778,466)	(429,211)	-	(2,207,677)
As at 31 December 2006	140,954,760	-	391,080	(39,473,786)	-	3,061,546	104,933,600	21,208,867	-	126,142,467
As at 1 January 2007	140,954,760	-	391,080	(39,473,786)	-	3,061,546	104,933,600	21,208,867	-	126,142,467
Revaluation of property, plant and equipment, net of deferred taxes (Note 7)	-	-	-	-	74,190,300	-	74,190,300	13,978,481	-	88,168,781
Net income recognised directly in equity	-	-	-	-	74,190,300	-	74,190,300	13,978,481	-	88,168,781
Profit for the period	-	-	-	-	5,663,018	5,663,018	5,663,018	(191,997)	-	5,471,021
Total recognised income for 2007	-	-	-	-	74,190,300	5,663,018	79,853,318	13,786,484	-	93,639,802
Share issuance (Note 15)	15,909,614	-	11,614,019	(750,260)	-	-	26,773,373	-	-	26,773,373
Effect of share option plan (Note 6)	-	-	-	-	-	268,405	268,405	-	-	268,405
Purchase of treasury shares (Note 15)	-	(5,427,507)	-	-	-	-	(5,427,507)	-	-	(5,427,507)
Disposal of subsidiary to jointly controlled entity (Note 2, Note 15)	-	-	-	-	(218,395)	2,598,803	2,380,408	(2,380,408)	-	-
Effect of changes in minority interest (Note 15)	-	-	-	(25,201)	-	1,534,528	1,509,327	(3,104,344)	-	(1,595,017)
Dividends (Note 15)	-	-	-	-	-	(1,240,053)	(1,240,053)	(381,544)	-	(1,621,597)
As at 31 December 2007	156,864,374	(5,427,507)	12,005,099	(40,249,247)	73,971,905	11,886,247	209,050,871	29,129,055	-	238,179,926

The accompanying notes are an integral part of these combined and consolidated financial statements

Rushydro Group
Combined and Consolidated Statement of Changes in Equity for the three years ended 31 December 2008, 2007 and 2006
(in thousands of Russian Rubles)

	Ordinary share capital	Treasury shares	Share premium	Merger reserve	Revaluation reserve	Retained earnings	Equity attributable to shareholders of OJSC Rushydro	Minority interest	Total equity
As at 1 January 2008	156,864,374	(5,427,507)	12,005,099	(40,249,247)	73,971,905	11,886,247	209,050,871	29,129,055	238,179,926
Change in tax rate (Note 7)	-	-	-	-	4,622,059	-	4,622,059	-	4,622,059
Revaluation of property, plant and equipment, net of deferred taxes (Note 7)	-	-	-	-	58,846,669	-	58,846,669	265,986	59,112,655
Change in associate's net assets (Note 8)	-	-	-	-	-	237,109	237,109	-	237,109
Net income recognised directly in equity	-	-	-	-	63,468,728	237,109	63,705,837	265,986	63,971,823
Loss for the period	-	-	-	-	-	(19,955,433)	(19,955,433)	475,135	(19,480,298)
Total recognised income for 2008	-	-	-	-	63,468,728	(19,718,324)	43,750,404	741,121	44,491,525
Share issuance (Note 15)	88,149,685	(2,744,768)	-	(33,789,018)	13,857,936	26,075,863	91,549,698	(28,581,425)	62,968,273
Effect of share option plan (Note 6)	-	-	-	-	-	749,994	749,994	-	749,994
Effect of changes in minority interest (Note 15)	-	-	-	-	-	1,150,248	1,150,248	(318,548)	831,700
Purchase of subsidiaries (Note 15)	-	-	-	(3,410,947)	-	(204,424)	(3,615,371)	6,949	(3,608,422)
Dividends (Note 15)	-	-	-	-	-	-	-	(800)	(800)
As at 31 December 2008	245,014,059	(8,172,275)	12,005,099	(77,449,212)	151,298,569	19,939,604	342,635,844	976,352	343,612,196

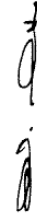
Member of Management Board

S.A. Yushin



Chief Accountant

O.V. Otto



15 May 2009

The accompanying notes are an integral part of these combined and consolidated financial statements

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Note 1. The Group and its operations

Open Joint Stock Company RusHydro (OJSC RusHydro - hereinafter referred to as "the Company") was founded by the sole founder party - the Russian Open Joint Stock Company for Energy and Electrification Unified Energy System of Russia (hereinafter referred to as "RAO UES of Russia") on 26 December 2004 based on the Decision of the Board of Directors of RAO UES dated 24 December 2004 in accordance with the Resolution of the Russian Government No 526 dated 11 July 2001 "On reforming the Russian Federation electric utilities industry" and Resolutions of the Russian Government No1254-r dated 1 September 2003 and No 1367-r dated 25 October 2004.

RusHydro Group (hereinafter referred to as "the Group") was formed for the purpose of implementation of the Russian Federation government policy in the hydropower industry, creating the conditions for effective functioning of wholesale electricity generation market, implementation of a strategy toward attracting of funds and capital raising for the purpose of development of the hydropower industry, development and realisation of scientific and technological policy and implementation of new progressive types of equipment and technology, including exploration of renewable sources of electric energy.

The Group's primary activity is generation and sale of electricity (capacity), transportation of electricity, exploitation of electricity equipment in accordance with the effective legal requirements, performing an on-time and high-quality repair of the equipment, technical re-equipment and reconstruction, carrying out investment activities.

The Company's registered office is located at 51, Respubliki Street, Krasnoyarsk, Krasnoyarsk region, the Russian Federation.

The Group consists of the Company, which has 20 branches across the Russian Federation, its subsidiaries, associates and jointly controlled entities. The Group's principal subsidiaries are presented in Note 2. The Group's associates and jointly controlled entities are presented in Note 8.

The ordinary shares of the Company are traded on the Moscow Interbank Currency Exchange and the Russian Commodities and Raw Materials Exchange.

Operating environment of the Group. The Russian Federation displays certain characteristics of an emerging market, including relatively high inflation. Despite strong economic growth in recent years, the financial situation in the Russian market significantly deteriorated during 2008, particularly in the fourth quarter. As a result of global volatility in financial and commodity markets, among other factors, there has been a significant decline in the Russian stock market since mid-2008. Since September 2008, there has been increased volatility in currency markets and the Russian Rouble (RR) has depreciated significantly against some major currencies. The official US Dollar (USD) exchange rate of the Central Bank of the Russian Federation ("CBRF") increased from RR 25.37 at 1 October 2008 to RR 29.38 at 31 December 2008.

The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations, and frequent changes. The future economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory, and political developments.

Management is unable to predict all developments in the economic environment which could have an impact on the Group's operations and consequently what effect, if any, they could have on the financial position of the Group.

Relations with the State and current regulation. As at 31 December 2008 the Russian Federation owned 61.32 percent (*) of the voting ordinary shares of the Company (as at 31 December 2007, RAO UES of Russia (itself controlled by the Russian Federation) owned 96.16 percent and the Russian Federation directly owned 1.84 percent, as at 31 December 2006 – 100 percent belonged to RAO UES of Russia). The Group's customer base includes a number of entities controlled by the State (Note 5).

(*) The percentage has been calculated including an additional share emission in favour of the Government of the Russian Federation in the amount of 6,000,000,000 which increased the Government's share in the Company's share capital by 0.95 percent. The shares were paid in December 2008 and subsequently registered in March 2009 (Note 31).

The Government affects the Group's operations through:

- participation of its representatives in the Board of Directors of the Company;
- its tariff regulation within wholesale electricity markets;
- its control over and approval of the Company's investment program; and
- its antimonopoly regulation.

The Federal Service on Tariffs (hereinafter referred to as "FST") regulates electricity tariff by setting maximum electricity tariff levels for final consumers and on the wholesale market, and the Regional services on tariffs (hereinafter referred to as "RSTs") set tariffs for electricity for final consumers and tariffs for electricity distribution through the low voltage grids on regional retail markets. Although there is now some free trading of limited volumes of electricity, currently for the great majority of sales the tariffs which the Group may charge for sales of electricity are governed both by regulations specific to the electricity industry and by regulations applicable to natural monopolies.

The Group's investment programme is subject to agreement with state regulators: the Russian Ministry of Energy (former Russian Ministry of Industry and Energy), the Russian Ministry of Economic Development and FST.

The Company's investment programme is determined in accordance with the General scheme of location of electricity sites for the period through 2020 which was established by the Russian Government as the basis for investment in the sector as at 19 January 2007 (approved by the resolution of the Russian Government No. 215-r dated 22 February 2008).

In accordance with the resolution of the Russian Government (minutes of the Russian Government's meeting No. 27 dated 3 August 2006), construction of the most significant hydropower projects in 2007 through 2008 is financed by including special-purpose investment funds into the revenue from electricity and capacity sales in the wholesale market.

As described above, the Russian Government's economic, social and other policies could have material effects on the Group's operations.

Sector restructuring. The Russian electric utilities industry is presently undergoing a restructuring process designed to introduce competition into the electricity and capacity sector and to create an environment in which electric utility sector companies can raise the capital required to maintain and expand current capacity. On 28 June 2008 the changes to the Wholesale Electric Power (capacity) Market Rules of the Transition Period (NOREM) were approved by the Resolution of the Government of the Russian Federation No. 476, which provide that starting from 1 July 2008 capacity exceeding the regulated contracts, as well as that of new input generating capacities, is traded at non-regulated prices on a wholesale market. According to the Resolution of the Government of the Russian Federation, capacity can be traded in several ways, including by means of bilateral contracts for the sale of electricity and capacity between the wholesale market participants.

Thus, from 1 July 2008 up to 25 percent of electricity could be sold at market prices, and the schedule of the capacity market liberalisation coincides with that of the electricity power market liberalisation approved by Resolution of the Russian Government No. 643. By 1 January 2011 the schedule envisages that 100 percent of wholesale electricity and capacity will be sold at unregulated market prices. Currently the schedule of the market liberalisation can be revisited.

Establishment and reorganisation of the Group. RAO UES of Russia made the following contributions to the share capital of the Company when the Company was established (Note 15):

- shares of subsidiaries: OJSC Volzhskaya HPP, OJSC Zhigulevskaya HPP, OJSC Votkinskaya HPP, OJSC SShHPP named after P.S. Neporozhny, OJSC Bureiskaya HPP, OJSC Zeiskaya HPP, OJSC Boguchanskaya HPP, OJSC Zaramagskie HPPs, OJSC Zelenchukskie HPPs, OJSC Kabbalk HPP, OJSC Sulakenergo, OJSC Nizhegorodskaya HPP, OJSC Saratovskaya HPP, OJSC Kamskaya HPP, OJSC Kaskad VV HPPs, OJSC HydroWGC Management Company;
- cash funds.

On 30 September 2005 the decision of the Board of Directors of RAO UES of Russia approved the target model of the Company's operation. When the model was finalized the Company became a unified operating company that manages its branches - hydroelectric power plants (hereinafter referred to as "HPP" or "HPPs") and subsidiaries created for the purposes of new activities and implementation of investment projects. The ownership share of the Russian Federation in the share capital of the Company should be not less than 50 percent + 1 share.

RusHydro Group

Notes to the Combined and Consolidated Financial Statements for the three years ended 31 December 2008, 2007 and 2006

(in thousands of Russian Rubles)

In August 2006, in the course of further sector reorganisation, RAO UES of Russia made the following contributions to the Company in exchange for an additional share issue (Note 15):

- shares of subsidiaries: OJSC Cheboksarskaya HPP, OJSC Dagestanskaya Regional Hydrogenerating Company, OJSC Zagorskaya HAEPP, OJSC Stavropolskaya Electric Hydrogenerating Company, OJSC VNIIG named after B. E. Vedeneev, OJSC NIIES, OJSC Zaramagskie HPPs and OJSC Zelenchukskie HPPs;
- the assets of Novosibirskaya HPP;
- cash funds;
- other assets.

On 27 April 2007 the Board of Directors of RAO UES of Russia approved the scheme of the accelerated consolidation of the Company into a unified operating company which provided for the following stages:

Stage 1. Additional issue of the Company's shares in 2007:

The decision about the increase in the charter capital was made by the Board of Directors of RAO UES of Russia on 25 May 2007.

The Report on the results of the additional issue was registered by the Federal Service on Financial Markets of Russia on 1 November 2007. As a result an additional 15,909,613,920 shares were placed (Note 15).

In October 2007 RAO UES of Russia and the Russian Federation made contributions to the Group in exchange for the additional shares issued.

RAO UES of Russia's contribution was made by:

- shares of subsidiaries: OJSC Verhne-Mutnovskaya GeoES, OJSC Zelenchukskie HPPs, OJSC Zaramagskie HPPs, OJSC Sulakenergo, OJSC ESKO UES, OJSC Severo-Osetinskaya HGC (HGC -Hydrogenerating Company), OJSC Geoterm (Note 15);
- shares of other companies: OJSC Vilyuiskaya HPP-3, OJSC Krasnoyarskaya HPP (Note 9);
- cash funds.

The Russian Federation represented by the Federal agency of federal property management made contribution by cash.

Stage 2. The Company's reorganisation in 2008:

On 9 January 2008 the following entities were merged into the Company:

OJSC Volzhskaya HPP, OJSC Zhigulevskaya HPP, OJSC Votkinskaya HPP, OJSC SShHPP named after P.S. Naporozhny, OJSC Zeiskaya HPP, OJSC Sulakenergo, OJSC Zelenchukskie HPPs, OJSC Kabbalk HPP, OJSC Dagestanskaya Regional Hydrogenerating Company, OJSC Stavropolskaya Electric Hydrogenerating Company, OJSC Zagorskaya HAEPP, OJSC Bureiskaya HPP, OJSC Severo-Osetinskaya HGC, OJSC Cheboksarskaya HPP, OJSC Nizhegorodskaya HPP, OJSC Saratovskaya HPP, OJSC Kamskaya HPP, OJSC Kaskad VV HPPs, CSJC EOZ, OJSC Kabbalk Hydrogenerating Company (Note 2).

On 1 July 2008 as a result of RAO UES of Russia's reorganisation the shares of the Company owned by RAO UES of Russia were split between OJSC State Holding HydroWGC and OJSC Minority Holding HydroWGC in proportion to the State and the minorities' stakes in RAO UES of Russia.

On 1 July 2008 OJSC State Holding HydroWGC, OJSC Minority Holding HydroWGC, OJSC Irganayskaya HPP and OJSC Kaskad NChHPP were merged into the Company. The merger was performed by conversion of additionally issued shares of the Company into shares of OJSC State Holding HydroWGC, OJSC Minority Holding HydroWGC, OJSC Irganayskaya HPP and OJSC Kaskad NChHPP. According to the merger agreement the Company's shares received from the merged entities and not used in the conversion of shares of the merged entities were cancelled during 2008.

The Company received the following investments as a result of the reorganisation:

- shares of subsidiaries LLC Index Energetiki - HydroWGC, OJSC Kolymaenergo, OJSC Ust'-Srednekanskaya HPP, OJSC Ust'-Srednekangesstroy, OJSC Chirkeygesstroy, OJSC Krasnoyarskenergosbyt, OJSC Lengidproekt;

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- shares of associates OJSC WGC-1, OJSC GVC Energetiki, OJSC UEMC;
- other investments.

Seasonality of business. The Group's own electricity (capacity) generation depends on the water levels of rivers and weather conditions. In spring and in summer (flood period) electricity production is significantly higher than in autumn and in winter. Demand for electricity (capacity) varies with seasons and weather conditions. The seasonal nature of electricity generation has a significant influence on the volume of energy generated and purchased by the Group.

Recent volatility in global financial markets. The ongoing global financial and economic crisis that emerged out of the severe reduction in global liquidity which commenced in the middle of 2007 (often referred to as the "Credit Crunch") has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector and wider economy, and, at times, higher interbank lending rates and very high volatility in stock and currency markets. The uncertainties in the global financial markets have also led to failures of banks and other corporates, and to bank rescues in the United States of America, Western Europe, Russia and elsewhere. The full extent of the impact of the ongoing global financial and economic crisis is proving to be difficult to anticipate or completely guard against.

The volume of wholesale financing has significantly reduced since August 2007. Such circumstances may affect the ability of the Group to obtain new borrowings and re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions.

The uncertainty in the global markets combined with other local factors has during 2008 led to very high volatility in the Russian Stock Markets and at times much higher than normal interbank lending rates.

The existing economic situation of the world and Russian economies and a forecast decrease of GDP may affect electricity consumption. Accordingly, the Government of the Russian Federation could revise its forecast of social-economic development during 2009-2012, and that could result in changes to the terms of the liberalisation of wholesale market and plans of electricity tariff indexation.

Any change of terms of the wholesale market liberalisation and plans of electricity tariff indexation may influence the Group's revenues. Debtors of the Group may be adversely affected by the financial and economic environment which could in turn impact their ability to repay the amounts owed. Deteriorating economic conditions for customers may also have an impact on management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. To the extent that information is available, management has properly reflected revised estimates of expected future cash flows in its impairment assessments of accounts receivables (Note 12), property, plant and equipment (Note 7), available-for-sale financial assets (Note 9), investments in associates and jointly controlled entities (Note 8).

Current economic environment may result in the adjustment of the investment programs of utility sector entities that were defined by the general scheme of the utility objects allocation (approved in 2007). The scheme was devised on basis of electricity consumption growth rate that is not achievable under current circumstances.

In conditions of cut-back in financing, in developing an amended investment programme the Company's management made an assessment of the possible change in demand for electricity after electricity stations are put in operation, the feasibility of investors meeting their obligations.

As a result of the amendment of the Company's investment programme, including decrease of state financing amounts through the Company's additional issue of stock the following was amended: expenses to construct new electricity stations were cut back, in some projects terms of putting into operation were postponed, except for investment projects which have a high priority. High priority projects are those which are at a final stage and to be put into operation in the near future.

Therefore, the Company's investment programme is adjusted to the actual economic environment.

The fair values of property, plant and equipment (except for construction in progress, office buildings and land) measured using the revaluation model in accordance with IAS 16 are updated with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. If there is no market-based evidence of fair value, fair value is estimated using a depreciated replacement cost approach. Management has updated the carrying value of property, plant and equipment (except for construction in progress, office buildings and land) measured in accordance with the revaluation model as at the reporting date using a depreciated replacement cost approach (Notes 4, 7).

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Management is unable to reliably determine the effects on the Group's future financial position of any further deterioration in the Group's operating environment as a result of the ongoing crisis. Management believes it is taking all the necessary measures to support the sustainability and development of the Group's business in the current circumstances.

Note 2. Principal subsidiaries

The following are the principal subsidiaries which have been consolidated into these combined and consolidated financial statements (hereinafter referred to as the "Financial Statements"). All subsidiaries are incorporated and operate in the Russian Federation except for HydroOGK Power Company Ltd and HydroOGK Aluminium Company Ltd which were incorporated in the Republic of Cyprus.

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	31 December 2006		31 December 2007		31 December 2008	
	% of ownership	% of voting	% of ownership	% of voting	% of ownership	% of voting
1 OJSC Bureiskaya HPP**	94.71%	94.71%	94.71%	94.71%	-	-
2 OJSC Cheboksarskaya HPP*	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	-	-
3 OJSC Dagestanskaya Regional Hydrogenerating Company*	51.00%	51.00%	51.00%	51.00%	-	-
4 CJSC EOZ*	-	-	99.98%	99.98%	-	-
5 OJSC Kabbalk HPP*	81.42%	81.42%	83.37%	83.37%	-	-
6 OJSC Kabardino-Balkarskaya Hydrogenerating Company**	65.27%	65.27%	69.36%	69.36%	-	-
7 OJSC Kamskaya HPP*	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	-	-
8 OJSC Kaskad VV HPPs*	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	-	-
9 OJSC Nizhegorodskaya HPP*	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	-	-
10 OJSC Saratovskaya HPP*	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	-	-
11 OJSC Severo-Osetinskaya HGC*	50.33%	50.33%	97.43%	97.43%	-	-
12 OJSC SSh HPP named after P.S. Neporozhny*	78.90%	82.78%	78.90%	82.78%	-	-
13 OJSC Stavropolskaya Electric Hydrogenerating Company*	55.12%	71.93%	55.12%	71.93%	-	-
14 OJSC Sulakenergo*	78.53%	78.53%	99.35%	99.35%	-	-
15 OJSC Voizhskaya HPP*	83.31%	86.39%	83.31%	86.39%	-	-
16 OJSC Volkinskaya HPP*	59.84%	74.20%	59.84%	74.20%	-	-
17 OJSC Zagorskaya HAEPP*	50.90%	50.90%	50.90%	50.90%	-	-
18 OJSC Zeiskaya HPP*	56.39%	72.20%	56.39%	72.20%	-	-
19 OJSC Zelenchukskie HPPs*	53.49%	53.49%	99.97%	99.97%	-	-
20 OJSC Zhigulevskaya HPP*	84.11%	86.86%	84.11%	86.86%	-	-
21 OJSC Kaskad NChHPP**	65.27%	65.27%	69.36%	69.36%	-	-
22 OJSC Irganayskaya HPP**	-	-	100.00%	100.00%	-	-
23 OJSC VNIIG named after B.E. Vedeneev	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	100.00%	100.00%
24 CJSC Boguchanskaya HPP	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25 CJSC Boguchanskaya HPP Construction Organizer	-	-	51.00%	51.00%	51.00%	51.00%
26 CJSC Boguchanskyy Aluminium Plant Construction Customer	-	-	51.00%	51.00%	51.00%	51.00%
27 OJSC Chuvashskaya energy retail company**	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
28 OJSC Electromont VKK	84.11%	86.86%	84.11%	86.86%	100.00%	100.00%
29 OJSC ESKO UES	51.00%	51.00%	100.00%	100.00%	100.00%	100.00%
30 OJSC Geoterm**	71.61%	71.61%	71.61%	71.61%	71.61%	71.61%
31 OJSC Gidroinvest (former OJSC Lengidproekt)	-	-	100% - 1 share	100% - 1 share	100.00%	100.00%

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	31 December 2006		31 December 2007		31 December 2008	
	% of ownership	% of voting	% of ownership	% of voting	% of ownership	% of voting
32 OJSC Gidrotremont VKK	84.11%	86.86%	84.11%	86.86%	100.00%	100.00%
33 HydroOGK Power Company Ltd	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
34 HydroOGK Aluminium Company Ltd	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
35 OJSC Karachaevo-Cherkesskaya Hydrogenerating Company	53.49%	53.12%	99.97%	99.97%	100.00%	100.00%
36 OJSC Malaya Mezenskaya TidalPP	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
37 OJSC MosobiGidroproekt	-	-	-	-	62.54%	62.54%
38 OJSC Nizhne-Bureiskaya HPP	99.99%	99.99%	99.99%	99.99%	100.00%	100.00%
39 OJSC Nizhne-Zeiskaya HPP	99.99%	99.99%	99.99%	99.99%	100.00%	100.00%
40 OJSC Novy binarny energoblok	-	-	100% - 1 share	100% - 1 share	100.00%	100.00%
41 OJSC Prometey	51.00%	51.00%	51.00%	51.00%	100.00%	100.00%
42 OJSC REMIK	56.39%	72.20%	56.39%	72.20%	100.00%	100.00%
43 OJSC HydroWGC Management Company	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	100.00%	100.00%
44 OJSC Ryazanskaya energy retail company**	49.00%	49.00%	49.00%	49.00%	90.52%	90.52%
45 OJSC SShATC	78.90%	82.78%	78.90%	82.78%	100.00%	100.00%
46 OJSC SShGER	78.90%	82.78%	78.90%	82.78%	100.00%	100.00%
47 OJSC NIIES	100% - 1 share	100% - 1 share	100% - 1 share	100% - 1 share	100.00%	100.00%
48 LLC SpetsEnergoService	-	-	-	-	not applicable	not applicable
49 OJSC Sulaksky Gidrokaskad	-	-	71.74%	71.74%	100.00%	100.00%
50 OJSC Technopark Rumyanisevo***	-	-	-	-	100.00%	100.00%
51 OJSC Turboremont VKK	83.31%	86.39%	83.31%	86.39%	100.00%	100.00%
52 OJSC Verhne-Mulnovskaya GeoES **	56.03%	56.03%	56.03%	56.03%	56.03%	56.03%
53 OJSC Zagorskaya HAEP-2	99.99%	99.99%	99.99%	99.99%	100.00%	100.00%
54 OJSC Zaramagskie HPPs	89.87%	89.87%	95.45%	95.45%	95.45%	95.45%
55 OJSC Yuzhno-Yakutsky GEK	99.99%	99.99%	99.99%	99.99%	100.00%	100.00%
56 OJSC Kolmaenergo**	78.63%	78.63%	70.32%	70.32%	64.27%	64.27%
57 OJSC Ust'-Srednekanskaya HPP**	-	-	70.32%	70.32%	51.86%	51.86%
58 OJSC Ust'-Srednekansstroy**	-	-	70.32%	70.32%	64.27%	64.27%
59 OJSC Krasnovarskenergosbvt**	51.75%	66.47%	51.75%	66.47%	66.47%	66.47%
60 OJSC ESK RusHydro	-	-	-	-	100.00%	100.00%
61 OJSC Boguchanskaya HPP	64.22%	64.22%	-	-	-	-
62 LLC Index Energetiki - HydroWGC	-	-	-	-	100.00%	not applicable
63 OJSC Chirkevrstroy**	75.00%-1 share	75.00%-1 share	75.00%-1 share	75.00%-1 share	75.00%-1 share	75.00%-1 share
64 OJSC Lengidroproekt**	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Differences between the ownership interest and voting interest held in subsidiaries normally represent the effect of preference shares.

Changes in Group structure

2006

In August 2006, in the course of sector restructuring, RAO UES of Russia made contributions to the Company in exchange for additional shares issued (Notes 1, 15).

In September 2006 the Group established the wholly-owned subsidiaries: HydroOGK Power Company Ltd and HydroOGK Aluminium Company Ltd registered in the Republic of Cyprus within the Boguchansk Energy-Metallurgical Association (hereinafter referred to as "BEMA") framework agreement.

In 2006 the Group acquired 56.0 percent of the share capital of OJSC Severo-Osetinskaya HGC from OJSC Sevkavkazenergo, a fellow subsidiary of RAO UES of Russia.

2007

In October 2007, in the course of further sector restructuring, RAO UES of Russia made further contributions to the Group in exchange for additional shares issued (Notes 1, 15).

The increase of ownership percent in OJSC Sulakenergo and OJSC Zaramagskie HPPs was principally explained by additional shares issues acquired by the Group for cash (Note 15).

In May 2007 the Group acquired a 99.98 percent interest in CJSC EOZ from a third party (Note 15).

The change in ownership in other subsidiaries was due to the establishment of these new entities in the reporting period ended 31 December 2007.

2008

On 9 January 2008 the 18 subsidiaries marked with * above, OJSC Bureiskaya HPP and OJSC Kabardino-Balkarskaya Hydrogenerating Company ceased to exist as separate legal entities and were merged into the Company forming a single legal entity. That reorganisation was accounted for prospectively. The Group acquired control over OJCS Bureiskaya HPP and OJSC Kabardino-Balkarskaya Hydrogenerating Company simultaneously with the legal merger; immediately before the merger both companies were controlled by RAO UES of Russia. The acquisition of OJCS Bureiskaya HPP and OJSC Kabardino-Balkarskaya Hydrogenerating Company has been accounted for as a business combination under common control using the predecessor value method (Note 3).

In March 2008 at an open auction the Group acquired a 100 percent interest in OJSC Chuvashskaya energy retail company and a controlling interest of 49 percent in OJSC Ryazanskaya energy retail company for cash considerations of RR 650,000 thousand and RR 630,000 thousand respectively. Subsequently, in the second half of 2008, an additional 41.52 percent interest in OJSC Ryazanskaya energy retail company was acquired by the Group from minority shareholders for cash consideration of RR 540,784 thousand resulting in the increase of the Group's ownership share in OJSC Ryazanskaya energy retail company to 90.52 percent as at 31 December 2008.

Immediately before the acquisition of those two companies by the Group both companies were controlled by RAO UES of Russia and the acquisition was accounted for as a business combination under common control using the predecessor value method (Note 3). The Group controls OJSC Ryazanskaya energy retail company through the ability to appoint the majority of the members of the Board of Directors of OJSC Ryazanskaya energy retail company, including the chairman of the Board of Directors and the ability to cast an additional vote, if necessary.

In June 2008 the Group acquired an additional interest resulting in a controlling interest in OJSC Kaskad NChHPP from OJSC KabbalkEnergo in exchange for setting-off KabbalkEnergo liabilities to the Company in the amount of RR 2,130,947 thousand. Before and after the acquisition OJSC KabbalkEnergo and the Group were controlled by RAO UES of Russia and therefore the Group accounted for this acquisition as a business combination under common control using the predecessor value method (Note 3).

On 1 July 2008 OJSC Irganayskaya HPP and OJSC Kaskad NChHPP were merged into the Company.

On 1 July 2008 during the reorganisation of RAO UES of Russia the Company received control over former subsidiaries of RAO UES of Russia: OJSC Kolymaenergo, OJSC Ust'-Srednekanskaya HPP, OJSC Ust'-Srednekangesstroy, OJSC Irganayskaya HPP, LLC Index Energetiki - HydroWGC, OJSC Krasnoyarskenergosbyt, OJSC Chirkeygesstroy, OJSC Lengidroproekt. The acquisition of these

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companies has been accounted for as a business combination under common control using the predecessor value method (Note 3).

In the first half of 2008 the Group purchased a 99.90 percent interest in LLC SpetsEnergService, which has 62.60 percent of the shares of OJSC MosoblGidroproekt (Note 15), from an unrelated party.

In December 2008 the Group formed the holding company OJSC ESK RusHydro for the purpose of developing the Group retailing segment in accordance with the Group's strategy. The shares of OJSC Krasnoyarskenergosbyt, OJSC Chuvashskaya energy retail company and OJSC Ryazanskaya energy retail company were contributed to this holding by the Group.

The companies marked with ** are accounted for under the predecessor value method and the ownership and percent of voting as at 31 December 2007 and 31 December 2006 reflect the percent of the predecessor as at this date.

The purchase of the subsidiary marked with *** above is in substance an acquisition of land and is accounted for as an asset acquisition (Note 15).

Disposal to jointly controlled Groups

In May 2006 the Company, RAO UES of Russia and RUSAL signed an agreement on mutual financing, construction and exploitation of Boguchanskaya HPP and Boguchansky Aluminium Plant.

The BEMA project includes the completion of construction of Boguchanskaya HPP with installed capacity of 3,000 MWT on the Angara River and construction of Boguchansky Aluminium Plant with a capacity in the order of 600,000 tons a year, which will become one of the major consumers of the electricity generated by HPP.

Pursuant to the terms of the agreement and for financing and controlling of construction and exploitation of Boguchanskaya power plant and Boguchansky Aluminium Plant, the Company and RUSAL have established two limited liability companies in Cyprus with an authorized share capital of ten thousand Cyprus Pounds each, which are jointly controlled by the Company and RUSAL, namely BoGES Ltd and BALP Ltd.

In June 2007 the Company transferred its 64.22 percent interest in OJSC Boguchanskaya HPP, which currently undertakes construction of the Boguchanskaya power plant, and RUSAL transferred its 29.47 percent interest in OJSC Boguchanskaya HPP, USD 80 million of cash and a RUSAL BoAZ Ltd promissory note with a nominal value of USD 30 million to BoGES Ltd. According to the Subscription agreement in respect of BoGES Ltd, the Company's and RUSAL's contributions shall be equal to USD 203.88 million each.

In June 2007 the Company transferred its 50 percent interest in CJSC Boguchansky Aluminium Plant and a RUSAL BoAZ Ltd promissory note with a nominal value of USD 30 million and RUSAL transferred its 50 percent interest in CJSC Boguchansky Aluminium Plant and a RUSAL Energy Ltd promissory note with a nominal value of USD 30 million to BALP Ltd. According to the Subscription agreement in respect of BALP Ltd, the Company's and RUSAL's contributions were to be equal to USD 30 million each.

In December 2007 the promissory notes received by BALP Ltd for the total amount of USD 60 million were exchanged for a license for aluminium production technology, which in turn will be transferred to CJSC Boguchansky Aluminium Plant.

As a result of the above transactions the Company and RUSAL have created: BoGES Group, consisting of BoGES Ltd and OJSC Boguchanskaya HPP, and BALP Group, consisting of BALP Ltd and CJSC Boguchansky Aluminium Plant.

Management assessed the level of control that the Group has over the BoGES Group and the BALP Group and determined that BoGES Group and the BALP Group are jointly controlled and the Group applies the equity accounting method to recognise these investments.

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The carrying value of assets and liabilities de-recognised as a result of the formation of the jointly controlled Groups was as follows:

	Carrying value
Property, plant and equipment	16,945,703
Investments in jointly controlled entity	8,169
Other non-current assets	1,084,690
Accounts receivable and prepayments	983,435
Cash and cash equivalents	945,555
Deferred income tax assets	6,032
Non-current and current debt	(12,919,128)
Accounts payable and accrued charges	(435,395)
Carrying value of net assets	6,619,061

A gain of RR 270,565 thousand was recognised in 2007 on the transfer of the Company's interest in OJSC Boguchanskaya HPP from a subsidiary to the jointly controlled BoGES Group.

Note 3. Basis of preparation

Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS") and related interpretations adopted by the International Accounting Standards Board (hereinafter referred to as "IASB").

Each company of the Group individually maintains its own books of accounts and prepares its statutory financial statements in accordance with the Regulations on Accounting and Reporting of the Russian Federation (hereinafter referred to as "RAR"). The accompanying financial statements are based on the statutory records and adjusted and reclassified for the purpose of fair presentation in accordance with IFRS.

Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble (hereinafter referred to as "RR"), which is the Group's functional currency and the currency in which these Financial Statements are presented. All financial information presented in RR has been rounded to the nearest thousand.

Accounting for the effects of hyperinflation

The Russian Federation has previously experienced relatively high levels of inflation and was considered to be hyperinflationary as defined by IAS 29 "Financial Reporting in Hyperinflationary Economies" (hereinafter referred to as "IAS 29"). IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. Hyperinflation in the Russian Federation ceased effective from 1 January 2003. Restatement procedures of IAS 29 are therefore only applied to assets acquired or revalued and liabilities incurred or assumed prior to that date. For these balances, the amounts expressed in the measuring unit current at 31 December 2002 are treated as the basis for the carrying amounts of these financial statements.

Predecessor accounting

In these combined and consolidated financial statements, the Group accounted for the acquisition of businesses under the control of RAO UES of Russia and its subsidiaries as business combinations amongst entities under common control under an accounting policy using the predecessor values method (Note 4).

Accordingly, assets and liabilities of the contributed entity were accounted for at the carrying value as determined by RAO UES of Russia in its IFRS consolidated financial statements. Information in respect of the comparative period and opening balances as at 1 January 2006 has been restated as if the business combination took place at the beginning of the earliest period presented.

The prior year income statement and balance sheet are not the same as those previously presented due to the transfer of businesses under common control during the current period that have been accounted for using the predecessor values method and retrospectively presented in all periods reported.

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All businesses acquired in 2006 and 2007 were accounted for using the predecessor values method.

In 2008 the following former subsidiaries of RAO UES of Russia were received by the Group during reorganisation: OJSC Bureiskaya HPP, OJSC Chuvashskaya energy retail company, OJSC Ryazanskaya energy retail company, OJSC Kabardino–Balkarskaya Hydrogenerating Company and OJSC Kaskad NChHPP, OJSC Kolymaenergo, OJSC Ust'-Srednekanskaya HPP, OJSC Ust'-Srednekangesstroy, OJSC Irganayskaya HPP, LLC Index Energetiki - HydroWGC, OJSC Krasnoyarskenergosbyt, OJSC Chirkeygesstroy, OJSC Lengidoproekt, which were accounted for using predecessor values.

Acquisitions of assets that are not business from entities under common control are not accounted for using the predecessor values method, but rather are accounted for under appropriate accounting standards.

The establishment of the Group is described in the Note 1.

New accounting developments

These combined and consolidated financial statements have been prepared by applying the accounting policies consistent with those of the annual financial statements for the year ended 31 December 2007, except for those policies which were changed to comply with the new or amended standards and interpretations that are in force for the year beginning on 1 January 2008.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted:

- IFRS 8, "Operating Segments" (effective for annual periods beginning on or after 1 January 2009). The Standard applies to entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a regulatory organisation for the purpose of issuing any class of instruments in a public market. IFRS 8 requires an entity to report financial and descriptive information about its operating segments and specifies how an entity should report such information. The Group will apply the new amendment from 1 January 2009 and is currently assessing what impact the new IFRS will have on its combined and consolidated financial statements;
- Amendment to IAS 23, "Borrowing Cost" (effective for borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009). The revised IAS 23 was issued in March 2008. The main change to IAS 23 is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalise such borrowing costs as part of the cost of the asset. The revised standard applies prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. The Group is currently assessing the impact of the amended standard on its combined and consolidated financial statements.
- Amendment to IAS 1, "Presentation of Financial Statements" (revised September 2007, effective for annual periods beginning on or after 1 January 2009). The main change in IAS 1 is the replacement of the income statement by a statement of comprehensive income which will also include all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. Alternatively, entities will be allowed to present two statements: a separate income statement and a statement of comprehensive income. The revised IAS 1 also introduces a requirement to present a statement of financial position (balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors. The Group expects the revised IAS 1 to affect the presentation of its combined and consolidated financial statements starting in 2009.
- Amendment to IAS 32 and IAS 1, "Puttable Financial Instruments and Obligations Arising on Liquidation" (effective for annual periods beginning on or after 1 January 2009). The amendment requires classification as equity of some financial instruments that meet the definition of a financial liability. The Group does not expect the amendment to affect its combined and consolidated financial statements.
- IAS 27, "Consolidated and Separate Financial Statements" (revised January 2008; effective for annual periods beginning on or after 1 July 2009). The revised IAS 27 will require an entity to attribute total comprehensive income to the owners of the parent and to the non-controlling interests (previously "minority interests") even if this results in the non-controlling interests having a deficit balance (the current standard requires the excess losses to be allocated to the owners of the parent in most cases). The revised standard specifies that changes in a parent's ownership interest in a subsidiary that do not

result in the loss of control must be accounted for as equity transactions. It also specifies how an entity should measure any gain or loss arising on the loss of control of a subsidiary. At the date when control is lost, any investment retained in the former subsidiary will have to be measured at its fair value. The Group is currently assessing the impact of the amended standard on its combined and consolidated financial statements.

- Amendments to IFRS 2, "Share-based Payment Vesting Conditions and Cancellations" (effective for annual periods beginning on or after 1 January 2009). The amendment deals with two matters: it clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group is currently assessing the impact of the amended standard on its combined and consolidated financial statements.
- IFRS 3, "Business Combinations" (revised January 2008; effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). The revised IFRS 3 will allow entities to choose to measure non-controlling interests using the existing IFRS 3 method (proportionate share of the acquiree's identifiable net assets) or at fair value. The revised IFRS 3 is more detailed in providing guidance on the application of the acquisition method to business combinations. The requirement to measure at fair value every asset and liability at each step in a step acquisition for the purposes of calculating a portion of goodwill has been removed. Instead, in a business combination achieved in stages, the acquirer will have to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss. Acquisition-related costs will be accounted for separately from the business combination and therefore recognised as expenses rather than included in goodwill. An acquirer will have to recognise at the acquisition date a liability for any contingent purchase consideration. Changes in the value of that liability after the acquisition date will be recognised in accordance with other applicable IFRSs, as appropriate, rather than by adjusting goodwill. The revised IFRS 3 brings into its scope business combinations involving only mutual entities and business combinations achieved by contract alone. The Group will apply the new standard to any business combination in 2010.
- Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate—IFRS 1 and IAS 27 Amendment (revised May 2008; effective for annual periods beginning on or after 1 January 2009). The amendment allows first-time adopters of IFRS to measure investments in subsidiaries, jointly controlled entities or associates at fair value or at previous GAAP carrying value as deemed cost in the separate financial statements. The amendment also requires distributions from pre-acquisition net assets of investees to be recognised in profit or loss rather than as a recovery of the investment. The amendments will not have an impact on the Group's combined and consolidated financial statements.
- Eligible Hedged Items—Amendment to IAS 39, "Financial Instruments: Recognition and Measurement" (effective with retrospective application for annual periods beginning on or after 1 July 2009, with earlier application permitted). The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The Group is currently assessing the impact of the amendment on its combined and consolidated financial statements.
- IFRIC 13, "Customer Loyalty Programmes", which is effective for annual periods beginning on or after 1 July 2008; IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. The Group does not operate any loyalty programmes.
- IFRIC 15, "Agreements for the Construction of Real Estate" (effective from 1 January 2009). The interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors, and provides guidance for determining whether agreements for the construction of real estate are within the scope of IAS 11 or IAS 18. It also provides criteria for determining when entities should recognise revenue on such transactions. IFRIC 15 is not currently relevant to the Group's operations because it does not have any agreements for the construction of real estate.
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 October 2008). The interpretation explains which currency risk exposures are eligible for hedge accounting and states that translation from the functional currency to the presentation currency

does not create an exposure to which hedge accounting could be applied. The IFRIC allows the hedging instrument to be held by any entity or entities within a group except the foreign operation that itself is being hedged. The interpretation also clarifies how the gain or loss recycled from the currency translation reserve to profit or loss is calculated on disposal of the hedged foreign operation. Reporting entities will apply IAS 39 to discontinue hedge accounting prospectively when their hedges do not meet the criteria for hedge accounting in IFRIC 16. The Group is currently assessing the impact of the amended standard on its combined and consolidated financial statements.

- IFRIC 17, "Distribution of Non-Cash Assets to Owners" (effective for annual periods beginning on or after 1 July 2009, with earlier application permitted). The amendment clarifies when and how distribution of non-cash assets as dividends to the owners should be recognised. An entity should measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. A gain or loss on disposal of the distributed non-cash assets will be recognised in profit or loss when the entity settles the dividend payable. The Group will apply IFRIC 17 if it distributes non-cash assets to owners in the future.
- IFRS 1, "First-time Adoption of International Financial Reporting Standards" (effective for the first IFRS financial statements for a period beginning on or after 1 July 2009). The revised IFRS 1 retains the substance of its previous version but within a changed structure in order to make it easier for the reader to understand and to better accommodate future changes. The Group concluded that the revised standard does not have any effect on its combined and consolidated financial statements.
- The amendments to the IFRSs which are the part of the IASB's annual improvements project published in May 2008 are effective from 1 January 2009. In 2007, the International Accounting Standards Board decided to initiate an annual improvements project as a method of making necessary, but non-urgent, amendments to IFRS. The amendments issued in May 2008 consist of a mixture of substantive changes, clarifications, and changes in terminology in various standards. The substantive changes relate to the following areas: classification as held for sale under IFRS 5 in case of a loss of control over a subsidiary; possibility of presentation of financial instruments held for trading as non-current under IAS 1; accounting for sale of IAS 16 assets which were previously held for rental and classification of the related cash flows under IAS 7 as cash flows from operating activities; clarification of definition of a curtailment under IAS 19; accounting for below market interest rate government loans in accordance with IAS 20; making the definition of borrowing costs in IAS 23 consistent with the effective interest method; clarification of accounting for subsidiaries held for sale under IAS 27 and IFRS 5; reduction in the disclosure requirements relating to associates and joint ventures under IAS 28 and IAS 31; enhancement of disclosures required by IAS 36; clarification of accounting for advertising costs under IAS 38; amending the definition of the fair value through profit or loss category to be consistent with hedge accounting under IAS 39; introduction of accounting for investment properties under construction in accordance with IAS 40; and reduction in restrictions over manner of determining fair value of biological assets under IAS 41. Further amendments made to IAS 8, 10, 18, 20, 29, 34, 40, 41 and to IFRS 7 represent terminology or editorial changes only, which the IASB believes have no or minimal effect on accounting. The Group does not expect the amendments to have any material effect on its combined and consolidated financial statements.
- On 16 April 2009 the IASB issued "Improvements to IFRSs", a collection of amendments to 12 standards as part of its program of annual improvements. The latest amendments were included in exposure drafts published in October 2007, August 2008 and January 2009. Most of the amendments are effective for annual periods beginning on or after 1 January 2010. The Group is assessing the impact of those pronouncements on its consolidated and combined financial statements.
- On 13 October 2008, the IASB issued amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures". The amendments allow entities the options (a) to reclassify a financial asset out of the held to trading category if, in rare circumstances, the asset is no longer held for the purpose of selling or repurchasing it in the near term; and (b) to reclassify an available-for-sale asset or an asset held for trading to the loans and receivables category, if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity (subject to the asset otherwise meeting the definition of loans and receivables). The amendments may be applied with retrospective effect from 1 July 2008 for any reclassifications made before 1 November 2008; the reclassifications allowed by the amendments may not be applied before 1 July 2008 and retrospective reclassifications are only allowed if made prior to 1 November 2008. Any reclassification of a financial asset made on or after 1 November 2008 takes effect only from the date when the

reclassification is made. The Group has not elected to make any of the optional reclassifications during the period.

- IFRIC 18, "Transfers of Assets from Customers" (effective for annual periods beginning on or after 1 July 2009). The interpretation clarifies the accounting for transfers of assets from customers, namely, the circumstances in which the definition of an asset is met; the recognition of the asset and the measurement of its cost on initial recognition; the identification of the separately identifiable services (one or more services in exchange for the transferred asset); the recognition of revenue, and the accounting for transfers of cash from customers. IFRIC 18 is not expected to have any impact on the Group's combined and consolidated financial statements.
- Improving Disclosures about Financial Instruments - Amendment to IFRS 7, "Financial Instruments: Disclosures" (issued in March 2009; effective for annual periods beginning on or after 1 January 2009). The amendment requires enhanced disclosures about fair value measurements and liquidity risk. The entity will be required to disclose an analysis of financial instruments using a three-level fair value measurement hierarchy. The amendment (a) clarifies that the maturity analysis of liabilities should include issued financial guarantee contracts at the maximum amount of the guarantee in the earliest period in which the guarantee could be called; and (b) requires disclosure of remaining contractual maturities of financial derivatives if the contractual maturities are essential for an understanding of the timing of the cash flows. An entity will further have to disclose a maturity analysis of financial assets it holds for managing liquidity risk, if that information is necessary to enable users of its financial statements to evaluate the nature and extent of liquidity risk. The Group is currently assessing the impact of the amendment on disclosures in its combined and consolidated financial statements.
- Embedded Derivatives - Amendments to IFRIC 9 and IAS 39 (effective for annual periods ending on or after 30 June 2009). The amendments clarify that on reclassification of a financial asset out of the 'at fair value through profit or loss' category, all embedded derivatives have to be assessed and, if necessary, separately accounted for. The Group is currently assessing the impact of the amendment on disclosures in its combined and consolidated financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but did not result in a significant impact for the Group:

- IFRIC 12, "Service Concession Agreements", effective for annual periods beginning on or after 1 January 2008;
- IFRIC 14, IAS 19, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", which is effective for annual periods beginning on or after 1 January 2008.

Unless otherwise described above, the analysis in respect of these new standards and interpretations has been carried out by the Group, and they are not expected to significantly affect the Group's combined and consolidated financial statements.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Revaluation of property, plant and equipment

As at 31 December 2008 the Company's management decided to carry out the revaluation of property, plant and equipment based on changes in economic conditions of business environment and an increase of the inflation rate. Fair value of property, plant and equipment and remaining useful lives as at 31 December 2008 were determined by an independent appraiser.

The carrying value and depreciation of property, plant and equipment are effected by the estimates of replacement cost, depreciated replacement cost and remaining useful life. Changes in these assumptions could have a material impact to the fair value of property, plant and equipment (Note 7).

Impairment provision of accounts receivable

Provision for impairment of accounts receivable is based on the Group's assessment of whether the collectibility of specific customer accounts deteriorated compared to prior estimates. If there is deterioration in a major customer's creditworthiness or actual defaults are higher than the estimates, the actual results could differ from these estimates (Note 12).

Impairment of other assets and accounting for provisions

At each balance sheet date the Group assesses whether there is any indication that the recoverable amount of the Group's assets has declined below the carrying value. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When such a decline is identified, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recorded in the period in which the reduction is identified. If conditions change and management determines that the assets' value has increased, the impairment provision will be fully or partially reversed.

Accounting for impairment includes provisions against property, plant and equipment, investments, other non-current assets and inventory obsolescence. The provisions for liabilities and charges primarily include provisions for legal proceedings. The Group records impairment or accrues these provisions when its assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered and an amount can be reasonably estimated. The Group's estimates for provisions for liabilities and charges are based on currently available facts and the Group's estimates of the ultimate outcome or resolution of the liability in the future.

Provisions for pension obligations are periodically adjusted based on updated actuarial assumptions (Note 17).

Actual results may differ from the estimates and the Group's estimates can be revised in the future, either negatively or positively, depending upon the outcome or expectations based on the facts surrounding each exposure.

Based on external sources of information about considerable changes in the economic situation in Russia as a result of the global financial crisis, it was decided to perform an impairment test for non-current assets.

Impairment of available-for-sale financial assets

In determination under IAS 39 whether an available-for-sale financial asset is impaired, the Group evaluates whether, among other factors, how long and to what extent the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The impairment decision is made on a case by case basis to determine whether a decline in fair value of an available-for-sale financial asset below its cost is significant or prolonged. Impairment charges are disclosed in Note 9.

Tax contingencies

Russian tax legislation is subject to varying interpretations and changes, which can occur frequently. Where the Group management believes it is probable that their interpretation of the relevant legislation and the Group's tax positions cannot be sustained, an appropriate amount is accrued for in the IFRS financial information (Note 30).

Useful life of property, plant and equipment

The estimation of the useful life of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets and other factors. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear, warranty terms as well as the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

Note 4. Summary of significant accounting policies

Principles of consolidation. The Financial Statements comprise the financial statements of the Company and the financial statements of those entities whose operations are controlled by the Company. Control is presumed to exist when the Company controls, directly or indirectly through subsidiaries, more than 50 percent of voting rights. Also subsidiary undertakings include entities in which the Group controls less

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than 50 percent of the voting share capital but where the Group controls the entity through other means. This may include a history of casting the majority of the votes at the meetings of the board of directors or equivalent governing body.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. The minority interest has been disclosed as part of equity.

Inter-company balances and transactions, and any unrealised gains arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Investments in associates and jointly controlled entities. Investments in associated enterprises and jointly controlled entities are accounted for using the equity method of accounting, based upon the percentage of ownership held by the Group. Associated enterprises are entities over which the Company exercises significant influence but which it does not control.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Jointly controlled entities are joint ventures that involve the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entities operate in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entities.

The Group discontinues the use of the equity method from the date on which it ceases to have joint control over, or have significant influence in, associates and jointly controlled entities.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity.

Investments. Investments intended to be held for an indefinite period of time are classified as available-for-sale. Available-for-sale investments are measured at fair value with gains and losses recorded directly in equity. Investments in equity securities that are not quoted on a stock exchange and where fair value cannot be estimated on a reasonable basis by other means are stated at cost less impairment losses. Impairment losses are recognised in profit or loss when incurred as a result of one or more events that occurred after the initial recognition of available-for-sale investments.

Derivative financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

The Group's policy is to measure these instruments at fair value, with resultant gains or losses being reported within the consolidated statement of income. Derivatives are not accounted for as hedges.

Transfers between parties under common control. Transfers of subsidiaries between parties under common control are accounted for using the predecessor values basis of accounting method. Under this method the financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented. The assets and liabilities of the subsidiary transferred under common control are recognised at the predecessor entity's IFRS carrying amounts. Any difference between the carrying amount of net assets and the nominal value of share capital issued is accounted for in these combined and consolidated financial statements as an adjustment to equity (a merger reserve).

Carve-out methodologies. These consolidated and combined financial statements include carved out financial statement data of Novosibirskaya HPP and Lengidroproekt for the period and from the predecessor legal entities as outlined in the table below.

Company	Predecessor legal entity	Period requiring carve-out accounting
Novosibirskaya HPP	RAO UES of Russia	from 1 January 2006 to 1 November 2006
Lengidroproekt	OJSC Inzhenernyi centre UES	from 1 January 2006 to 3 December 2007

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In carving out this financial statement data, the following determinations were made:

- sales were determined on an actual basis;
- operating expenses were determined on an actual basis;
- depreciation of property, plant and equipment was calculated on IFRS predecessor values;
- general and administrative overheads were not allocated but were determined on an actual basis;
- current income tax was determined using the effective income tax rate of the predecessor entities;
- deferred income tax was determined from movements in deferred tax assets/liabilities between 1 January 2006 and the date of set up of stand-alone legal entities;
- property, plant and equipment were based on IFRS predecessor values and rolled back to 1 January 2006 taking into account additions and disposals before their spin-off;
- accounts payable, taxes payable, accounts receivable, inventories were determined on an actual basis.

Foreign currency. Monetary assets and liabilities, which are held by the Group entities and denominated in foreign currencies at the balance sheet date, are translated into RR at the exchange rates prevailing at that date. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

As at 31 December 2008, the official rate of exchange, as determined by the Central Bank of the Russian Federation, between RR and US Dollar (hereinafter referred to as "USD") was RR 29.38: USD 1.00 (31 December 2007: RR 24.55: USD 1.00, 31 December 2006: RR 26.33: USD 1.00), between RR and EURO RR 41.44: EURO 1.00 (31 December 2007: RR 35.93: EURO 1.00, 31 December 2006: RR 34.70: EURO 1.00).

Property, plant and equipment. In years 2005 and 2006 property, plant and equipment were recognised at the carrying value determined in accordance with IFRS at the date of their transfer to the Group from the predecessor entities.

Starting from 1 January 2007 the Group changed its accounting policy for property, plant and equipment (except for construction in progress, office buildings and land) which are now stated at revalued cost. Management of the Group assumes that use of revaluation model of property, plant and equipment provides more relevant information. Prior to 1 January 2007 property, plant and equipment were stated at depreciated cost less impairment. Deemed cost for the purposes of presenting IFRS financial statements for the first time by the predecessor was initially determined by a third party valuation as at 31 December 1997 and restated for the impact of inflation until 31 December 2002. Adjustments are made for additions, disposals and depreciation charges. Property, plant and equipment of merged common control entities are included into the Group property, plant and equipment for the years 2008, 2007, 2006 based on predecessor accounting.

At each reporting date management assesses whether there is any indication of impairment of property, plant and equipment. If such indication exists, management estimates the recoverable amount which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the difference is recognised as an expense (impairment charge) in the income statement. An impairment charge recognised in prior years is reversed if there has been a change in the estimates used to determine an asset's recoverable amount.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to revaluation reserves in equity, unless there is a decrease of the reserve previously recognised in the statement of operations. Decreases that offset previous increases of the same asset are charged against revaluation reserves directly in equity, all other decreases are charged to the income statement as an impairment loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross amount of the asset, and the net amount is restated to the revalued amount of the asset.

The Group charges deferred tax liabilities directly to equity in respect of revaluation of property, plant and equipment that are recorded directly in equity.

Renewals and improvements are capitalised and the assets replaced are retired. The cost of repair and maintenance are expensed as incurred. Gains and losses arising from the retirement of property, plant and equipment are included in the income statement as incurred.

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The useful life of property, plant and equipment are subject to annual assessment by management and if expectations differ from previous estimates, the changes of useful life are accounted for as a change in an accounting estimate prospectively.

The revised useful lives, in years, of revalued assets by type of facility were as follows :

Type of facility	Revised starting from 1 January 2007	Revised starting from 1 January 2009
Production buildings	20-70	40-65
Hydrotechnical buildings	35-75	35-77
Substations' equipment	5-40	5-30
Electricity grids	6-30	3-30
Other	4-35	2-25

Other property, plant and equipment include motor vehicles, computer equipment, office fixtures and other equipment.

Up to 31 December 2008, borrowing costs incurred for the financing of construction of property, plant and equipment are expensed and not capitalised within the cost of property, plant and equipment.

Social assets are not capitalised as they are not expected to result in future economic benefits to the Group. Costs associated with fulfilling the Group's social responsibilities are expensed as incurred.

Depreciation is charged once an asset is available for service.

Impairment of property, plant and equipment. Impairments of property, plant and equipment are calculated as the difference between the carrying values of the net assets of cash-generating units, including where appropriate, investments, and their recoverable amounts. Recoverable amount is defined as the higher of fair value less cost to sell or estimated value in use at the date the impairment review is undertaken. Fair value less cost to sell represents the amount that can be generated through the sale of assets. Value in use represents the present value of expected future cash flows discounted on a pre-tax basis, using the estimated cost of capital of the cash-generating unit.

Impairment reviews for property, plant and equipment are carried out when there is an indication that impairment may have occurred, or where it is otherwise required to ensure that property, plant and equipment are not carried above their estimated recoverable amounts. Impairments are recognised in the profit and loss account, and, where material, are disclosed as exceptional. Impairment reversals are recognised when there is a change in the estimates that gave rise to impairment and when, in management's opinion, the reversal is permanent (Note 7).

Cash and cash equivalents. Cash comprises cash in hand, cash deposited on demand at banks and short-term bank promissory notes. Cash equivalents comprise short-term highly liquid investments that are readily convertible into cash and have a maturity of three months or less from the date of acquisition and are subject to insignificant changes in value.

Accounts receivable and prepayments. Accounts receivable are recorded inclusive of value added taxes. Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue, from 45 to 90 days overdue) are considered indicators that the trade receivable is impaired. Management assess the receivables using the above indicators, and make a decision about amount of impairment at the end of the reporting period. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers at the date of origination of receivables.

Inventories. Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Income tax. The income tax expense represents the sum of the tax currently payable and deferred income tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's

liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income taxes. Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the balance sheet date which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred tax movements are recorded in the income statement except when they are related to the items directly charged to the shareholders' equity. In this case deferred taxes are recorded as part of the shareholders' equity.

Deferred tax is not provided for the undistributed earnings of subsidiaries and jointly controlled entities, as it is probable that the temporary difference will not be reversed in the foreseeable future (Note 16).

Debt. Debt is recognised initially at its fair value. Fair value is determined using the prevailing market rate of interest for a similar instrument, if significantly different from the transaction price. In subsequent periods, debt is stated at amortised cost using the effective yield method; any difference between the fair value of the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement as an interest expense over the period of the debt obligation.

Borrowing costs. Prior to 1 January 2009, the Group recognised all borrowing costs as an expense in the period in which they are incurred.

Pension and post-employment benefits. In the normal course of business the Group contributes to the Russian Federation defined contribution state pension scheme on behalf of its employees. Mandatory contributions to the governmental pension scheme are expensed when incurred and included in employee benefit expenses and payroll taxes in the income statement.

The Group also operates a defined benefit plan that covers the majority of its employees. Defined benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans operated by the Group is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognised actuarial gains or losses. The defined benefit obligations are calculated using the projected unit credit method. The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid associated with the operation of the plans, and that have terms to maturity approximating the terms of the related pension liabilities.

The Group recognises past service cost as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the Group recognises past service cost immediately. Past service cost arises when the Group introduces a defined benefit plan or changes the benefits payable under an existing defined benefit plan. Such changes are in return for employee service over the period until the benefits concerned are vested. Therefore, past service cost is recognised over that period, regardless of the fact that the cost refers to employee service in previous periods. Past service cost is measured as the change in the liability resulting from the amendment.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10 percent of the value of plan assets or 10 percent of the defined benefit obligations are charged or credited to the income statement over the employees' expected average remaining working lives.

Value added tax on purchases and sales. Output VAT related to sales is payable to tax authorities on the earlier of (a) collection of the receivables from customers or (b) delivery of the goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice.

VAT related to sales and purchases is recognised in the balance sheet on a gross basis and disclosed separately as an asset and liability. Where provision has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT. The related deferred VAT liability is maintained until the debtor is written off for tax purposes.

Share-based payment transactions. The share option programme allows the Group employees to acquire shares of the Company. The fair value of the options is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured based on the Black-Scholes formula.

Finance lease liabilities. Where the Group is a lessee in a lease which transferred substantially all the risks and rewards incidental to ownership to the Group, the assets leased are capitalised in property, plant and equipment at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to the income statement over the lease period using the effective interest method. The assets acquired under finance leases are depreciated over their useful life or the shorter lease term if the Group is not reasonably certain that it will obtain ownership by the end of the lease term.

Operating leases. Where the Group is a lessee in a lease which does not transfer substantially all the risk and rewards incidental to ownership from the lessor to the Group, the total lease payments, including those on expected termination, are charged to profit or loss on a straight-line basis over the period of the lease.

When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term.

Environmental liabilities. Liabilities for environmental remediation are recorded where there is a present obligation, the payment is probable and reliable estimates exist.

Revenue recognition. Revenue is recognised on the delivery of electricity (capacity) and on the dispatch of goods and non-utility services during the period. Revenue from retailing operations is recognised on delivery of electricity to the customer. Revenue amounts are presented exclusive of value added tax.

Segment reporting. A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), which is subject to risks and rewards that are different from those of other segments. Segments with a majority of revenue earned from sales to external customers and whose revenue or result are ten percent or more of all the segments are reported separately. The Group operates substantially in one geographical segment – the Russian Federation.

Earnings per share. The earnings per share are determined by dividing the profit attributable to ordinary shareholders of the parent company of the Group by the weighted average number of ordinary shares outstanding during the reporting period, excluding the average number of treasury shares held by the Group.

Treasury shares. Treasury shares are stated at weighted average cost. Any gains or losses arising on the disposal of treasury shares are recorded directly in shareholders' equity.

Minority interest. Minority interest represents the minority shareholders' proportionate share of the equity and results of operations of the Group's subsidiaries. This has been calculated based upon the minority's ownership percentage of these subsidiaries.

Purchases and sales of minority interests. The Group applies economic entity model to account for transactions with minority shareholders. Any difference between the purchase consideration and the carrying amount of minority interest acquired is recorded as gain or loss directly in equity. The Group recognises the difference between sales consideration and carrying amount of minority interest sold as a gain or loss in the statement of changes in equity.

Dividends. Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared (approved by shareholders) before or on the balance sheet date. Dividends are disclosed when they are declared after the balance sheet date, but before the financial statements are authorized for issue.

Social expenditure. To the extent that the Group's contributions to social programmes benefit the community at large without creating constructive obligations to provide such benefits in the future and are not restricted to the Group's employees, they are recognised in the income statement as incurred.

Note 5. Segment information

The Group is organised into three main business segments:

“Generation segment” consists of companies responsible for electricity (capacity) generation, including hydrogenerating stations under construction. The great majority of electricity (capacity) is produced on hydroelectric power stations and sold through the Wholesale electricity market based on tariff set by FST.

“Retailing segment” was formed as a result of the acquisition of three electricity retailing companies (OJSC Chuvashskaya energy retail company, OJSC Ryazanskaya energy retail company, OJSC Krasnoyarskenergosbyt) during the year ended 31 December 2008 (Note 2). Those companies are responsible for sale of electricity to final customers based mainly on tariffs set by RSTs. The retailing segment operates independently of the generation segment. The cost of sales of the retailing segment includes power purchased from third party companies and only a small part of electricity (capacity) is purchased from the generation segment.

“Unallocated segment” consists of numerous insignificant segments including research and development, construction, repair, and others.

Transactions between the business segments are on normal commercial terms and conditions. Internal charges between segments have been reflected in the performance of each business segment.

Segment assets consist primarily of property, plant and equipment, inventories, receivables and operating cash, and mainly exclude investments and income tax balances. Segment liabilities comprise operating liabilities and exclude items such as taxation and corporate borrowings. Capital expenditure comprises additions to property, plant and equipment and intangible assets, including additions through business combinations. Impairment loss provisions relate only to those charges made against allocated assets.

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Segment information for the main reportable business segments of the Group for the years ended 31 December 2008, 2007 and 2006 is set out below:

Year ended 31 December 2008					
Operations	Generation	Retailing	Unallocated	Consolidation adjustment	Total
Revenue	63,676,480	40,016,630	3,976,671	-	107,669,781
Inter-segment revenue	584,307	-	1,386,738	(1,971,045)	-
Total Revenues	64,260,787	40,016,630	5,363,409	(1,971,045)	107,669,781
Segment result	21,684,133	1,617,796	(290,362)	-	23,011,567
Impairment release /charge of property, plant and equipment	(32,589,332)	-	36,511	-	(32,552,821)
Operating (loss) / profit	(10,905,199)	1,617,796	(253,851)	-	(9,541,254)
Finance income	-	-	-	-	1,911,063
Finance costs	-	-	-	-	(3,405,879)
Impairment of available-for-sale investments	-	-	-	-	(6,464,323)
Share of result of associates and jointly controlled entities	219,911	-	(1,751,259)	-	(1,531,348)
Loss before income tax	-	-	-	-	(19,031,741)
Income tax expense	-	-	-	-	(448,557)
Loss for the year	-	-	-	-	(19,480,298)
Segment assets	396,814,838	3,391,481	8,306,761	-	408,513,080
Inter-segment balances	18,669,979	-	5,672,338	(24,342,317)	-
Total segment assets	415,484,817	3,391,481	13,979,099	(24,342,317)	408,513,080
Investments in associates and jointly controlled entities	11,456,943	-	4,342,240	-	15,799,183
Current and deferred tax assets	-	-	-	-	2,058,836
Total assets	-	-	-	-	426,371,099
Segment liabilities	18,009,624	2,107,204	4,068,516	-	24,185,344
Inter-segment balances	5,672,338	-	18,669,979	(24,342,317)	-
Total segment liabilities	23,681,962	2,107,204	22,738,495	(24,342,317)	24,185,344
Current and deferred tax liability	-	-	-	-	35,181,173
Non-current and current debt	-	-	-	-	23,392,386
Total liabilities	-	-	-	-	82,758,903
Other segment items					
Capital expenditure	33,328,620	79,298	519,475	-	33,927,393
Depreciation and amortisation	(9,299,019)	(21,009)	(12,674)	-	(9,332,702)

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Year ended 31 December 2007					
Operations	Generation	Retailing	Unallocated	Consolidation adjustment	Total
Revenue	46,450,454	30,838,243	3,467,774	-	80,756,471
Inter-segment revenue	849,960	37,082	2,340,150	(3,227,192)	-
Total Revenues	47,300,414	30,875,325	5,807,924	(3,227,192)	80,756,471
Segment result	10,253,553	156,820	(45,860)	-	10,364,513
Operating profit / (loss)	10,253,553	156,820	(45,860)	-	10,364,513
Finance income	-	-	-	-	439,050
Finance costs	-	-	-	-	(2,263,869)
Share of result of associates and jointly controlled entities	(17,036)	-	(102,273)	-	(119,309)
Profit/(loss) before income tax	-	-	-	-	8,420,385
Income tax expense	-	-	-	-	(2,949,364)
Profit/(loss) for the year	-	-	-	-	5,471,021
Segment assets	299,284,137	2,199,876	5,295,721	-	306,779,734
Inter-segment balances	370,346	-	5,253,343	(5,623,689)	-
Total segment assets	299,654,483	2,199,876	10,549,064	(5,623,689)	306,779,734
Investments in associates and jointly controlled entities	159,721	-	5,946,264	-	6,105,985
Current and deferred tax assets	-	-	-	-	660,642
Total assets	-	-	-	-	313,546,361
Segment liabilities	13,715,478	1,591,861	3,373,581	-	18,680,920
Inter-segment balances	5,253,343	-	370,346	(5,623,689)	-
Total segment liabilities	18,968,821	1,591,861	3,743,927	(5,623,689)	18,680,920
Current and deferred tax liability	-	-	-	-	32,668,347
Non-current and current debt	-	-	-	-	24,017,168
Total liabilities	-	-	-	-	75,366,435
Other segment items					
Capital expenditure	36,683,569	48,671	1,182,254	-	37,914,493
Depreciation and amortisation	(8,425,714)	(13,296)	(18,474)	-	(8,457,485)

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Year ended 31 December 2006					
Operations	Generation	Retailing	Unallocated	Consolidation adjustment	Total
Revenue	23,489,197	25,714,720	4,232,418		53,436,335
Inter-segment revenue	509,412		1,752,671	(2,262,083)	-
Total Revenues	23,998,609	25,714,720	5,985,089	(2,262,083)	53,436,335
Segment result	222,072	42,305	(146,282)		118,095
Impairment release /charge of property, plant and equipment	14,942,709	-	28,704		14,971,413
Operating profit / (loss)	15,164,781	42,305	(117,578)		15,089,508
Finance income	-	-	-	-	175,462
Finance costs	-	-	-	-	(991,671)
Profit/(loss) before income tax	-	-	-	-	14,273,299
Income tax expense	-	-	-	-	(6,649,609)
Profit/(loss) for the year	-	-	-	-	7,623,690
Segment assets	163,922,308	1,115,638	2,973,061		168,011,007
Inter-segment balances	563,365	6,379	5,322,749	(5,892,493)	-
Total segment assets	164,485,673	1,122,017	8,295,810	(5,892,493)	168,011,007
Current and deferred tax assets	-	-	-	-	995,281
Total assets	-	-	-	-	169,006,288
Segment liabilities	12,285,446	1,000,652	1,517,438		14,803,536
Inter-segment balances	5,329,128	6,259	557,106	(5,892,493)	-
Total segment liabilities	17,614,574	1,006,911	2,074,544	(5,892,493)	14,803,536
Current and deferred tax liability	-	-	-	-	6,477,340
Non-current and current debt	-	-	-	-	21,582,945
Total liabilities	-	-	-	-	42,863,821
Other segment items					
Capital expenditure	21,542,947	28,320	379,920		21,951,187
Depreciation and amortisation	(4,238,119)	(9,654)	(44,498)		(4,292,271)

Note 6. Related party transactions

The Group's principal related parties are RAO UES of Russia and its subsidiaries, other enterprises controlled by the state, and the directors of the Group. As at 30 June 2008 77.93 percent of the ordinary shares of the Company were owned by RAO UES of Russia. On 1 July 2008 RAO UES of Russia was liquidated. Shares of the Company held by RAO UES of Russia were transferred to OJSC State Holding HydroWGC and OJSC Minority Holding HydroWGC. Transactions with subsidiaries of RAO UES of Russia, which are controlled by the state as at 31 December 2008, are included in transactions with state-controlled entities.

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions in 2008, 2007 and in 2006 or had significant balances outstanding at 31 December 2008, 31 December 2007 or at 31 December 2006 is detailed below.

RAO UES of Russia

The Group had the following significant transactions with RAO UES of Russia for the first half of 2008 and for the years ended 31 December 2007 and 31 December 2006 and outstanding balances as at 31 December 2007 and 31 December 2006.

Balances with RAO UES of Russia were as follows:

Short-term

	31 December 2007	31 December 2006
Trade and other accounts receivable (Note 12)	24,860	26,193
Promissory notes receivable: effective interest rate 11,6 % p.a. (included in accounts receivable and prepayments) (Note 12)	2,023,409	6,219,850
Dividends payable (Note 15)	-	809,000
Advances received (Note 20)	1,120,866	4,995,936
Accounts payable (Note 20)	6,650,594	300,000

During 2007 significant purchases of movable assets and real estate assets were made by the Group from RAO UES of Russia. The total amount of property, plant and equipment purchased from RAO UES of Russia amounted to RR 1,073,473 thousand.

The Group paid transmission fees to RAO UES of Russia in the first half of 2008 in the amount of RR 756,704 thousand (during the year ended 31 December 2007: RR 1,243,196 thousand, during the year ended 31 December 2006: RR 1,807,935 thousand).

RAO UES of Russia's subsidiaries and associates

The Group had the following significant transactions with RAO UES of Russia's subsidiaries and associates for the periods ended 31 December 2008, 31 December 2007 and 31 December 2006 and outstanding balances as at 31 December 2007 and 31 December 2006.

Balances with subsidiaries and associates of RAO UES of Russia were as follows:

Long-term

	31 December 2007	31 December 2006
Accounts receivable (Note 12)	-	67,053
Loan to TGC-5 (effective interest rate: 11.58%, due to 2013) (Note 10)	-	65,275
Accounts payable (Note 20)	19,572	86,257

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<i>Short-term</i>	31 December 2007	31 December 2006
Trade and other accounts receivable (Note 12)	2,383,710	1,172,804
Promissory notes receivable: effective interest rate: 11.6 % p.a. (included in accounts receivable and prepayments) (Note 12)	2,127,078	1,802,209
Promissory notes receivable: yield to maturity 9.8-13.2 % p.a. (included in other current assets)	139,212	408,807
Advances received (Note 20)	247,470	92,578
Trade and other accounts payable (Note 20)	427,445	379,470

Transactions with subsidiaries and associates of RAO UES of Russia were as follows:

	Year ended 31 December 2008*	Year ended 31 December 2007	Year ended 31 December 2006
Electricity (capacity) revenue (Note 22)	11,151,089	28,922,476	18,308,302
Other revenue (Note 22)	2,805	110,022	2,274,478
Purchased electric power expenses (Note 23)	2,806,131	10,478,917	4,005,654
Electricity distribution expenses (Note 23)	3,441,935	1,570,447	9,339,434
Services of SO-CDU (Note 23)	-	1,231,018	1,076,840
Other expenses (Note 23)	27,946	411,387	328,292

*As a result of the RAO UES of Russia reorganisation during 2007 and 2008 and the liquidation of RAO UES of Russia on 1 July 2008, transactions are presented up to the date of disposal of the entities from the RAO UES Group.

State-controlled entities

In the normal course of business the Group enters into transactions with entities under Government control. Prices for electricity are based on tariffs set by FST and RST. Bank loans are granted at market rates. Taxes are charged and paid in accordance with Russian tax legislation.

During the year ended 31 December 2008 the Group sold electricity to a number of state-controlled entities in the amount of RR 4,800,769 thousand (during the year ended 31 December 2007: RR 2,035,568 thousand, during the year ended 31 December 2006: 774,410 thousand). The major customers were LLC Ryazan municipal retail supplier, LLC Transnefteservice-S, OJSC Nijnovatomenergobit and OJSC Nevinnomissky Azot.

The Group had the following significant balances with state-controlled entities:

	31 December 2008	31 December 2007	31 December 2006
Trade and other accounts receivable (Note 12)	1,179,330	1,096,229	367,597
Other current assets (Note 14)	2,160,034	-	-
Advances received (Note 20)	148,211	-	-
Payables to the Federal Agency for State Property Management of the Russian Federation	6,000,000	-	-
Payables to Federal Energy Agency	2,450,000	-	-
Trade and other accounts payable (Note 20)	364,969	199,333	113,135

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The Group had the following significant transactions with state-controlled entities:

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Electricity (capacity) revenue (Note 22)	4,800,769	2,035,568	774,410
Other revenue (Note 22)	2,438,688	1,932	-
Purchased electric power expenses (Note 23)	3,211,198	2,971,114	1,866,400
Services of SO-CDU (Note 23)	2,349,816	-	-
Other expenses (Note 23)	594,322	735,771	504,156

Associates

The Group had the following significant balances with associates:

	31 December 2008
Trade and other accounts receivable (Note 12)	32,168
Other current assets (Note 14)	40,000
Trade and other accounts payable (Note 20)	21,848

The Group had the following significant transactions with associates:

	Year ended 31 December 2008
Other revenue (Note 22)	8,410
Purchased electric power expenses (Note 23)	158,155
Other expenses (Note 23)	6,914

Jointly controlled entities

The Group had the following significant balances with jointly controlled entities:

Short-term

	31 December 2008	31 December 2007
Promissory notes receivable: effective interest rate: 11.6 % p.a. (included in accounts receivable and prepayments) (Note 12)	7,280,207	2,967,898
Advances received (Note 20)	217,704	-
Trade and other accounts payable (Note 20)	16,285	298,004

The Group had the following significant transactions with jointly controlled entities:

	Year ended 31 December 2008	Year ended 31 December 2007
Electricity (capacity) revenue (Note 22)	103,681	-
Other revenue (Note 22)	383,934	8,438
Other expenses (Note 23)	5,968	-

The Group directors' compensation

Compensation is paid to members of the Management Board of the Group for their services in full time management positions. The compensation is made up of a contractual salary, performance bonus depending on work results for the period based on key performance indicators. The compensation is approved by the Board of Directors.

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Fees, compensation or allowances to the members of the Board of Directors for their services in that capacity and for attending Board meetings are paid depending on results for the year.

Total remuneration in the form of salaries paid to the members of the Board of Directors and Management Board for the year ended 31 December 2008 was RR 96,413 thousand (for the year ended 31 December 2007: RR 104,839 thousand, for the year ended 31 December 2006: RR 75,158 thousand).

Employee share option programme. In May 2007 the Board of Directors approved the Share Option Programme of the Company (hereinafter referred to as "the Programme") which participants are members of the Management Board and other key employees of the Group (hereinafter referred to as "the Programme participants").

The Programme provides for the granting of share options at predetermined fixed price to the Programme participants starting from the date of signing of the first share option contract, i.e. from 3 September 2007.

In accordance with the Programme the participants should sign agreements for purchase of the Company's shares implying the property title for the shares to be transferred and payment done in 3 years, starting from 3 September 2007.

Participation of members in the Programme and the number of shares in their share option agreements are determined by decision of the Company's Board of Directors.

A total of up to 3,137,287,475 ordinary shares are allocated under the Programme (or approximately two percent of the issued ordinary shares of the Company). 917,656,581 ordinary shares are allocated for granting share options to the members of the Company's Management Board, the rest - to other key employees of the Group. The ordinary shares ultimately allocated under the Programme were allocated from treasury shares purchased by the Group for this purpose for LLC EZOP - operator of the Programme in 2007. The treasury shares held for the purpose of the Programme are not allowed to vote.

The number of shares, which the Programme participants may purchase as part of implementation of the Programme, will be calculated proportionally based on the number of days worked prior to terminating the employment. In case of breaching certain defined provisions of the labor agreement and termination of employment at the initiative of the Group, the Programme participants will lose their right to purchase the shares.

One of the vesting terms of the share option is prepayment by the members of the Company's Management Board (in the amount of 10 percent of the share option agreement) and by the other Programme participants (in the amount of 0.2 percent of the share option agreement).

In 2007 the Company issued to the members of the Company's Management Board interest free loans for the prepayments for the share options agreements. The loans were issued with the maturity till 31 March 2011. As at 31 December 2008 the amount of loans issued to employees was RR 148,058 thousand (Net of discount of RR 47,332 thousand, effective interest rate: 11.8 percent). As at 31 December 2007 - RR 121,027 thousand (net of discount of RR 52,653 thousand, effective interest rate: 11.8 percent).

The Programme participant can exercise the share option at any time over the period of 2 September 2010 through 16 April 2011. The requirement for the exercise of the stock option agreements is to have the Company's shares traded on a public security market as at 3 August 2010.

The number of undistributed shares at 31 December 2008 was 379,559,226 including forfeited options.

Changes in amounts of options granted are described in the table below:

Options granted under the Programme	
Number of options at 1 January 2008	1,685,127,092
Option agreements signed in 2008	1,229,347,156
Options forfeited in 2008	(156,745,999)
Number of options outstanding at 31 December 2008	2,757,728,249

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The fair value of services received in return for share options granted to employees is measured by reference to the fair value of the share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes model.

Share price (in RR)	1.73
Exercise price (in RR)	1.73
Expected volatility	27.00%
Option life	1,096 days
Risk-free interest rate	6.13%
Fair value of the option at measurement date (in RR)	0.456

To determine volatility the Group used the historical volatility of the share prices of publicly traded shares of peer group companies. The measure of historical volatility used in the option pricing model is the annualised standard deviation of logarithms of daily changes in share price over a period of time comparable with expected lifetimes of the options granted under the Programme.

In the year ended 31 December 2008 the Group recognised an expense of RR 749,994 thousand within employee costs related to the fair value of the options (in the year ended 31 December 2007 the Group recognised an expense of RR 268,405 thousand).

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Note 7. Property, plant and equipment

Cost	Production buildings	Hydrotechnical buildings	Electricity grids	Substation's equipment	Assets under construction	Other	Total
Opening balance as at 31 December 2007	61,847,070	117,317,435	2,678,419	65,148,167	68,941,434	12,032,285	327,964,810
Revaluation reserve (net)	23,038,908	27,664,701	1,022,760	19,591,170	-	2,573,280	73,890,819
Transfers	1,419,880	4,202,986	531,571	2,026,943	(10,605,010)	2,423,630	-
Additions	156,268	824,642	5,158	226,619	31,215,148	1,499,558	33,927,393
Disposals	(73,645)	(171)	(7,790)	(329,074)	(149,025)	(58,437)	(618,142)
Elimination of accumulated depreciation	(3,864,232)	(4,724,396)	(297,806)	(8,551,750)	-	(2,930,750)	(20,368,934)
Closing balance as at 31 December 2008	82,524,249	145,285,197	3,932,312	78,112,075	89,402,547	15,539,566	414,795,946
Accumulated depreciation (including impairment)							
Opening balance as at 31 December 2007	(7,032,087)	(11,792,257)	(274,546)	(6,699,901)	(27,374,246)	(3,212,833)	(56,385,870)
Charge of impairment	(4,630,836)	(9,800,466)	(691,240)	(2,864,761)	(14,149,598)	(1,038,215)	(33,175,116)
Reversal of impairment	69,553	29,740	691	23,689	328,974	169,648	622,295
Charge for the year	(1,377,558)	(2,414,196)	(143,647)	(4,144,050)	-	(1,253,251)	(9,332,702)
Transfers	(117,340)	(28,298)	-	(15,033)	232,218	(71,547)	-
Disposals	30,600	9	1,011	39,392	-	152,953	223,965
Elimination of accumulated depreciation	3,864,232	4,724,396	297,806	8,551,750	-	2,930,750	20,368,934
Closing balance as at 31 December 2008	(9,193,436)	(19,281,072)	(809,925)	(5,108,914)	(40,962,652)	(2,322,495)	(77,678,494)
Net book value as at 31 December 2008	73,330,813	126,004,125	3,122,387	73,003,161	48,439,895	13,217,071	337,117,452
Net book value as at 31 December 2007	54,814,983	105,525,178	2,403,873	58,448,266	41,567,188	8,819,452	271,578,940

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Cost	Production buildings	Hydrotechnical buildings	Electricity grids	Substation's equipment	Assets under construction	Other	Total
Opening balance as at 31 December 2006	30,656,984	65,984,794	2,988,812	58,443,803	90,003,735	14,344,579	262,422,707
Elimination of accumulated depreciation	(9,599,990)	(14,063,297)	(924,870)	(26,986,983)	-	(6,584,847)	(58,159,987)
Revaluation reserve	31,693,192	50,425,236	438,527	31,119,708	-	2,334,891	116,011,554
Additions	1,366,376	3,584,678	42,778	104,791	32,228,880	586,990	37,914,493
Transfers	8,374,014	11,386,024	70,796	2,471,235	(24,319,435)	2,017,366	-
Disposals	(53,125)	-	(4,734)	(304,447)	(222,499)	(290,165)	(874,970)
Disposal of subsidiary to entity under common control (Note 2)	(752,501)	-	(34,478)	(87,750)	(28,859,944)	(684,993)	(30,419,666)
Transfer from joint venture (Note 2)	162,120	-	101,588	387,810	110,697	308,464	1,070,679
Closing balance as at 31 December 2007	61,847,070	117,317,435	2,678,419	65,148,167	68,941,434	12,032,285	327,964,810
Accumulated depreciation (including impairment)							
Opening balance as at 31 December 2006	(13,685,257)	(21,710,985)	(1,031,477)	(29,680,574)	(44,649,666)	(8,795,553)	(119,553,512)
Elimination of accumulated depreciation	9,599,990	14,063,297	924,870	26,986,983	-	6,584,847	58,159,987
Charge for the year	(1,350,225)	(1,928,905)	(136,099)	(3,994,978)	-	(1,047,278)	(8,457,485)
Transfer	(1,573,001)	(2,215,664)	-	(57,951)	3,852,014	(5,398)	-
Disposals	22,203	-	200	201,318	33,898	114,946	372,565
Disposal of subsidiary to entity under common control (Note 2)	43,334	-	887	6,822	13,389,508	33,412	13,473,963
Transfer from joint venture (Note 2)	(89,131)	-	(32,927)	(161,521)	-	(97,809)	(381,388)
Closing balance as at 31 December 2007	(7,032,087)	(11,792,257)	(274,546)	(6,699,901)	(27,374,246)	(3,212,833)	(56,385,870)
Net book value as at 31 December 2007	54,814,983	105,525,178	2,403,873	58,448,266	41,567,188	8,819,452	271,578,940
Net book value as at 31 December 2006	16,971,727	44,273,809	1,957,335	28,763,229	45,354,069	5,549,026	142,869,195

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Cost	Production buildings	Hydrotechnical buildings	Electricity grids	Substation's equipment	Assets under construction	Other	Total
Opening balance as at 31 December 2005	30,149,426	63,672,710	2,893,717	57,725,628	79,231,707	12,835,877	246,509,065
Additions	198,435	1,221,746	2,084	273,692	19,739,740	515,490	21,951,187
Transfers	311,176	1,130,565	111,755	807,497	(3,641,963)	1,280,970	-
Disposals	(2,053)	(40,227)	(18,744)	(363,014)	(5,325,749)	(287,758)	(6,037,545)
Closing balance as at 31 December 2006	30,656,984	65,984,794	2,988,812	58,443,803	90,003,735	14,344,579	262,422,707
Accumulated depreciation (including impairment)							
Opening balance as at 31 December 2005	(17,865,416)	(30,766,585)	(1,190,615)	(40,184,672)	(34,403,716)	(8,235,989)	(132,646,993)
Charge of impairment	(568,975)	(901,497)	(31,503)	(1,430,973)	(12,150,572)	(189,029)	(15,272,549)
Reversal of impairment	5,173,780	11,298,714	237,931	13,133,393	-	400,144	30,243,962
Charge for the year	(425,701)	(1,372,100)	(65,747)	(1,480,608)	-	(948,115)	(4,292,271)
Disposals	1,055	30,483	18,457	282,286	1,904,622	177,436	2,414,339
Closing balance as at 31 December 2006	(13,685,257)	(21,710,985)	(1,031,477)	(29,680,574)	(44,649,666)	(8,795,553)	(119,553,512)
Net book value as at 31 December 2006	16,971,727	44,273,809	1,957,335	28,763,229	45,354,069	5,549,026	142,869,195
Net book value as at 31 December 2005	12,284,010	32,906,125	1,703,102	17,540,956	44,827,991	4,599,888	113,862,072

Construction in progress represents the carrying amount of property, plant and equipment that has not yet been put into operation, including hydrogenerating stations under construction, and advances to construction companies and suppliers of property, plant and equipment. As at 31 December 2008 such advances amounted to RR 6,793,191 thousand (31 December 2007: RR 5,861,046 thousand, 31 December 2006: RR 2,228,607 thousand).

In 2006 the Company signed an Investing agreement with the Federal Agency of Railway Transport and OJSC Russian Railway. The purpose of the agreement is the joint construction and renovation of a railway line IZvestkovaya-Chegdomin, which is close to the zone of water reservoirs of Bureiskaya HPP. The Company incurred costs in 2007 in the amount of RR 956,800 thousand. The amount of the Company's investment in this project was included in Construction in progress as at 31 December 2008.

In March 2007 the Joint Venture under partnership agreement signed in 1998 between OJSC Geoterm, RAO UES of Russia, OJSC Kamchatskenergo and Kamchatka Region State Property Management Committee (hereinafter referred to as "KUGI"), which financed the construction of Mutnovskaya GeoES, ceased and the assets were transferred to OJSC Geoterm. As a result, OJSC Geoterm's interest in Mutnovskaya GeoES increased from 74.76 percent to 100 percent. This is shown as a "Transfer from joint venture".

The assets transferred to the Group did not include the land on which the Group's buildings and facilities are situated. The relationships of use and alienability of the land are regulated by Land Code of the Russian Federation. According to the Land Code the plots of land located under hydraulic engineering structures are limited in their alienability and shall not be conveyed to become private property, except for the cases established by federal laws.

Impairment. The impairment provision included in accumulated depreciation balance as at 31 December 2008 was RR 77,678,494 thousand (31 December 2007: RR 45,789,420 thousand, 31 December 2006: RR 59,396,136 thousand).

Impairment as at 31 December 2008. Management of the Company analyzed the current economic situation and decided that new indications of impairment existed due to volatility of markets and ongoing global financial and economic crisis (Note 1). Cash flow testing was performed to calculate the value in use of property, plant and the equipment. Hydropower plants were considered to be separate cash-generating units. The following key assumptions were used in performing the cash flow testing:

- Cash flows were projected based on actual operating results and business plans for 2009-2012;

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- A discount rate of 13.80% was applied in determining the recoverable amount of the plants. The discount rate was estimated based on an average weighted average cost of capital;
- The forecast period was 12 years for all Group companies;
- The values assigned to the key assumptions represent management's assessment of future trends in the business and are based on both external sources and internal sources.

Charge of impairment as at 31 December 2008. Due to the poor relative economic circumstances and the deterioration in expectations as regards the achievable sales prices and volumes in the new market conditions, for a number of cash-generating units the discounted cash flows calculated as at 31 December 2008 supported a value for related property, plant and equipment below their historic carrying value prior to any previously recognised revaluation surpluses. For these assets an additional impairment was recognised in the amount of RR 33,175,116 thousand as at 31 December 2008.

Reversal of impairment as at 31 December 2008. Management's assessment indicated that the value in use of certain property, plant and equipment, previously impaired, is higher than their net book value for some stations. Consequently, the Group recorded as at 31 December 2008 the reversal of the previously recognised impairment loss in the amount of RR 622,295 thousand.

Impairment as at 31 December 2006. Management of the Company concluded that as at 31 December 2006 there were indications for reversing the previously recognised impairment losses based on significant changes with a favorable effect on the Group that have occurred or were expected to occur in the near future in the market and economic environment in which the Group operates. Such changes included:

- Upward revisions, based on recent trends, in the expected growth of demand for electricity in the majority of regions of Russia;
- Higher degree of certainty about the free trading sector for electricity, which has been enacted by the government of the Russian Federation as of August 2006 (see Note 1);
- These developments resulted in a change to the assumptions that were used to determine the value in use of assets that comprise the cash-generating units as at 31 December 2006. An impairment review was carried out by comparing the recoverable amount of the individual cash-generating units with their net book values. For the purposes of the review, for generating assets each of the Group's Hydropower plants was used as the relevant cash-generating unit. The recoverable amount for generating and other operating assets was based on their value in use, which was calculated based on the estimated future cash flows using various assumptions including the following:
 - Inflation rate would not exceed 8 percents year;
 - Increase of major variable costs would not exceed the inflation rate;
 - The discount rate range used to determine assets value in use of 13.24 percents.

Charge of impairment as at 31 December 2006. Management's assessment indicated that the value in use of property, plant and equipment is lower than their net book for OJSC Kolymaenergo recorded an additional charge for impairment as a result of the lack of access to the free trading sector for electricity and the setting of low tariffs for this operating unit. Consequently, the Group recorded as at 31 December 2006 the charge of impairment in the amount of RR 15,272,549 thousand.

Reversal of impairment as at 31 December 2006. Management's assessment indicated that the value in use of certain property, plant and equipment, previously impaired, is higher than their net book value for some stations. Consequently, the Group recorded as at 31 December 2006 the reversal of the previously recognised impairment loss in the amount of RR 30,243,962 thousand.

Revaluation as at 31 December 2008. As at 31 December 2008 the Group performed the revaluation of property, plant and equipment (except for construction in progress, office buildings and land) using an independent appraiser. Economic obsolescence was estimated based on profitability test results for each cash-generating unit. The discount rate used in the profitability tests was 13.80 percent. The forecast period was 12 years for all Group companies. The long-term rate of growth in sales volumes was approximately 0.5 percent for all Group companies.

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As a result of the revaluation undertaken as at 31 December 2008, a number of the separately identified cash-generating units had revalued amounts in excess of the carrying value of the related property, plant and equipment, but below the recoverable amount when calculated using the discounted cashflows. For these assets, the revaluation surplus recognised as a result of the revaluation was restricted to that supported by the relevant discounted cash flow.

As a result of the revaluation, the Group's equity increased by RR 63,256,282 thousand, comprising an increase in the carrying value of property, plant and equipment of RR 79,070,353 thousand, net of a related deferred tax liability of RR 15,814,071 thousand.

Where the recoverable value was lower than the carrying value of the property, plant and equipment before the revaluation undertaken as at 31 December 2008, but above the historic carrying value excluding the effect of past revaluations, the reduction in the carrying value was taken directly to equity and shown as a reduction in the historically recognised revaluation surplus.

The Group's equity decreased by RR 4,143,627 thousand, comprising a decrease in the carrying value of property, plant and equipment of RR 5,179,534 thousand, net of a related deferred tax assets of RR 1,035,907 thousand.

Revaluation as at 01 January 2007. Starting from 1 January 2007 the Group adopted the revaluation model for property, plant and equipment (except for construction in progress, office buildings and land) (Note 4). Fair values were determined by independent appraisers primarily based on the depreciated replacement cost method. The replacement cost of production and hydrotechnical buildings and electricity grids were estimated based on technical characteristics. The replacement cost of equipment was estimated based on data of aggregative replacement cost, current purchase contracts and price-list of producers and trading companies. The economic obsolescence was estimated based on profitability test results for each cash-generating unit. The discount rate used in the profitability tests varied from 10.5 to 19.1 percent. The forecast period is 19-20 years for all Group companies. The long-term rate of growth in sales volumes is approximately 3 percent for all Group companies.

As a result of the revaluation, the Group's equity increased by RR 88,168,781 thousand, comprising an increase in the carrying value of property, plant and equipment of RR 116,011,554 thousand, net of a related deferred tax liability of RR 27,842,773 thousand.

Due to the decrease of the income tax rate from 24% to 20%, the amount of deferred tax related to revaluation reserve recognised as at 31 December 2007 was reassessed in 2008 as RR 4,622,059 thousand. This decrease of deferred tax liability amount was accounted for in equity.

For each revalued class of property, plant and equipment stated at a revalued amount in these combined and consolidated financial statements, the carrying amount that would have been recognised had the assets been carried under the cost model is as follows:

	Production buildings	Hydrotechnical buildings	Electricity grids	Substation's equipment	Assets under construction	Other	Total
Net book value as at 31 December 2008	26,803,719	61,100,475	2,509,207	30,392,924	48,439,895	9,536,906	178,783,126
Net book value as at 31 December 2007	25,787,686	57,749,755	2,053,240	29,965,315	41,567,188	6,671,433	163,794,617

Leased property, plant and equipment. The Group leases property, plant and equipment under a number of finance lease agreements. At the end of each of the leases the Group has the option to purchase the equipment at a beneficial price. As at 31 December 2008 the net book value of leased property plant and equipment was RR 3,882,821 thousand (31 December 2007: RR 4,709,290 thousand, 31 December 2006: RR 1,495,143 thousand). The leased equipment is pledged as a security for the lease obligation.

Operating lease. The Group leases a number of land areas owned by local governments under non-cancellable operating lease agreements. Land lease payments are determined by lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

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	31 December 2008	31 December 2007	31 December 2006
Less than one year	336,707	314,656	264,470
Between one year and five years	1,264,308	1,150,064	957,428
After five years	10,561,027	10,858,639	9,253,163
Total	12,162,042	12,323,359	10,475,061

The land areas leased by the Group are the territories on which the Group's electric power stations and other assets are located. The leases typically run for an initial period of 5-49 years with an option to renew the lease after that date. Lease payments are reviewed regularly to reflect market rentals.

Note 8. Investments in associates and jointly controlled entities

As at 31 December 2008 the Group's interests in associates and jointly controlled entities were as follows:

	Carrying value as at 31 December 2007	Additions	Share of profit/ (loss) of associates and jointly controlled entities	Charge directly to equity	Other movements	Carrying value as at 31 December 2008
Associates						
OJSC Corporation of South Yakutiya development	33,021	-	(3,984)	-	-	29,037
OJSC GVC Energetiki	-	151,553	(3,956)	-	-	147,597
OJSC WGC-1	-	10,708,048	249,524	152,657	-	11,110,229
OJSC UEMC	-	72,690	(457)	-	-	72,233
CJSC Boguchanskaya HPP Construction Customer	6	-	(6)	-	-	-
CJSC Boguchansky Aluminium Plant Construction Organizer	252	-	739	-	-	991
Total Associates	33,279	10,932,291	241,860	152,657	-	11,360,087
Jointly controlled entities						
BoGES Group	5,081,203	-	(886,198)	75,309	-	4,270,314
BALP Group	865,061	-	(855,299)	-	55,146	64,908
LLC Corporation of Zabaikalie Development	16,849	-	(6,259)	-	-	10,590
OJSC Corporation of Krasnoyarsk region development	30,506	-	(120)	-	-	30,386
RusSUNHydroLimited	79,087	-	(25,332)	9,143	-	62,898
Total Jointly controlled entities	6,072,706	-	(1,773,208)	84,452	55,146	4,439,096
Total Investments in associates and jointly controlled entities	6,105,985	10,932,291	(1,531,348)	237,109	55,146	15,799,183

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As at 31 December 2007 the Group's interests in associates and jointly controlled entities were as follows:

	Carrying value as at 31 December 2006	Additions	Share of profit/ (loss) of associates and jointly controlled entities	Carrying value as at 31 December 2007
Associates				
OJSC Corporation of South Yakutiya development	-	37,650	(4,629)	33,021
CJSC Boguchanskaya HPP Construction Customer (Note 2)	-	5	1	6
CJSC Boguchansky Aluminium Plant Construction Organizer (Note 2)	-	5	247	252
Total Associates	-	37,660	(4,381)	33,279
Jointly controlled entities				
BoGES Group	-	5,282,443	(201,240)	5,081,203
BALP Group	-	766,104	98,957	865,061
LLC Corporation of Zabaikalie Development	-	30,000	(13,151)	16,849
OJSC Corporation of Krasnoyarsk region development	-	30,000	506	30,506
RusSUNHydroLimited	-	79,087	-	79,087
Total Jointly controlled entities	-	6,187,634	(114,928)	6,072,706
Total Investments in associates and jointly controlled entities	-	6,225,294	(119,309)	6,105,985

The following is summarised financial information, in aggregate, in respect of significant associates and jointly controlled entities:

31 December 2008	Ownership, %	Voting, %	Assets	Liabilities	Revenues	Expenses	Profit / (Loss)
Associates							
OJSC Corporation of South Yakutiya development	25.10	25.10	140,937	(25,253)	52,896	(68,769)	(15,873)
OJSC GVC Energetiki	42.53	42.53	644,245	(297,204)	122,698	(131,999)	(9,301)
OJSC WGC-1	22.69	22.69	70,411,168	(21,445,856)	25,120,000	(24,020,290)	1,099,710
OJSC UEMC	20.67	20.67	355,267	(5,809)	141,135	(143,344)	(2,209)
CJSC Boguchanskaya HPP Construction Customer	49.00	49.00	3,648	(3,691)	46,093	(46,149)	(56)
CJSC Boguchansky Aluminium Plant Construction Organizer	49.00	49.00	157,145	(155,123)	250,063	(248,555)	1,508
Jointly controlled entities							
BoGES Group	50.00	50.00	30,983,030	(22,442,402)	224,974	(1,997,369)	(1,772,395)
BALP Group	50.00	50.00	14,130,140	(18,035,451)	126,051	(5,769,253)	(5,643,202)
LLC Corporation of Zabaikalie Development	50.00	50.00	21,788	(608)	-	(12,518)	(12,518)
OJSC Corporation of Krasnoyarsk region development	25.00	25.00	122,027	(483)	7,927	(8,407)	(480)
RusSUNHydroLimited	50.00	50.00	139,996	(14,202)	-	(50,663)	(50,663)

In 2008, as a result of the reorganisation of RAO UES of Russia, the Company received shares of associates OJSC WGC-1, OJSC GVC Energetiki and OJSC UEMC. The assets and liabilities of the associates transferred under common control are recognised at the predecessor entity's carrying amounts.

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31 December 2007	Ownership, %	Voting, %	Assets	Liabilities	Revenues	Expenses	Profit / (Loss)
Associates							
OJSC Corporation of South Yakutiya development	25.10	25.10	134,042	(2,485)	5,960	(24,403)	(18,443)
CJSC Boguchanskaya HPP Construction Customer	49.00	49.00	2,290	(2,277)	29,358	(29,355)	3
CJSC Boguchansky Aluminium Plant Construction Organizer	49.00	49.00	11,876	(11,361)	83,862	(83,357)	505
Jointly controlled entities							
BoGES Group	50.00	50.00	24,110,291	(14,191,405)	147,722	(550,201)	(402,479)
BALP Group	50.00	50.00	14,439,512	(12,701,222)	343,803	(145,870)	197,933
LLC Corporation of Zabaikalie Development	50.00	50.00	36,409	(2,711)	-	(26,301)	(26,301)
OJSC Corporation of Krasnoyarsk region development	25.00	25.00	121,908	(955)	8,229	(6,204)	2,025
RusSUNHydroLimited	50.00	50.00	79,087	-	-	-	-

During 2007 the Group entered into the following arrangements:

- together with OJSC Techsnabexport, OJSC IG ALROSA, CJSC Yakutskie ugli - Novie tehnologii and the Government of the SAHA region the Group participated in *OJSC Corporation of South Yakutiya Development*. One of the main purposes of this company is the construction of Kankunskaya HPP on the river Tipton with the capacity of 1,600 MWT;
- together with LLC IFC Metropol the Group participated in the foundation of *LLC Corporation of Zabaikalie Development*. The purpose of this company is the construction of a large industrial complex, including Mokskaya HPP and Ivanovskaya HPP on the river Vitim with total capacity of 1,410 MWT and other industrial facilities to consume the electricity produced by these HPPs;
- together with LLC Company Bazovy element, OJSC Krasnoyarskiy zavod cvetnyh metallov named after V.N. Gulidov, Vnesheconombank the Group participated in *OJSC Corporation of Krasnoyarsk region Development* for the purpose of development the Krasnoyarskiy region and joint investment into construction of OJSC Boguchanskaya HPP and CJSC Boguchansky Aluminium Plant together with OJSC RUSAL;
- in June 2007 the Group and the SUN Group of India signed a memorandum about cooperation in the development of the hydropower industry in India. As a result, the jointly controlled entity *RusSunHydro Limited* was created for the purpose of managing the construction of new HPPs in the territory of India;
- in June 2007, together with RUSAL, the Group established BoGES Group and BALP Group, CJSC Boguchanskaya HPP Construction Customer, CJSC Boguchansky Aluminium Plant Construction Organizer (Note 2).

Note 9. Available-for-sale financial assets

In 2007 the Company received as a contribution to its share capital by RAO UES of Russia the following shares: 1.9 percent interest in OJSC Vilyuiskaya HPP-3 and 0.12 percent interest in OJSC Krasnoyarskaya HPP (Note 2).

In 2008 as a result of the reorganisation of RAO UES of Russia the Company obtained 100% share of LLC Index Energetiki – HydroWGC with investments in various utilities companies. These investments are classified as available-for-sale financial assets in these combined and consolidated financial statements and accounted at fair values as of the date of receipt of these investments on 1 July 2008.

The fair values of the available-for-sale financial instruments accounted for by LLC Index Energetiki-HydroWGC as at 1 July 2008 were calculated based on the quoted market prices or, where the quotations

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were not available, based on valuation techniques.

The Group assessed them for impairment as at 31 December 2008 and concluded that an impairment had taken place as there was evidence of a significant and prolonged decline in the fair value of an investment of an equity instrument below its cost.

The analysis of trading volumes for the period from July to December 2008 confirmed lack of that there were no reductions in the trading activity or significant changes in the free float or other circumstances and therefore that an active market exists at 31 December 2008.

The impairment of these investments as at 31 December 2008 totaled RR 6,464,323 thousand and was recorded through profit and loss.

The Company's management does not have an intention to sell the shares in the short-term period.

Note 10. Other non-current assets

	31 December 2008	31 December 2007	31 December 2006
VAT recoverable	1,311,118	1,046,157	1,103,707
Long-term loans receivable (Net of discount of RR 125,398 thousand, effective interest rate: 11.76%-17% due 2011 as at 31 December 2008)	213,243	600,994	531,250
Promissory notes and deposits (Net of discount of RR 1,000,765 thousand, due 2010 as at 31 December 2008)	11,942,734	-	-
Other long-term assets (Net of provision for impairment on debtors of RR 231,281 thousand, effective interest rate: 11.76%-16%, due 2010 - 2020 as at 31 December 2008 and RR 288,005 thousand as at 31 December 2007, effective interest rate: 11.5% - 11.76%, due 2010 - 2013 and RR 256,100 thousand as at 31 December 2006, effective interest rate: 11.58%-15.5%, due 2009 - 2013)	1,523,623	840,990	333,703
Total other non-current assets	14,990,718	2,488,141	1,968,660

Promissory notes and deposits	Rating	Rating agency	Effective interest rate	Maturity date	31 December 2008
LLC Finance corporation Otkritie	CCC	S&P	9.2% - 9.6%	not earlier 2010	4,113,924
LLC VTB bank	BBB	S&P	7.0%	not earlier 2010	5,312,307
Investment company KIT Finance	-	-	13.0%	2010	2,516,503
					11,942,734

Note 11. Cash and cash equivalents

	31 December 2008	31 December 2007	31 December 2006
Cash at bank and in hand	7,060,429	5,493,798	2,826,263
Cash equivalents (contractual interest rate: 1.10% - 12.94%)	17,777,433	2,772,950	3,778,070
Total cash and cash equivalents	24,837,862	8,266,748	6,604,333

Cash equivalents held as at 31 December 2008, 31 December 2007 and 31 December 2006 comprised short-term RR bank deposits and short-term bank promissory notes of less than 3 months duration.

Cash balances denominated in USD currency amounts as at 31 December 2008 were RR 623 thousand

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(31 December 2007: RR 2,545 thousand, 31 December 2006: RR 734 thousand). Cash balances denominated in EURO were RR 12,578 thousand as at 31 December 2008 (31 December 2007: RR 25 thousand, 31 December 2006: RR 1,805 thousand).

Cash and cash equivalents are deposited in several institutions as follows:

	Rating	Rating agency	31 December 2008	31 December 2007	31 December 2006
Bank deposits and promissory notes					
OJSC Sberbank of Russia	Baa1	Moody's	9,981,630	120,000	-
CJSC VTB24	BBB	Standard & Poor's	7,116,303	-	358,000
OJSC Alemar Bank	-	-	400,000	500,000	-
OJSC Bank Vozrozhdenie	BB-	Standard & Poor's	275,000	-	-
OJSC Commercial Bank of Support to Commerce and Business	B2	Moody's	4,500	-	-
OJSC KIT Finance	-	-	-	1,800,000	3,000,000
OJSC Alfa-Bank	BB-	Standard & Poor's	-	352,950	-
OJSC VTB	BBB	Standard & Poor's	-	-	205,000
OJSC Vostochny Express Bank	-	-	-	-	120,000
OJSC Gazprombank	BBB-	Standard & Poor's	-	-	56,000
OJSC Aziatsko-Tihookeansky Bank	-	-	-	-	39,000
OJSC Bank of Moscow	Baa2	Moody's	-	-	70
Total cash equivalents			17,777,433	2,772,950	3,778,070
Cash at banks					
OJSC Gazprombank	BB+	Standard & Poor's	5,277,330	1,648,438	69,050
OJSC Sberbank of Russia	Baa1	Moody's	621,871	1,835,901	860,250
CJSC VTB24	BBB	Standard & Poor's	309,049	543,585	19,075
OJSC Alfa-Bank	BB-	Standard & Poor's	159,183	10,314	-
LLC Creditinvest	-	-	114,914	77,295	16,707
OJSC CB Sotsgorbank	B-	Standard & Poor's	98,859	151,000	-
OJSC Evrofinance Mosnarbank	Ba3	Moody's	88,108	424,904	298,996
OJSC Bank Vozrozhdenie	BB-	Standard & Poor's	75,284	14,746	-
OJSC VTB	BBB	Standard & Poor's	66,757	153,793	444,891
OJSC Strategia	-	-	65,514	-	-
OJSC Bank of Moscow	Baa1	Moody's	36,306	43,046	201,349
OJSC Promsvyazbank	BB-	Standard & Poor's	14,058	48,598	107,620
OJSC Kolyma-Bank	-	-	12,610	-	-
OJSC ROSBANK	BB+	Standard & Poor's	10,615	27,321	8,513
OJSC Kamchatkomagprombank	-	-	10,311	-	-
OJSB Bank of Khakassia	-	-	10,102	116,663	5,061
OJSC Prio-Vneshtorgbank	-	-	9,266	13,987	16,169
LLC Commercial bank of social development Dagestan	-	-	9,031	-	-
LLC CB Uzdan	-	-	8,813	-	-
OJSC Orienbank	-	-	7,425	1,784	10,850
CJSC Gazbank	Baa1	Moody's	7,189	-	-
OJSC Tembr-Bank	-	-	5,792	-	-
OJSC Moscow Industrial Bank	-	-	4,104	-	-
OJSC Chuvachcreditprombank	-	-	3,697	1,440	1,796
LLC CB ChirkeyEnergobank	-	-	3,516	16,231	15,308
OJSC Rosevrobank	-	-	3,010	85,734	-
OJSC Dig-Bank	-	-	2,538	-	-
OJSC Commercial Bank of Support to Commerce and Business	B2	Moody's	1,650	-	-
CJSC ING Bank (Eurasia)	AA-	Standard & Poor's	1,390	-	-
OJSC Nomos-Bank	-	-	-	124,912	-
OJSC Lesprombank	-	-	-	45,116	14,348
RTS Settlement Chamber	-	-	-	36,997	80,105
CJSC Texbank	-	-	-	21,941	-

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	Rating	Rating agency	31 December 2008	31 December 2007	31 December 2006
OJSB Mezhtopenergobank LLC Municipal Bank named after S. Zhivago	-	-	-	20,216	1,125
OJSC Volgoprombank LLC TransinvestBank	-	-	-	9,759	-
OJSC Sobinbank LLC Dagenenergobank	-	-	-	4,190	2,527
Other	Baa2	Moody's	-	-	398,961
	-	-	-	-	168,987
	-	-	22,137	15,887	44,550
Total cash at banks			7,060,429	5,493,798	2,826,263

Note 12. Accounts receivable and prepayments

	31 December 2008	31 December 2007	31 December 2006
Trade receivables (Net of provision for impairment debtors of RR 1,952,695 thousand as at 31 December 2008, RR 922,352 thousand as at 31 December 2007 and RR 710,974 thousand as at 31 December 2006)	6,363,168	3,419,220	1,618,638
Promissory notes (Net of discount of RR 0 thousand as at 31 December 2008, RR 43,465 thousand as at 31 December 2007: effective interest rate 11.6% p.a. (Note 6) and RR 0 thousand as at 31 December 2006)	8,647,698	7,576,764	7,974,284
Total financial assets	15,010,866	10,995,984	9,592,922
Advances to suppliers and prepayments (Net of provision for impairment debtors of RR 14,997 thousand as at 31 December 2008, RR 70,200 thousand as at 31 December 2007 and RR 2,207 thousand as at 31 December 2006)	1,179,690	1,216,006	856,999
Income tax receivables	2,058,836	660,642	995,281
Value added tax recoverable	6,284,104	5,981,657	3,483,979
Other prepaid taxes	43,582	41,477	-
Other receivables (Net of provision for impairment debtors of RR 36,890 thousand as at 31 December 2008, RR 81,845 thousand as at 31 December 2007 and RR 8,310 thousand as at 31 December 2006)	1,108,031	1,889,540	1,134,527
Total accounts receivable and prepayments	25,685,109	20,785,306	16,063,708

The majority of customers, balances of which are included in trade receivables, comprise a single class, as they bear the same characteristics. Those customers belong to the same wholesale market of electricity (capacity) (hereinafter referred to as "NOREM"), which is regulated by Non-commercial Partnership Administrator of Trade System (hereinafter referred to as "NP ATS").

The provision for impairment of accounts receivable has been determined based on specific customer identification, customer payment trends, subsequent receipts and settlements and the analyses of expected future cash flows. The Group believes that the Group entities will be able to realise the net receivable amount through direct collections and other non-cash settlements, and the recorded value approximates their fair value.

As at 31 December 2008, receivables of RR 785,648 thousand (31 December 2007: RR 433,139 thousand, 31 December 2006: RR 299,153 thousand) were past due but not impaired. These relate to a number of independent customers without recent history of default. The ageing analysis of these trade receivables is as follows:

31 December 2008	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Beyond 12 months	Total
Accounts Receivable past due, not impaired	1,934	121,005	336,539	326,170	785,648
% to total	0%	15%	43%	42%	

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31 December 2007	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Beyond 12 months	Total
Accounts Receivable past due, not impaired	194,439	122,679	111,977	4,044	433,139
% to total	45%	28%	26%	1%	

31 December 2006	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Beyond 12 months	Total
Accounts Receivable past due, not impaired	182,219	43,666	72,234	1,034	299,153
% to total	61%	15%	24%	0%	

Trade and other receivables individually determined to be impaired (gross):

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
As at 1 January	1,074,397	721,491	481,141
Charge for the year	1,202,085	371,486	328,944
Reversal of impairment	(170,196)	(9,732)	(88,360)
Trade receivables written-off as uncollectible	(101,704)	(8,848)	(234)
As at 31 December	2,004,582	1,074,397	721,491

The counterparties, balances of which fall into trade receivables and other receivables, and which are neither past due nor impaired, have approximately the same credit quality.

The Group does not hold any collateral as security.

Note 13. Inventories

	31 December 2008	31 December 2007	31 December 2006
Materials and supplies	574,202	634,324	804,157
Other inventories	461,009	386,005	189,060
Total inventories	1,035,211	1,020,329	993,217

The above inventory balances are shown net of an obsolescence provision for RR 11,999 thousand as at 31 December 2008, RR 28,062 thousand as at 31 December 2007, and RR 65,251 as at 31 December 2006 respectively.

As at 31 December 2008, 31 December 2007 and 31 December 2006, the inventory balances did not include any inventories pledged as collateral under loan agreements.

Note 14. Other current assets

	31 December 2008	31 December 2007	31 December 2006
Promissory notes and deposits: yield to maturity 8.8%–17.0% p.a.	4,727,041	3,152,753	424,329
Other short-term investments	60,148	45,655	62,347
Derivative financial instruments	107,160	-	-
Total other current assets	4,894,349	3,198,408	486,676

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Promissory notes and deposits	Rating	Rating agency	Effective interest rate	31 December 2008	31 December 2007	31 December 2006
Promissory notes						
LLC FC Otkrytie	CCC	Standards & Poor's	9.4%–10.1%	2,223,489	3,008,130	-
OJSC SO UES	-	-	8.8%	2,160,034	-	-
OJSC GVC Energetiki	-	-	17.0%	40,000	-	-
OJSC Evrofinance	-	-	-	-	-	-
Mosnarbank	Ba3	Moody's	-	3,500	5,116	-
OJSC KabBalkenergo	-	-	14.0%	-	139,212	327,025
OJSC DagEnergo	-	-	-	-	-	81,782
Others	-	-	-	18	295	15,522
Short-term Deposits						
OJSC Sberbank	Baa1	Moody's	9.0%	150,000	-	-
OJSC Kamchatkomagprombank	-	-	9.0%	150,000	-	-
Total promissory notes and deposits				4,727,041	3,152,753	424,329

Note 15. Equity

Basis of presentation of movements in equity. The Group was formed by the combination of a number of businesses under common control. Because of the consequent use of the predecessor values basis of accounting (Note 3), the principal component of the net equity recognised for the Group is based on the historic carrying value of the net assets of the businesses contributed as recorded in the IFRS financial records of the predecessor enterprises, rather than the fair values of those net assets. Similarly, for the purpose of comparability, the equity of the Group has been presented for comparative period and as at 1 January 2006 as if the current Group structure had existed from 1 January 2006 (Note 3). As the Group was formed as a result of share issues completed after 1 January 2006, the equity statement reflects additions to share capital in the amount equal to the statutory nominal value of the shares issued which is based on the fair value of the net assets of the businesses contributed. In accordance with the predecessor basis of accounting, the effect of such additions to equity is offset by a corresponding adjustment in the merger reserve and recognition of minority interest.

	Ordinary shares 31 December 2008	Ordinary shares 31 December 2007	Ordinary shares 31 December 2006
Number of issued ordinary shares	245,014,059,191	156,864,373,776	140,954,759,856
Par value (in RR)	1.00	1.00	1.00

On 26 December 2004, the date when the Company was established, the number of issued ordinary shares amounted to 103,951,322,702 with a par value of RR 1.00 each.

The contributions to the Company's share capital were effected as follows:

- RR 103,849,528 thousand received by way of contribution of RAO UES of Russia's controlling interest in the Group's subsidiaries and investments in other companies (Note 2);
- cash contributions amounting to RR 101,795 thousand.

In August 2006, in the course of further sector restructuring, 37,003,437,154 additional ordinary shares of the Company with a par value of RR 1.00 each were issued. RAO UES of Russia made the following contributions to the Company in exchange for additional shares issued:

- RR 14,346,885 thousand received by way of contribution of RAO UES of Russia's controlling interest in the Group's subsidiaries and investments in other companies (Note 2);
- RR 91,058 thousand received by way of contribution of RAO UES of Russia's 12.4 percent interest in OJSC Zaramagskie HPPs and 1.6 percent interest in OJSC Zelenchukskie HPPs;
- RR 2,711,573 thousand received by way of contribution of Novosibirskaya HPP assets (business);
- cash contributions amounted to RR 20,000,000 thousand;

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- RR 245,001 thousand received by way of contribution of other various assets.

Total contribution was RR 37,394,517 thousand. Share premium received in excess of the par value was RR 391,080 thousand.

In October 2007, in the course of further sector restructuring 15,909,613,920 additional ordinary shares of the Company with a par value of RR 1 each were issued. RAO UES of Russia made the following contributions to the Company in exchange for additional share issue:

- RR 2,146,125 thousand received by way of contribution of RAO UES of Russia's interest in the Group's subsidiaries and investments in other companies (Note 2);
- cash contributions amounted to RR 14,950,000 thousand.

Russian Federation cash contributions amounted to RR 5,000,000 thousand.

The total contribution was RR 27,523,632 thousand, including treasury shares purchased by the Company. Share premium received in excess of the par value was RR 11,614,019 thousand.

On 9 January 2008 18 subsidiaries of the Group, OJSC Bureiskaya HPP and OJSC Kabardino-Balkarskaya Hydrogenerating Company merged into the Company and became one legal entity as a result of the legal reorganisation (Notes 1, 2). According to the results of the share conversion, 38,996,122,959 additional shares of the Company were placed and share capital increased to RR 195,860,497 thousand. Minority stakes in these companies were exchanged for ordinary shares of the Company. Major movements in minority interest for the reporting period result from the above reorganisation.

On 1 July 2008, as a result of the reorganisation of RAO UES of Russia, OJSC State Holding HydroWGC, OJSC Minority Holding HydroWGC, OJSC Irganayskaya HPP and OJSC Kaskad NChHPP merged into the Company. According to the results of the share conversion, additional shares of the Company were placed and share capital increased to RR 245,014,059 thousand.

Treasury shares. Treasury shares as at 31 December 2008 represent 5,882,055,227 ordinary shares in the amount of RR 8,172,275 thousand (3,137,287,475 ordinary shares in the amount of RR 5,427,507 thousand as at 31 December 2007 allocated for the Share Option Programme (Note 6), as at 31 December 2006 – 0).

	Year ended 31 December 2008	Year ended 31 December 2007
As at 1 January	5,427,507	-
Treasury shares received as a result of reorganisation	2,744,768	5,427,507
As at 31 December	8,172,275	5,427,507

Treasury shares were received by the Group during the reorganisation process in the form of a legal merger in 2008. The Company's treasury shares were held by the following subsidiaries: LLC Index Energetiki - HydroWGC, OJSC Chirkeygesstroy, OJSC Zaramagskie HPP and OJSC Irganayskaya HPP, OJSC Kaskad NChHPP.

Treasury shares received during 2008 are accounted for at nominal value of 1 RR per share. Difference between the nominal value and the cost of received treasury shares has been recorded in retained earnings within equity.

Merger reserve. Based on the application of predecessor values basis of accounting (Note 3) the difference of RR 77,449,212 thousand as at 31 December 2008 (31 December 2007: 40,249,247 thousand, 31 December 2006: RR 39,473,786 thousand) between the statutory value of share capital issued and the IFRS carrying value of the contributed assets and minority interest has been recorded as a merger reserve within equity.

Effect of changes in minority interest. In 2006 OJSC Zelenchukskie HPPs issued 89,242,749 additional ordinary shares with a par value of RR 10.0 each fully paid by RAO UES of Russia. The cash contribution amounted to RR 892,427 thousand and the increase of minority interest was reflected in the statement of changes in equity at the date of the additional share issue.

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- RR 245,001 thousand received by way of contribution of other various assets.

Total contribution was RR 37,394,517 thousand. Share premium received in excess of the par value was RR 391,080 thousand.

In October 2007, in the course of further sector restructuring 15,909,613,920 additional ordinary shares of the Company with a par value of RR 1 each were issued. RAO UES of Russia made the following contributions to the Company in exchange for additional share issue:

- RR 2,146,125 thousand received by way of contribution of RAO UES of Russia's interest in the Group's subsidiaries and investments in other companies (Note 2);
- cash contributions amounted to RR 14,950,000 thousand.

Russian Federation cash contributions amounted to RR 5,000,000 thousand.

The total contribution was RR 27,523,632 thousand, including treasury shares purchased by the Company. Share premium received in excess of the par value was RR 11,614,019 thousand.

On 9 January 2008 18 subsidiaries of the Group, OJSC Bureiskaya HPP and OJSC Kabardino-Balkarskaya Hydrogenerating Company merged into the Company and became one legal entity as a result of the legal reorganisation (Notes 1, 2). According to the results of the share conversion, 38,996,122,959 additional shares of the Company were placed and share capital increased to RR 195,860,497 thousand. Minority stakes in these companies were exchanged for ordinary shares of the Company. Major movements in minority interest for the reporting period result from the above reorganisation.

On 1 July 2008, as a result of the reorganisation of RAO UES of Russia, OJSC State Holding HydroWGC, OJSC Minority Holding HydroWGC, OJSC Irganayskaya HPP and OJSC Kaskad NChHPP merged into the Company. According to the results of the share conversion, additional shares of the Company were placed and share capital increased to RR 245,014,059 thousand.

Treasury shares. Treasury shares as at 31 December 2008 represent 5,882,055,227 ordinary shares in the amount of RR 8,172,275 thousand (3,137,287,475 ordinary shares in the amount of RR 5,427,507 thousand as at 31 December 2007 allocated for the Share Option Programme (Note 6), as at 31 December 2006 – 0).

	Year ended 31 December 2008	Year ended 31 December 2007
As at 1 January	5,427,507	-
Treasury shares received as a result of reorganisation	2,744,768	5,427,507
As at 31 December	8,172,275	5,427,507

Treasury shares were received by the Group during the reorganisation process in the form of a legal merger in 2008. The Company's treasury shares were held by the following subsidiaries: LLC Index Energetiki - HydroWGC, OJSC Chirkeygesstroy, OJSC Zaramagskie HPP and OJSC Irganayskaya HPP, OJSC Kaskad NChHPP.

Treasury shares received during 2008 are accounted for at nominal value of 1 RR per share. Difference between the nominal value and the cost of received treasury shares has been recorded in retained earnings within equity.

Merger reserve. Based on the application of predecessor values basis of accounting (Note 3) the difference of RR 77,449,212 thousand as at 31 December 2008 (31 December 2007: 40,249,247 thousand, 31 December 2006: RR 39,473,786 thousand) between the statutory value of share capital issued and the IFRS carrying value of the contributed assets and minority interest has been recorded as a merger reserve within equity.

Effect of changes in minority interest. In 2006 OJSC Zelenchukskie HPPs issued 89,242,749 additional ordinary shares with a par value of RR 10.0 each fully paid by RAO UES of Russia. The cash contribution amounted to RR 892,427 thousand and the increase of minority interest was reflected in the statement of changes in equity at the date of the additional share issue.

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In 2006 OJSC Kolymaenergo issued 600,000,000 additional ordinary shares with a par value of RR 1 each fully paid by the State. The increase of minority interest was reflected in the statement of changes in equity at the date of the additional share issue.

In 2007 OJSC Sulakenergo issued 145,280,300 additional ordinary shares with a par value of RR 10 each fully paid by the Group. The cash contribution amounted to RR 1,452,803 thousand and the decrease of minority interest was reflected in the statement of changes in equity at the date of the additional share issue.

In 2007 OJSC Zaramagskie HPPs issued 1,004,740 additional ordinary shares with a par value of RR 1,000 each fully paid by the Group. The cash contribution amounted to RR 1,004,740 thousand and the decrease of minority interest was reflected in the statement of changes in equity at the date of the additional share issue.

In 2007 OJSC Kolymaenergo issued 1,274,380,327 additional ordinary shares with par value of RR 1 each. 1,200,000,000 ordinary shares were paid by the State and 74,380,327 ordinary shares were paid by RAO UES of Russia. The change in minority interest was reflected in the statement of changes in equity at the date of the additional share issue.

In 2008 OJSC Kolymaenergo issued 1 050 000 000 additional ordinary shares with a par value of RR 1 each in favour of the State. The change in minority interest was reflected in the statement of changes in equity at the date of the additional share issue.

Acquisition and disposal of subsidiaries. In 2006 the Group acquired 56.00 percent of the share capital of OJSC Severo-Osetinskaya HGC from OJSC Sevkvkazenergo, a subsidiary of RAO UES of Russia, for a cash consideration of RR 110,327 thousand.

The acquisition of OJSC Severo-Osetinskaya HGC was accounted for using the predecessor values basis of accounting method from 1 January 2006.

In 2007 all the contributions and purchases of shares were of entities that were already subsidiaries of the Group except for OJSC Geoterm and OJSC Verhne-Mutnovskaya GeoES.

In 2007 the Group acquired 99.98 percent of the share capital of CJSC EOZ from a third party for a cash consideration of RR 969,203 thousand. CJSC EOZ owned an office building only and therefore this transaction is not a business combination and no goodwill arose on the acquisition.

In 2007 OJSC Boguchanskaya HPP was disposed from a subsidiary to jointly-controlled entity (Note 2).

In 2008 the Group acquired OJSC Chuvashskaya energy retail company and OJSC Ryazanskaya energy retail company for cash consideration and additional interest in OJSC Kaskad NChHPP from OJSC KabbalkEnergo in exchange for setting-off KabbalkEnergo liabilities to the Company and accounted for these transactions as business combinations under common control (Note 2).

In 2008 the Group acquired 100 percent of the share capital of CJSC Technopark Rumyantsevo from a third party for a cash consideration of RR 1,061,779 thousand. CJSC Technopark Rumyantsevo owns 5.8 hectares of land, which is its main asset. This transaction is not a business combination as the acquiree is not a business and was accounted as an acquisition of assets.

In 2008 the Group acquired 99.90 percent of the share capital of LLC SpetsEnergoService from a third party for a cash consideration of RR 352,651 thousand. At the time of acquisition LLC SpetsEnergoService owned 62.60 percent of shares of OJSC MosoblGidroproekt, which is a research and design institute. LLC SpetsEnergoService and OJSC MosoblGidroproekt have not prepared IFRS financial statements before and the disclosure of IFRS values of acquired assets, liabilities and contingent liabilities is impracticable. The disclosure of the provisional purchase price allocation has not been made due to immateriality, and is mostly attributable to goodwill and intangible assets included in other non-current assets. The effect of the acquired business on the Group's profit and revenue was insignificant.

Effect of carve-out accounting. In 2006 the Group recorded the effect resulting from the carve-out accounting of Novosibirskaya HPP and related rental agreement for the period and from the predecessor legal entity. Included within the merger reserve in 2006 is RR 173,227 thousand of carved out rental revenues and expenses related to periods from 1 January 2006 to 1 November 2006 for Novosibirskaya HPP property, plant and equipment within RAO UES of Russia, predecessor legal entity (Note 3).

Dividends. In accordance with Russian legislation, the Group distributes profits as dividends on the basis of financial statements prepared in accordance with Russian Accounting Rules. The statutory accounting reports are the basis for profit distribution and other appropriations. Russian legislation identifies the basis of

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distribution as the net profit. However, this legislation and other statutory laws and regulations are open to legal interpretation and accordingly management believes at present it would not be appropriate to disclose an amount for the distributable reserves in these financial statements.

The Company did not declare any dividends for the year ended 31 December 2008. The dividends declared by the Company were recognised as a liability and deducted from equity for the year 31 December 2007 in the amount RR 1,240,053 thousand (for the year ended 31 December 2006: RR 1,778,466 thousand).

Note 16. Income tax

Income tax charge is as follows:

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Current income tax expense	8,347,610	4,653,474	1,836,144
Deferred income tax (benefit)/ expense	(7,899,053)	(1,704,110)	4,813,465
Total income tax charge	448,557	2,949,364	6,649,609

During 2008, 2007 and 2006 most entities of the Group were subject to tax rates of 24 percent on taxable profit.

In accordance with Russian tax legislation, tax losses in different Group companies may not be offset against taxable profits of other Group companies. Accordingly, tax may be accrued even where there is a net consolidated tax loss.

From 1 January 2009 the income tax rate for Russian companies has been reduced to 20 percent. This rate has been used for the calculation of the deferred tax assets and liabilities as at 31 December 2008.

A reconciliation between the expected and the actual taxation charge is provided below:

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
(Loss) / Profit before income tax	(19,031,741)	8,420,385	14,273,299
Theoretical income tax charge at an average statutory tax rate of 24 percent	4,567,618	(2,020,892)	(3,425,592)
Tax effect of items which are not deductible or assessable for taxation purposes	(1,351,914)	(798,964)	(456,189)
Non-deductible items related to impairment of investments	(1,735,451)	-	-
Effect of change in tax rate	(693,632)	-	-
Unrecognised deferred tax assets	(1,235,178)	(129,508)	(2,767,828)
Total income tax charge	(448,557)	(2,949,364)	(6,649,609)

Deferred income tax. Differences between IFRS and Russian statutory taxation regulations give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for income tax purposes. Deferred income tax assets and liabilities are measured at 20 percent, the rate expected to be applicable when the assets or liabilities will be realised.

	31 December 2008	Charged (credited) to the income statement	Charged directly to equity	31 December 2007
Deferred income tax liabilities	43,574,595	(3,405,491)	10,156,105	36,823,981
Property, plant and equipment	43,050,394	(3,319,856)	10,156,105	36,214,145
Loans and borrowings	457,529	(44,501)	-	502,030
Other	66,672	(41,134)	-	107,806
Deferred income tax assets	(8,755,587)	(4,493,562)	-	(4,262,025)
Property, plant and equipment	(6,458,730)	(4,336,839)	-	(2,121,891)
Accounts receivable	(230,134)	520,002	-	(750,136)
Other	(2,066,723)	(676,725)	-	(1,389,998)
Deferred income tax liabilities, net	34,819,008	(7,899,053)	10,156,105	32,561,956

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distribution as the net profit. However, this legislation and other statutory laws and regulations are open to legal interpretation and accordingly management believes at present it would not be appropriate to disclose an amount for the distributable reserves in these financial statements.

The Company did not declare any dividends for the year ended 31 December 2008. The dividends declared by the Company were recognised as a liability and deducted from equity for the year 31 December 2007 in the amount RR 1,240,053 thousand (for the year ended 31 December 2006: RR 1,778,466 thousand).

Note 16. Income tax

Income tax charge is as follows:

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Current income tax expense	8,347,610	4,653,474	1,836,144
Deferred income tax (benefit)/ expense	(7,899,053)	(1,704,110)	4,813,465
Total income tax charge	448,557	2,949,364	6,649,609

During 2008, 2007 and 2006 most entities of the Group were subject to tax rates of 24 percent on taxable profit.

In accordance with Russian tax legislation, tax losses in different Group companies may not be offset against taxable profits of other Group companies. Accordingly, tax may be accrued even where there is a net consolidated tax loss.

From 1 January 2009 the income tax rate for Russian companies has been reduced to 20 percent. This rate has been used for the calculation of the deferred tax assets and liabilities as at 31 December 2008.

A reconciliation between the expected and the actual taxation charge is provided below:

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
(Loss) / Profit before income tax	(19,031,741)	8,420,385	14,273,299
Theoretical income tax charge at an average statutory tax rate of 24 percent	4,567,618	(2,020,892)	(3,425,592)
Tax effect of items which are not deductible or assessable for taxation purposes	(1,351,914)	(798,964)	(456,189)
Non-deductible items related to impairment of investments	(1,735,451)	-	-
Effect of change in tax rate	(693,632)	-	-
Unrecognised deferred tax assets	(1,235,178)	(129,508)	(2,767,828)
Total income tax charge	(448,557)	(2,949,364)	(6,649,609)

Deferred income tax. Differences between IFRS and Russian statutory taxation regulations give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for income tax purposes. Deferred income tax assets and liabilities are measured at 20 percent, the rate expected to be applicable when the assets or liabilities will be realised.

	31 December 2008	Charged (credited) to the income statement	Charged directly to equity	31 December 2007
Deferred income tax liabilities	43,574,595	(3,405,491)	10,156,105	36,823,981
Property, plant and equipment	43,050,394	(3,319,856)	10,156,105	36,214,145
Loans and borrowings	457,529	(44,501)	-	502,030
Other	66,672	(41,134)	-	107,806
Deferred income tax assets	(8,755,587)	(4,493,562)	-	(4,262,025)
Property, plant and equipment	(6,458,730)	(4,336,839)	-	(2,121,891)
Accounts receivable	(230,134)	520,002	-	(750,136)
Other	(2,066,723)	(676,725)	-	(1,389,998)
Deferred income tax liabilities, net	34,819,008	(7,899,053)	10,156,105	32,561,956

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	31 December 2007	Charged (credited) to the income statement	Charged directly to equity	Disposal of subsidiary	31 December 2006
Deferred income tax liabilities	36,823,981	35,370	27,852,017	(109,738)	9,046,332
Property, plant and equipment	36,214,145	71,165	27,842,773	(107,331)	8,407,538
Loans and borrowings	502,030	(59,405)	-	(48)	561,483
Other	107,806	23,610	9,244	(2,359)	77,311
Deferred income tax assets	(4,262,025)	(1,739,480)	-	115,770	(2,638,315)
Property, plant and equipment	(2,121,891)	(545,823)	-	105,073	(1,681,141)
Accounts receivable	(750,136)	12,200	-	8,104	(770,440)
Other	(1,389,998)	(1,205,857)	-	2,593	(186,734)
Deferred income tax liabilities, net	32,561,956	(1,704,110)	27,852,017	6,032	6,408,017

	31 December 2006	Charged (credited) to the income statement	31 December 2005
Deferred income tax liabilities	9,046,332	3,508,536	5,537,796
Property, plant and equipment	8,407,538	4,075,352	4,332,186
Loans and borrowings	561,483	(40,724)	602,207
Other	77,311	(526,092)	603,403
Deferred income tax assets	(2,638,315)	1,304,929	(3,943,244)
Property, plant and equipment	(1,681,141)	1,471,810	(3,152,951)
Accounts receivable	(770,440)	(222,839)	(547,601)
Other	(186,734)	55,958	(242,692)
Deferred income tax liabilities, net	6,408,017	4,813,465	1,594,552

In 2008 a deferred tax expense of RR 10,156,105 thousand (in 2007: RR 27,842,773 thousand) has been recorded directly in equity in respect of the revaluation of the Group's property, plant and equipment (Note 7).

Investments in subsidiaries and jointly controlled entities. Prior to 31 December 2008 the Group did not record a deferred income tax liability in respect of taxable temporary differences associated with investments in subsidiaries and jointly controlled entity as it was not probable that the Company would receive dividends in the foreseeable future. The estimated unrecorded deferred tax liabilities for such differences as at 31 December 2006 were RR 15,150,212 thousand. With effect from 1 January 2008 no tax is payable on dividends paid to a parent by subsidiaries (if certain requirements are met). Also, in 2008 22 subsidiaries ceased to exist as separate legal entities and became branches of the Company. Consequently, as at 31 December 2008 and 31 December 2007, no significant unrecorded deferred tax liabilities existed in the Group in respect of the investments.

Note 17. Pension benefits

The tables below provide information about the benefit obligations and actuarial assumptions used for the year ended 31 December 2008, 2007 and 2006.

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Amounts recognised in the Group's consolidated balance sheet:

	31 December 2008	31 December 2007	31 December 2006
Present value of defined benefit obligations	1,984,215	1,731,455	1,388,626
Present value of unfunded obligations	1,984,215	1,731,455	1,388,626
Unrecognised actuarial (loss)/gains	227,997	9,650	-
Unrecognised past service cost	(726,276)	(733,649)	(575,975)
Net liability	1,485,936	1,007,456	812,651

Amounts recognised in the Group's consolidated income statement:

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Current service cost	96,393	71,114	11,563
Interest cost	116,627	108,108	28,740
Net actuarial loss	1,402	12,223	-
Past service cost	390,066	133,011	8,873
Curtailment gain	(22,321)	-	-
Other	-	-	731,414
Net expense recognised in income statement	582,167	324,456	780,590

Changes in the present value of the Group's pension benefit obligation are as follows:

	31 December 2008	31 December 2007	31 December 2006
Projected Benefit Obligation at the beginning of the year	1,731,455	1,388,626	283,595
Service cost	96,393	71,114	11,563
Interest cost	116,627	108,108	28,740
Actuarial loss/(gain)	(205,530)	2,573	(1,619)
Past service cost	382,693	290,686	341,922
Benefits paid	(103,686)	(129,652)	(6,989)
Curtailment gain	(33,737)	-	-
Other	-	-	731,414
Present value of pension benefit obligations at end of the year	1,984,215	1,731,455	1,388,626

Experience adjustment on plan liabilities is as follows:

	31 December 2008	31 December 2007	31 December 2006
Defined benefit obligation	1,984,215	1,731,455	1,388,626
Plan assets	-	-	-
Deficit	1,984,215	1,731,455	1,388,626
Experience adjustments on plan liabilities	40,433	2,573	(1,619)
Experience adjustments on plan assets	-	-	-

The Group expects to contribute RR 138,895 thousand to the defined benefit plans during the year beginning 1 January 2009.

Principal actuarial assumptions are as follows:

	31 December 2008	31 December 2007	31 December 2006
Nominal discount rate	9.0%	6.75%	6.8%
Wage growth rate	8.0%	7.0%	7.0%
Inflation rate	7.0%	6.0%	5.0%

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Note 18. Current and non-current debt

Non-current debt

	Currency	Effective interest rate	Due date	31 December 2008	31 December 2007	31 December 2006
Bonds issue (OJSC HydroWGC Management Company)	RR	8.10%	2011	5,000,000	5,000,000	5,000,000
EBRD (tranche 1)	RR	3.65%+MOSPRIME	2020	2,023,778	2,000,015	2,000,015
EBRD (tranche 2)	RR	2.75%+MOSPRIME	2014	850,000	850,000	850,000
EBRD (tranche 3)	RR	3.05%+MOSPRIME	2016	3,150,000	3,150,000	3,150,000
Morgan Stanley Bank International Ltd	RR	8.75%	2013	3,000,000	3,000,000	3,000,000
CF Structured Products B.V.	USD	10.5%	2013	1,762,824	1,472,772	-
Morgan Stanley Bank International Ltd	RR	1.5%+MOSPRIME	2014	1,500,000	1,500,000	-
Municipal authority of Kamchatka region	RR	LIBOR+3%	2035	1,197,979	964,528	992,710
Ministry of Railways of Russia	RR	12.00%	2009	-	971,269	1,471,269
Other long-term debt	RR	-	-	323,448	184,504	-
Long-term derivative financial instruments – interest rate swaps	RR	-	2010	240,340	-	-
Finance lease liabilities	RR	11.10%-20.00%	-	3,082,568	3,605,888	729,611
Total				22,130,937	22,698,976	17,193,605
Less current portion of finance lease liabilities				(2,064,077)	(1,315,921)	(257,370)
Less current portion of non-current debt				(51,375)	(542,922)	(539,465)
Total non-current debt				20,015,485	20,839,133	16,396,769

European Bank for Reconstruction and Development (hereinafter referred to as “EBRD”). In September 2006 the Group received a loan, in three tranches, of RR 6,300,000 thousand from European Bank for Reconstruction and Development. Tranche 1 is stated net of transaction costs incurred in the amount of 276,222 thousand as at 31 December 2008 (31 December 2007: 299,985 thousand). The funds will be used to finance a program to upgrade and re-equip HPPs of the Volzhskaya-Kamskaya Cascade. The loan is co-arranged by Standard Bank PLC, CJSC Bank Austria Creditanstalt AG and CJSC ING Bank (Eurasia). The lead arrangers are Calyon, Fortis SA/NV and CJSC Raiffeisenbank Austria and the arrangers are CJSC Citibank, Credit Suisse and Banque Societe Generale Vostok. Interest is payable quarterly. The Group is subject to certain financial and other covenants under the facility. As at 31 December 2008 the Group was in compliance with all its covenants under the facility.

Bonds issue. In July 2006 OJSC HydroWGC Management Company issued bonds in a public offering on the MICEX Stock Exchange. The total value of bonds issue was RR 5,000,000 thousand. The bonds were sold at a par value of RR 1,000 rubles, with a yield of 8.1 percent per annum. The yield is payable every six months. The bonds are repayable in July 2011. The bonds issue was sponsored by the KIT Finance Investment Bank. The bond issue proceeds will be used to finance the completion of Boguchanskaya HPP and the needs of Group’s subsidiaries.

Morgan Stanley Bank International Ltd. (hereinafter referred to as “Morgan Stanley”). In April 2007 the Group obtained a loan of RR 1,500,000 thousand from Morgan Stanley. The funds are intended to be used for financing capital expenditure projects in accordance with the Group’s investment programme. The loan bears interest at 1.5%+MOSPRIME per annum and is scheduled for repayment in April 2014. The interest is payable each half a year. The Group is subject to certain financial and other covenants under the facility. As at 31 December 2008, the Group was in compliance with all its covenants under the facility.

In December 2006 the Group obtained a loan of RR 3,000,000 thousand from Morgan Stanley. The funds are intended to be used for financing of the Company’s investment programme. The loan bears interest at 8.75 percent per annum and is scheduled for repayment in December 2013. The interest is payable on a monthly basis. The Group is subject to certain financial and other covenants under the facility. As at 31 December 2008, the Group was in compliance with all its covenants under the facility.

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Municipal authority of Kamchatka region. The loan was received for the purpose of Mutnovskaya GeoES construction. The loan is scheduled for repayment by 1 January 2035 through annual payments. An interest of 1 percent is charged on the outstanding amount of the loan. The debt is stated at present value, using a discount rate of 8.57 percent.

CF Structured Products B.V. In February 2007 the Group obtained a loan from CF Structured Products B.V. in amount of USD 60,000 thousand. The funds were obtained to finance construction of Cascade of Nizhne-Cherekskih HPPs. The loan bears interest at 10.5 percent per annum and is scheduled for repayment in February 2013.

Ministry of Railways of Russia The loan from Ministry of railways was obtained in 2003 for construction of Bureiskaya HPP. The loan bears interest at 12 percent per annum and is scheduled for repayment in 2009.

Current debt

	Currency	Effective interest rate	31 December 2008	31 December 2007	31 December 2006
Ministry of Railways of Russia	RR	9.80%	471,269	-	-
OJSC Alfa-Bank	RR	8.50%-9.50%	5,000	550,000	117,733
OJSC Mezhtopenergobank	RR	11.00%-14.30%	-	157,840	2,643,313
OJSC AB Otkritie	RR	11.00%	-	138,000	-
Aluminium Group Ltd	RR	12.00%	-	-	966,562
Settimel Holding Ins	RR	12.00%	-	-	182,000
Other current debt	RR	-	241	4,071	81,391
Finance lease liabilities	RR	11.10%-20.00%	2,064,077	1,315,921	257,370
Current portion of non-current debt	RR	-	51,375	542,922	539,465
Interest payable	RR	-	573,640	469,281	398,342
Short-term derivative financial instruments – interest rate swaps	RR	-	211,299	-	-
Total current debt and current portion of non-current debt			3,376,901	3,178,035	5,186,176

During 2006 the Group obtained debt from Aluminium Group Ltd and Settimel Holding Ins, both RUSAL Group affiliates, to help to finance the construction of Boguchanskaya HPP, which was transferred to BoGES Group upon BEMA establishment in year 2007 (Note 2).

Debt maturity

Due for repayment	31 December 2008	31 December 2007	31 December 2006
Between one and two years	240,340	479,849	500,000
Between two years and three years	5,000,000	-	471,269
Between three years and four years	323,448	5,000,000	-
Between four years and five years	4,762,825	174,923	5,000,000
After five years	8,670,381	12,894,393	9,953,260
Total	18,996,994	18,549,165	15,924,529

Effective interest rate. The effective interest rate is the market interest rate applicable to the loans at the date of origination for fixed rate loans and the current market rate for floating rate loans. The Group has not entered into any hedging arrangements in respect of interest rate exposures.

Finance lease liabilities. Minimum lease payments under finance leases and their present values are as follows:

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	Due in 1 year	Due between 2 and 5 years	Due after 5 years	Total
Minimum lease payments at 31 December 2008	2,257,339	1,164,960	77,480	3,499,779
Less future finance charges	(193,262)	(182,863)	(41,086)	(417,211)
Present value of minimum lease payments at 31 December 2008	2,064,077	982,097	36,394	3,082,568
Minimum lease payments at 31 December 2007	1,589,754	2,479,170	65,673	4,134,597
Less future finance charges	(273,833)	(226,523)	(28,353)	(528,709)
Present value of minimum lease payments at 31 December 2007	1,315,921	2,252,647	37,320	3,605,888
Minimum lease payments at 31 December 2006	293,683	500,867	8,011	802,561
Less future finance charges	(36,313)	(36,005)	(632)	(72,950)
Present value of minimum lease payments at 31 December 2006	257,370	464,862	7,379	729,611

Note 19. Other non-current liabilities

	31 December 2008	31 December 2007	31 December 2006
Pension obligations (Note 17)	1,485,936	1,007,456	812,651
Other non-current liabilities	1,249,758	1,105,240	1,329,824
Total other non-current liabilities	2,735,694	2,112,696	2,142,475

Note 20. Accounts payable and accruals

	31 December 2008	31 December 2007	31 December 2006
Trade payables	4,670,872	3,230,448	2,023,152
Advances received	1,432,390	1,461,980	913,090
Advances received from RAO UES of Russia	-	1,120,866	4,995,936
Accounts payable to RAO UES of Russia	-	6,650,594	300,000
Dividends payable (Note 15)	20,972	28,073	1,057,781
Settlements with personnel	863,151	752,071	556,131
Accounts payable in respect of shares issued (Note 31)	6,000,000	-	-
Derivative financial instruments	49,557	-	-
Other accounts payable	3,202,964	1,944,473	1,433,147
Total accounts payable and accruals	16,239,906	15,188,505	11,279,237

Advances received from RAO UES of Russia. As at 31 December 2007 the Group had investment agreements with RAO UES of Russia to finance the construction of various HPP assets located in OJSC Zaramagskie HPPs, OJSC Zelenchukskie HPPs and OJSC Kabbalk HPP. These obligations were settled in 2008.

All accounts payable and accruals are denominated in Russian Rubles.

Trade payables are classified as financial liabilities. Total amount of financial liabilities as at 31 December 2008 comprises RR 28,063,258 thousand (31 December 2007: RR 27,247,616 thousand, 31 December 2006: RR 23,606,097 thousand) and includes, beside trade payables, non-current borrowings and current borrowings and current portion of non-current borrowings (Note 18).

Management believes that the majority of suppliers, balances of which are included into trade payables, comprise a single class, as they have the same characteristics. Those suppliers are mainly providers of repair and maintenance services.

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Note 21. Other taxes payable

Other taxes payable represent the following:

	31 December 2008	31 December 2007	31 December 2006
Value added tax	3,168,708	451,443	359,456
Property tax	1,503,216	500,354	598,518
Unified social tax	235,378	183,968	127,586
Other taxes	302,442	243,954	296,264
Total other taxes payable	5,209,744	1,379,719	1,381,824

Note 22. Revenue

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Sales of electricity (capacity)	102,673,904	76,494,284	48,405,245
Other revenue	4,995,877	4,262,187	5,031,090
Total revenue	107,669,781	80,756,471	53,436,335

Note 23. Operating expenses

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Purchased electricity (capacity)	34,661,041	26,574,491	16,120,068
Electricity distribution expenses	12,415,371	10,993,124	10,426,262
Depreciation of property, plant and equipment	9,332,702	8,457,485	4,292,271
Employee benefit expenses (including payroll taxes, share option plan expenses and pension expenses)	8,132,100	6,181,839	4,708,856
Third parties services, including:			
Services of SO-CDU, NP ATS, CFR, RAO UES	2,416,695	2,494,939	2,951,860
Repairs and Maintenance	2,089,410	1,939,228	1,914,227
Services of subcontracting companies	1,369,382	1,134,817	557,877
Consulting, legal and information expenses	697,718	1,006,957	389,671
Insurance cost	601,284	515,442	323,770
Security expenses	552,455	475,268	200,172
Rent	526,132	510,519	534,323
Transportation expenses	330,396	278,239	191,157
Other third parties services	1,068,263	1,615,592	1,253,682
Taxes other than income tax	5,145,288	3,176,873	2,478,946
Other materials	1,366,978	1,323,953	1,250,193
Write-off and charge of impairment of accounts receivable	1,087,764	505,311	521,462
Water usage expenses	854,683	854,979	1,005,714
Social charges	327,690	584,180	297,232
Loss on disposals of property, plant and equipment, net	303,336	164,417	2,587,178
Other expenses	1,379,526	1,604,305	1,313,319
Total operating expenses	84,658,214	70,391,958	53,318,240

Loss on disposals of property, plant and equipment. Included within loss on disposals of property, plant and equipment in 2006 is a RR 2,335,351 thousand net loss which resulted from a disposal of construction in progress to OJSC Dagautodor. The disposed assets comprised of roads, bridges and other infrastructure under construction in the Republic of Dagestan.

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Note 24. Finance cost, net

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Interest income	1,911,063	439,050	175,462
Interest expense	(1,825,088)	(1,727,106)	(864,002)
Finance lease expense	(533,716)	(410,195)	(43,225)
Loss on derivative financial instruments	(394,037)	-	-
Other expense	(653,038)	(126,568)	(84,444)
Finance cost, net	(1,494,816)	(1,824,819)	(816,209)

Note 25. Earnings per share

	Year ended 31 December 2008	Year ended 31 December 2007	Year ended 31 December 2006
Weighted average number of ordinary shares issued (thousand of shares)	215,648,425	148,502,176	124,027,549
(Loss) / profit attributable to the shareholders of the Company (in thousand RR)	(19,955,433)	5,663,018	6,034,402
Weighted average earnings per share – basic and diluted* (in RR)	(0.0925)	0.0381	0.0487

* Share option programme of the Group (Note 6) has no dilutive effect for the periods presented.

Note 26. Derivative financial instruments

To reduce the Group's foreign exchange risk and interest rate risk exposure, in 2008 the Group entered into derivative financial instrument transactions with two foreign banks having an investment grade rating within the range Aa1-Aa3 as assessed by the S&P rating agency on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The table below sets out fair values, at the balance sheet date, of foreign exchange forward contracts and interest rate swap contracts entered into by the Group:

	31 December 2008	
	Assets	Liabilities
Foreign exchange forwards: fair values, at the balance sheet date, of:		
- USD forwards	-	34,085
- Euros forwards	52,496	7,142
- CHF forwards	-	8,330
Interest rate swaps	54,664	451,639
Total	107,160	501,196
less non-current portion		
Interest rate swaps	-	240,340
Current portion	107,160	260,856

The full fair value of interest rate swaps is classified as other current assets (Note 14), current and non-current debt (Note 18). The full fair value of foreign exchange forwards is classified as other current assets (Note 14) and accounts payable and accruals (Note 20).

Note 27. Financial risks management

Financial risk factors. The Group activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, changes in interest rates and the collectibility of receivables. The Group does not have a risk policy in order to hedge its financial exposures.

Currency risk. Electric power produced by the Group is sold on the internal market of the Russian Federation with prices fixed in the currency of the Russian Federation. Hence, the Group does not have significant foreign currency exchange risk. The financial condition of the Company, its liquidity, financing sources and the results of activities do not considerably depend on currency rates as the Group activities are planned to be performed in such a way that its assets and liabilities be denominated in the national currency.

Also the Company acts as a surety on currency obligations of CJSC BoAZ at the rate of 50 percent (the remaining 50 percent are guaranteed by UC RUSAL) and plans to provide funds to make necessary payments by means of financing through the company HydroOGK Aluminium Company Ltd. As foreign currency revenues on the project BEMA are expected not earlier than 2010, the Company's management took a decision to reduce foreign currency risk on the project BEMA (Note 26).

Except for these transactions, the influence of changes in the domestic currency rate as related to foreign currency rates on the financial condition of the Group is estimated as insignificant.

Interest rate risk. The Group's operating profits and cash flows from operating activity are largely not dependent on the changes in market interest rates. The Company obtains borrowings both with fixed and with floating rate and is subject to the risk of interest rate changes. The Group's significant interest bearing liabilities are disclosed in Note 18. The Company obtains loans in the national currency with floating rate, which are established on the basis of the MosPrime rate.

Sensitivity analyses of rates fluctuations for 2008, 2007 and 2006 years based on expected forecasts of rates changes at the date of redemption of exchange commitments indicate if the MosPrime rate increased by 0.5 percent the profit after tax would decrease by RR 29.6 million for the year ended 31 December 2008, 28.5 million for the year ended 31 December 2007 and by RR 8.0 million for the year ended 31 December 2006.

For the purpose of interest risk reduction the Group makes the following arrangements:

- credit market monitoring to identify favourable credit conditions;
- attraction of credit resources at rates lower than the refinancing rate of the Central Bank of the Russian Federation;
- diversification of credit portfolio by attracting of borrowings with fixed rates and floating rates;
- to avoid an uncontrolled increase of interest costs on the borrowings, the Group signed agreements to fix interest rates for interest payments in 2009 - interest rate swaps (Note 26).

Credit risk. Credit risk is the risk of financial loss for the Group in the case of non-fulfillment by the Contractor of the obligations on the financial instrument under the proper contract.

Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provision for impairment of receivables already recorded.

For Group customers there is no independent rating and therefore the Group assesses the credit quality of the customer at the contract execution stage. The Group takes into account the customer's financial position and its credit history. The Group monitors the existing receivables on the ongoing basis in the profile departments and takes actions regularly for their collection.

Cash has been deposited in the financial institutions with no more than minimal exposure to the default risk at the time of account opening. The Board of Directors approved the list of banks for deposits, as well as rules for the placement of deposits. Moreover, the Company constantly evaluates the financial condition, ratings assigned by independent agencies, background and other factors.

The tables in Notes 10, 11 show deposits with banks and other financial institutions and their ratings at the balance sheet date.

Liquidity risk. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding from an adequate amount of committed credit facilities. The

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Company adheres to the balanced model of financing of working capital – both at the expense of short-term sources and long-term sources. Temporarily free funds are placed into short-term financial instruments, mainly bank deposits and bills of exchange. Current liabilities are represented mainly by the accounts payable to suppliers and contractors.

The Company has implemented a control system under its contract conclusion process by introduction and application of typical financial arrangements which include standardised payment structure, payment deadlines, percentage ratio between advance and final settlement, etc. In such a manner Company controls capital maturity.

The table below analyses the Group's financial liabilities (including interest accrued) into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their discounted balances.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
At 31 December 2008				
Loans and borrowings (Note 18)	1,312,824	240,340	10,086,273	8,670,381
Accounts payable (Note 20)	4,670,872	-	-	-
At 31 December 2007				
Loans and borrowings (Note 18)	1,566,274	479,849	5,174,923	12,894,393
Promissory notes (Note 18)	295,840	-	-	-
Accounts payable (Note 20)	3,230,448	-	-	-
At 31 December 2006				
Loans and borrowings (Note 18)	2,285,493	500,000	5,471,269	9,953,260
Promissory notes (Note 18)	2,643,313	-	-	-
Accounts payable (Note 20)	2,023,152	-	-	-

Reconciliation of classes of financial instruments with measurement categories

For the purposes of measurement, IAS 39, Financial Instruments: Recognition and Measurement, classifies financial assets into the following categories: (a) loans and receivables; (b) available-for-sale financial assets; (c) financial assets held to maturity and (d) financial assets at fair value through profit or loss (hereinafter referred to as "FVTPL").

The following table provides a reconciliation of classes of financial assets with these measurement categories as at 31 December 2008:

	Loans and receivables	Available-for- sale investments	Assets at fair value through the profit and loss	Total
ASSETS				
Other non-current assets (Note 10)				
Promissory notes and deposits	11,942,734	-	-	11,942,734
Long-term loans receivable	213,243	-	-	213,243
Available-for sale investments (Note 9)		2,011,215	-	2,011,215
Trade and other receivables (Note 12)				
Trade receivables	6,363,168	-	-	6,363,168
Promissory notes receivable	8,647,698	-	-	8,647,698
Other current assets (Note 14)				
Promissory notes and deposits	4,727,041	-	-	4,727,041
Derivative financial instruments	-	-	107,160	107,160
Cash and cash equivalents (Note 11)				
Cash and cash equivalents	24,837,862	-	-	24,837,862
TOTAL FINANCIAL ASSETS	56,731,746	2,011,215	107,160	58,850,121
NON-FINANCIAL ASSETS	-	-	-	367,520,978
TOTAL ASSETS	56,731,746	2,011,215	107,160	426,371,099

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The following table provides a reconciliation of classes of financial assets with these measurement categories as at 31 December 2007:

	Loans and receivables	Available-for-sale investments	Total
ASSETS			
Other non-current assets (Note 10)			
Long-term loans receivable	600,994	-	600,994
Available-for sale investments (Note 9)	-	102,504	102,504
Trade and other receivables (Note 12)			
Trade receivables	3,419,220	-	3,419,220
Promissory notes receivable	7,576,764	-	7,576,764
Other current assets (Note 14)			
Promissory notes	3,152,753	-	3,152,753
Cash and cash equivalents (Note 11)			
Cash and cash equivalents	8,266,748	-	8,266,748
TOTAL FINANCIAL ASSETS	23,016,479	102,504	23,118,983
NON-FINANCIAL ASSETS			290,427,378
TOTAL ASSETS	23,016,479	102,504	313,546,361

The following table provides a reconciliation of classes of financial assets with these measurement categories as at 31 December 2006:

	Loans and receivables	Available-for-sale investments	Total
ASSETS			
Other non-current assets (Note 10)			
Long-term loans receivable	531,250	-	531,250
Available-for sale investments (Note 9)	-	20,499	20,499
Trade and other receivables (Note 12)			
Trade receivables	1,618,638	-	1,618,638
Promissory notes receivable	7,974,284	-	7,974,284
Other current assets (Note 14)			
Promissory notes	424,329	-	424,329
Cash and cash equivalents (Note 11)			
Cash and cash equivalents	6,604,333	-	6,604,333
TOTAL FINANCIAL ASSETS	17,152,834	20,499	17,173,333
NON-FINANCIAL ASSETS			151,832,955
TOTAL ASSETS	17,152,834	20,499	169,006,288

Note 28. Capital risk management

Capital risk management relates to the compliance with the Russian legislation and credit policy implementation to maintain an optimal capital structure and reduce the cost of capital.

The following capital requirements have been established for joint stock companies by the legislation of the Russian Federation:

- share capital can not be lower than 1,000 minimum shares on the date of the company registration;
- if the share capital of the entity is greater than statutory net assets of the entity, such entity must decrease its share capital to the value not exceeding its net assets;
- if the minimum allowed share capital is greater than statutory net assets of the entity, such entity is subject to liquidation.

As at 31 December 2008 the Group was in compliance with the above share capital requirements.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going

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concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with other in the industry, the Group monitors capital on the basis of the gearing ratio, and ensures that the ratio is not more than 1.0. This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings, as shown in the consolidated balance sheet. Total capital is calculated as equity, as shown in the consolidated balance sheet. Gearing ratios were 0.07 as at 31 December 2008, 0.10 and 0.17 as at 31 December 2007 and 2006, respectively.

The Group's policy of capital risk management is based on the following financial ratios: debt to EBITDA ratio, interest payments coverage by EBITDA, and debt coverage by revenue. EBITDA equal to earnings before the deduction of interest expense and financing items, non-cash impairment and disposal charges, income taxes and depreciation.

The debt to EBITDA ratios were 0.73 as at 31 December 2008, 1.26 and 2.87 as at 31 December 2007 and 2006, respectively.

Interest payments coverage by EBITDA were 13.65 for year ended 31 December 2008, 8.94 and 8.29 for years ended 31 December 2007 and 2006, respectively.

Debt coverage by revenue were 0.22 as at 31 December 2008, 0.30 and 0.40 as at 31 December 2007 and 2006, respectively.

Note 29. Commitments

Social commitments. Group entities contribute to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services, recreation and other social needs in the geographical areas in which it operates.

Capital commitments. In May 2006 RAO UES of Russia, the Company and RUSAL Group concluded an agreement on the mutual financing, construction and exploitation of Boguchanskaya HPP and the Boguchansky Aluminium Plant (Note 2). Both RusHydro Group and RUSAL Group have committed to finance the construction on the basis of mutual parity. The total investment to be contributed by the RusHydro and RUSAL Groups amounts to RR 132,123 million from 2008 to 2012 in accordance with the Company's investment programme. The Group contributed RR 15,071 million in 2008. The first line of Boguchanskaya HPP is planned to be put into operation in 2010.

Other future capital expenditures in accordance with contractual obligations amounted to RR 31,597,614 thousand at 31 December 2008, RR 7,595,548 thousand at 31 December 2007 and RR 8,375,467 thousand at 31 December 2006. The major part of future capital expenditures under contractual obligations as at 31 December 2008 are related to the following hydro power stations: Zagorskaya HAEPP-2 in the amount of RR 13,972,187 thousand, mainly due to the construction of the station, SShHPP in the amount of RR 5,575,516 thousand, mainly due to the construction of the coast spillway, Saratovskaya HPP in the amount of RR 3,647,691 thousand, mainly due to the supply of hydroturbines.

Note 30. Contingencies

Political environment. The operations and earnings of Group entities continue, from time to time and in varying degrees, to be affected by political, legislative, fiscal and regulatory developments, including those related to environmental protection, in the Russian Federation.

Insurance. The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed for those risks for which it does not have insurance.

Legal proceedings. Group entities are party to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the position of the Group.

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(in thousands of Russian Rubles)

Tax contingencies. Russian tax, currency and customs legislation is subject to varying interpretation, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities, in particular the way of accounting for tax purposes of some income and expenses of the Group as well as deductibility of input VAT from suppliers and contractors. Recent events within the Russian Federation suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances review may cover longer periods.

Due to the fact, that the tax and other legislation do not fully cover all the aspects of the Group reorganisation, there might be respective legal and tax risks.

As at 31 December 2008 management believes that its interpretation of the relevant legislation is appropriate and the Group's tax, currency and customs positions will be sustained.

Due to completion of the Company's reorganisation in the form of the legal merger, the Company is a legal successor for litigations of the merged entities including those with tax authorities.

Environmental matters. Group entities and their predecessor entities have operated in the electric power industry in the Russian Federation for many years. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. Group entities periodically evaluate their obligations under environmental regulations.

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Guarantees. The Company provided certain counterparties with guarantees in respect to the following amounts of borrowings taken by the Group's related parties:

Name of counterparty	Debtor	Nature of relationship	31 December 2008	31 December 2007	31 December 2006
Barclays Bank PLC	CSJC Boguchansky Aluminium Plant	Joint venture	7,638,904	6,712,212	-
OJSC Bank of Moscow	LLC IR Leasing	None	1,423,191	1,423,191	1,423,191
OJSC Bank of Moscow	OJSC Hanti-Mansiiskaya leasing company Otkritie	None	491,370	491,370	491,370
AREVA T&D S.A.	CSJC Boguchansky Aluminium Plant	Joint venture	1,374,122	-	-
SOLIOS Environment SA	CSJC Boguchansky Aluminium Plant	Joint venture	774,352	-	-
CJSC Commerzbank (Euroasia)	CSJC Boguchansky Aluminium Plant	Joint venture	166,648	-	-
BROCHOT SA	CSJC Boguchansky Aluminium Plant	Joint venture	40,859	-	-
Societe des Technologies de l'Aluminium du Saguenay Inc	CSJC Boguchansky Aluminium Plant	Joint venture	18,569	-	-
Total			11,928,015	8,626,773	1,914,561

In March 2007 the Company issued a guarantee for a loan of USD 520 million raised by OJSC Boguchansky Aluminium Plant to finance BEMA (Note 2). The loan period is 3 years and the average interest rate is LIBOR + 0.825%. The managers and underwriters of the loan are ABN Amro, Barclays, Calyon and Sberbank of Russia. The raised borrowings are used for construction of Boguchansky Aluminium Plant and completion of Boguchanskaya HPP. The Company's guarantee provides for 50 percent of the borrower's liabilities under the loan agreement; the remaining 50 percent of liabilities are secured by the guarantee and surety provided by the RUSAL Group entities. The fair value of the guarantees was assessed as at 31 December 2008 and a liability in the amount of RR 103 million was recognised.

The Group issued guarantees for two loans raised by OJSC Hanti-Mansiiskaya leasing company Otkritie and LLC IR Leasing to finance equipment purchases for the Group. The interest rate on the loans is 11%. The

loans will be repaid in 2010 and 2009, respectively. Fair value of the guarantees was assessed as at 31 December 2008 and a liability in the amount of RR 58 million was recognised.

Remaining guarantees were issued to suppliers for future equipment's deliveries.

Note 31. Subsequent events

Additional share issues

At an extraordinary general meeting of shareholders on 17 November 2008 (the minutes №2 dated 20 November 2008) the shareholders took a decision to increase the share capital of the Company by means of the placement of 10,000,000,000 additional personal ordinary shares with a par value of RR 1.00 each totaling RR 10,000,000 thousand through open subscription with a cash consideration. On 18 November 2008 (the minutes №67 dated 20 November 2008) the Board of directors approved the decision of the additional issuance of shares and determined a placement price of additional shares.

On 2 December 2008 the Federal Service for Financial Markets of Russia registered the additional issuance of 10,000,000,000 additional personal ordinary shares with №1-01-55038-E-036D. The placement deadline was 20 February 2009 or a date of the placement of the last share, depending on which date was earlier.

In December 2008 under the placement of shares the Russian Federation represented by Federal Agency for the Administration of State Property obtained 6,000,000,000 Company's shares using the preemptive right (Note 1).

On 23 January 2009 the Board of directors approved the possibility to acquire 3,998,000,000 shares by the Russian Federation represented by Federal Agency for the Administration of State Property under this issuance of additional shares.

In February 2009 under the placement of shares the Russian Federation represented by Federal Agency for the Administration of State Property obtained 3,998,000,000 Company's shares.

The report on results of the additional issuance of shares of the Company was registered by Federal Service for Financial Markets of Russia on 19 March 2009, prior to the statutory registration the shares issued were recorded within accounts payable and accruals (Note 20). As a result of the placement of additional shares the total number of placed shares of the Company was 255,014,018,667 ordinary shares with a par value of RR 1.00 each.

The extraordinary general meeting of shareholders on 17 November 2008 (the minutes №2 dated 20 November 2008) also took a decision to increase the share capital by means of the placement of 16,000,000,000 additional personal ordinary shares with a par value of RR 1.00 each totaling RR 16,000,000 thousand through open subscription with a cash consideration. At the meeting of the Board of directors on 11 March 2009 (the minutes №73 dated 12 March 2009) the placement price of the additional shares with a par value of 1.00 each was determined and the decision to issue additional shares and the prospectus of shares of the Company. The state registration of the decision to issue additional shares and the prospectus of shares is planned in the second quarter of 2009.

Other

Federal Anti-Monopoly Service (the decision №AG/1562 dated 21 January 2009) satisfied a request of OJSC INTER RAO UES concerning the acquisition of shares of OJSC WGC-1 in trust management including those owned by the Company. In February 2009 the Company's Board of directors (the minutes №72 dated 2 March 2009) approved an agreement of trust management of the rights on the shares of WGC-1 with OJSC INTER RAO UES. This agreement was signed on 12 March 2009.

On 23 January 2009 the Board of Directors of the Company approved an Investment Programme for 2009 in the total amount of RR 79,343 million. The Programme presumed 145 MW of generating capacity to be installed. On 9 April 2009 the Government of the Russian Federation revised the Investment Programme to 64,856 million and 74 MW of generating capacity to be installed.

Appendix II. Accounting reporting of the Issuer for the 1st half-year of 2009

ACCOUNTING BALANCE SHEET As of 30 June, 2009

	CODES
OKUD Form No. 1	0710001
Date (year, month, date)	2009/06/30
OKPO	75782411
TIN	2460066195
OKVED	40.10.12
OKOPF/OKFS	47/42
OKEY	384

Organisation Open Joint-Stock Company RusHydro

Taxpayer's Identification Number

Type of activity Production of electric power by means of hydro-electric power stations

Organisational form/ form of ownership

Open joint-stock company / joint Russian ownership with ownership interests of constituent entities of the Russian Federation

Unit of measurement: thousand roubles

Location 660009, Krasnoyarsk Territory, Krasnoyarsk, Respubliki St., d. 51

Date approved	
Date sent/accepted	

ASSETS	Line code	At opening of reporting period	At close of reporting period
1	2	3	4
I. Non-circulating assets			
Intangible assets	110	55 095	37 576
Fixed assets	120	244 340 764	244 178 649
Construction in progress	130	33 702 695	34 671 593
Long-term financial investments	140	62 949 148	64 728 101
Deferred tax assets	145	-	-
Other non-circulating assets	150	987 069	905 459
Total for section I	190	342 034 770	344 521 378
II. Circulating assets			
Stocks and inventories	210	717 039	1 164 290
Including:			
raw and other materials and other similar stocks	211	623 252	650 050
finished output and goods for resale	214	1 993	898
deferred costs	216	91 794	513 342
Incoming Value Added Tax	220	300 497	302 525
Accounts receivable (payments on which are due more than 12 months from the reporting date)	230	9 767 197	8 499 818
Including:			
buyers and customers	231	630	65 659
Accounts receivable (payments on which are due more than 12 months during the reporting date)	240	60 258 419	72 383 942
Including:			
buyers and customers	241	3 386 573	5 754 519
Short-term financial investments	250	23 036 307	31 276 790
Cash	260	5 179 445	14 791 133
Other circulating assets	270	134	134
Total for section II	290	99 259 038	128 418 632
BALANCE	300	441 293 808	472 940 010

LIABILITIES	Line code	At opening of reporting period	At close of reporting period
1	2	3	4
III. Capital and reserves			
Authorised equity capital	410	245 014 059	255 014 019
Additional capital	420	92 369 450	92 343 619
Reserve capital	430	970 610	1 793 122
Including:			
reserves formed in accordance with the legislation	431	970 610	1 793 122
Undistributed profit	470	71 763 115	89 337 496
Total for section III	490	410 117 234	438 488 256
IV. Long-term liabilities			
Loans and credits	510	17 562 824	17 677 424
Deferred tax liabilities	515	64 259	149 012
Other long-term liabilities	520	115 630	103 040
Total for section IV	590	17 742 713	17 929 476
V. Short-term liabilities			
Loans and credits	610	1 073 584	1 063 513
Accounts payable	620	12 261 424	15 361 199
Including:			
suppliers and contractors	621	1 739 286	1 759 838
debt towards organisation personnel	622	6 398	129 489
debt towards state extra-budgetary funds	623	4 103	27 893
tax and levy debt	624	4 059 442	5 799 426
other creditors	625	6 452 195	7 644 553
Debt towards participants (founders) on payment of incomes	630	18 457	18 058
Prepaid income	640	80 396	79 508
Total for section V.	690	13 433 861	16 522 278
BALANCE	700	441 293 808	472 940 010

INFORMATION ABOUT VALUABLES BOOKED ON EXTRA-BALANCE ACCOUNTS	Line code	At opening of reporting period	At close of reporting period
Leased fixed assets	910	8 375 908	8 481 014
Including: leasing	911	6 540 039	7 211 964
rented	912	3 785	1 369 050
Inventories held for safe custody	920	2 104	42 687
Bad debts written off	940	441 988	366 595
Collateral for liabilities and payments received	950	7 722 719	7 652 490
Collateral for liabilities and payments made	960	19 731 712	27 337 069
Housing fund wear and tear	970	588	477
Registered high-security forms	991	29	77

Member of the Management Board

*(signature)*S.A.Yushin

(Signature)

(name in full)

Chief Accountant

*(signature)*O.V.Otto

(Signature)

(name in full)

Round company seal

JSC RusHydro

Open Joint-Stock Company RusHydro

(660009, Krasnoyarsk Territory, Krasnoyarsk, Respubliki St., d. 51
and principal state registration number)

PROFIT AND LOSS STATEMENT
For the period from 1 January through 30 June, 2009

	CODES
OKUD Form No. 2	0710002
Date (year, month, date)	2009/06/30
OKPO	75782411
TIN	2460066195
OKVED	40.10.12
OKOPF/OKFS	47/42
OKEY	384

Organisation Open Joint-Stock Company RusHydro
 Taxpayer's Identification Number
 Type of activity Production of electric power by means of hydro-electric power stations
 Organisational form/ form of ownership
 Open joint-stock company / joint Russian ownership with ownership interests of constituent entities of the Russian Federation
 Unit of measurement: thousand roubles
 Location 660009, Krasnoyarsk Territory, Krasnoyarsk, Respubliki St., d. 51

Indicator Name	Code	For the reporting period	For the analogous period of the previous year
1	2	3	4
Incomes and costs on customary types of activity			
Revenues (net) from sale of goods, output, work and services (minus value-added tax, excises and similar mandatory payments)	010	39 150 406	29 304 658
Production costs of sold goods, output, work and services	020	(17 227 908)	(18 300 858)
Gross profits	029	21 922 498	11 003 800
Sales profits	050	21 922 498	11 003 800
Other incomes and costs			
Interest receivable	060	2 332 862	677 751
Interest payable	070	(1 194 484)	(599 978)
Incomes from participation in other organisations	080	273 165	60 895
Other incomes	090	15 185 870	5 979 683
Other costs	100	(14 943 752)	(6 059 750)
Pre-tax profits	140	23 576 159	11 062 401
Deferred tax assets	141	25 732	78 143
Deferred tax liabilities	142	(110 873)	(129 580)
Current profit tax	150	(5 142 766)	(3 051 055)
Other similar mandatory payments	180	(752)	(29)
Net profit of the reporting period	190	18 347 500	7 959 880
FOR INFORMATION PURPOSES			
permanent tax liabilities (assets)	200	561 792	447 524
Base profit per share, roubles	201		

BREAKDOWN OF INDIVIDUAL PROFITS AND LOSSES					
Indicator		For the reporting period		For the analogous period of the previous year	
	Code	Profits	Losses	Profits	Losses
1	2	3	4	5	6
Fines, penalties and default interest recognised or on which a court (arbitration court) ruling has been received on their recovery	210	51 426	228	169 512	116
Previous years profits (losses)	220	8 822	47 296	3	7 268
Reimbursement of losses caused by failure to fulfil or duly fulfil obligations	230	254 970	-	-	-
Exchange differences on operations in foreign currency	240	323 379	434 003	1 532	1 126
Contributions to valuation reserves	250	X	-	X	-
Written off accounts receivable and payable on which the statute of limitations has expired	260	-	-	-	-

Member of the Management Board

*(signature)*S.A.Yushin

(Signature)

(name in full)

Chief Accountant

*(signature)*O.V.Otto

(Signature)

(name in full)

Round company seal

JSC RusHydro

Open Joint-Stock Company RusHydro

(660009, Krasnoyarsk Territory, Krasnoyarsk, Respubliki St., d. 51
and principal state registration number)

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