

Opinion of Internal Audit Commission of JSC RusHydro

prepared on the basis of the company performance results for 2009 year

Moscow

16.04.2010

In accordance with the resolution of the Internal Audit Commission of JSC “RusHydro” (the minutes of the meeting of the Internal Audit Commission of 19.02.2010 No. 2) the commission, which included the following persons: the Chairman of the Internal Audit Commission Gataulin Denis Vladislavovich, the members of the Internal Audit Commission: Tikhonova Marina Gennadiyevna, Kovalyova Marina Aleksandrovna, Kolyada Andrei Sergeevich, Kochanov Andrei Aleksandrovich, the financial and business performance of JSC RusHydro (hereinafter referred to as the “Company”) was audited for 2009 year.

The Company Auditor, closed JSC PriceWaterHouseCoopers Audit, elected by the General Meeting of the Company shareholders (minutes No. 4 of 10.06.2009) audited the Company accounting statements for the period from January 1, 2009 through to December 31, 2009 (the auditor’s opinion dated 25.03.2010). In the view of the auditor the Company accounting statements accurately reflects the Company financial position in all materials respects as of December 31, 2010 and the results of the Company financial and business performance for the period from January 1, 2009 through to December 31, 2009, inclusive, in accordance with the statutory requirements of the Russian Federation with regard to preparation of accounting statements.

The Company authorized capital as of 31.12.2009 amounts to 269 695 431 th. rubles. For the accounting period the amount of the Company authorized capital has increased by 24 681 372 th. rubles. The increase in the authorized capital in the accounting period occurred owing to the additional issues of the Company shares, and specifically:

1. Additional shares issue registered 02.12.2008 by FSFM of Russia. The total quantity of the additional issue was 10 000 000 000 shares (actually 9 999 959 476 shares were allotted). The report on the results of the additional shares issue was registered 19.03.2009 by FSFR of Russia. The date of registration of changes in the Company Charter in connection with the authorized capital increase on the basis of the allotment of the additional shares issue: 02.04.2009.

2. The additional shares issue registered by FSFM of Russia of 14.05.2009. The total quantity of the additionally issued shares amounted to 16 000 000 000 shares (actually 14 681 412 135 shares were allotted). The report on the results of the additional shares issue was registered by FSFM of Russia of 24.09.2009. the date of registration of changes in the Company Charter in connection with the authorized capital increase as a result of the allotment of the additional shares issue: 12.10.2009.

For 2009 year the Company has generated proceeds from sale of goods, works and services to the amount of 78 995 831 th. rubles. The growth of proceeds versus the previous period has accounted for 28%. The cost of sold goods, works and services amounted to 36 704 492 th. rubles (decrease versus the previous period accounted for 4%). In the structure of the cost the main portion of the decrease is reported for purchased electric energy and capacity (the decrease

amounted to 2 950 727 th. rubles); the main volume growth is observed in depreciation of fixed assets (the growth amounted to 741 418 th. rubles).

Profit from sales for 2009 year amounted to 42 291 339 th. rubles (the growth accounted for 79% of the profits amount for the previous period).

Miscellaneous incomes in the accounting period increased by 44% and amounted to 32 511 274 th. rubles.

Miscellaneous expenses in the accounting period increased by 144% and amounted to 56 880 414 th. rubles.

Net profit for 2009 amounted to 10 328 995 th. rubles. The decrease versus the previous period accounted for 37%.

The book value of the Company assets as of 31.12.2009 amounted to 475 509 095 th. rubles, which exceeds the value of this indicator as of 01.01.2009 by 8%.

The amount of fixed assets with allowance for charged depreciation in the accounting period has decreased by 3 704 446 th. rubles and amounted to 240 636 318 th. rubles.

The amount of the long-term accounts receivable as of the end of the accounting period increased by 11 745 636 th. rubles and amounted to 21 512 833 th. rubles (the growth accounted for 120%).

The short-term accounts receivable as of the end of the accounting period increased by 10 010 853 th. rubles and amounted to 70 269 272 th. rubles (the growth accounted for 17%).

The Company accounts payable as of the end of the accounting period has decreased by 1 152 875 th rubles and amounted to 11 108 549 th. rubles (the decreased accounted for 9%).

The Company net assets as of 31.12.2009 amounted to 445 241 134 th. rubles (the growth accounted for 9%).

In the accounting period as a result of the technological breakdown at branch of JSC RuHydro (Sayano-Sushenskaya hydropower plant named after P.S. Neporozhny) which occurred 17.08.2009, the capacities engaged in repair, retrofit projects and rebuilding have increased, while the operating capacity has decreased by 1 739, 04 MWT and by 1 777, 96 MWT accordingly against the targets.

In accordance with the Act of technical investigation of the causes of the breakdown occurred 17.08.2009 in Open JSC RusHydro branch – Sayano-Sushenskaya hydropower plant named after P.S. Neporozhny owing to occurring of multiple varying additional loads on the hydroelectric generator in connection with the passages through the zone, which was not recommended for such purpose, structural fatigue damages were created and developed in the fastening units of the hydroelectric generator, and also in the turbine closure. As a result of the destruction of studs caused by dynamic loads the turbine closure was torn away and loss of sealing occurred in the water supply tract of the hydraulic unit.

The ad hoc inventory commission on the basis of the inspection findings with the use of the required technical documentation and diagnostics tools established that it is expedient to use further each facility of Sayano-Shushenskaya hydropower station and that it is feasible to rebuild it. On the basis of the inventory findings the Company in the accounting period wrote-off the fixed assets of Sayano-Shushenskaya hydroelectric plant to the amount of 4 124 891 th. rubles and also the construction-in-progress to the amount of 143 886 th. rubles.

Liquidity indicators and financial stability indicators:

Absolute liquidity ratio shows what portion of short-term liabilities could be covered within the nearest future out of cash assets and cash equivalents in the form of market securities and deposits. As of the closing date the absolute liquidity ratio increased and accounted for 4,14. Therefore, the Company is able to repay all its liabilities out of cash and short-term financial investments.

Fixed-time liquidity ratio shows the ratio between the highest liquid portion of the working capital and the short-term liabilities. For the accounting period the fixed-time ratio has increased and accounted for 9,81.

The current liquidity ratio shows whether the Company has sufficient funds that may be used for repayment of short-term liabilities, which value as of the end of the reviewed period has increased and accounted for 11,69.

The level of the Company financial independence (sustainability) is featured by the specific weight of its equity in the total value of the capital. This indicator has increased for the accounting period and accounted for 94%. The equity capital in the total value of the capital is greater than the borrowed funds, and this means that the main portion of the Company assets as before is financed out of the equity.

Profitability indicators

Profitability of sales characterizes the actual profitability of sales. Unlike the other indicators of this group, this indicator is not affected by the elements related to sales, such as those, which are included into miscellaneous incomes and expenses. The said indicator makes it possible in the most precise manner to estimate the efficiency of sales management in the course of the Company core activities. For the accounting period this value has increased and accounted for 54%, which is rather high value as a whole for the industry.

The profitability of equity is indicative of the Company ability to increase the capital, and consequently, its financial viability, efficiency of the capital structure management and efficiency of the investment activities. Depending from the change in the value of this indicator it is possible to estimate the operating and financial risks of the Company. The value of this indicator in the accounting period has decreased and accounted for 2,42%.

Profitability of the assets shows the profit the Company generates on each ruble invested into the assets. The value of this indicator has decreased for the reported period and accounted for 2,25%.

On basis of the audit findings and taking into account the view of the Company auditor, the Internal Audit Commission has sufficient grounds to assure the accuracy of the figures in the Company accounting statements and in the annual Company report.

Chairman of the Internal Audit Commission(signature affixed) D.V. Gataulin

JSC RusHydro