

EXPLANATORY NOTE
for the issue “Increasing the Company's authorized capital via a follow-on share placement” of the Extraordinary General Meeting of Shareholders of the Company

As per the results of the additional issue of the shares (state registration number of the issue: 1-01-55038-E-038D dated 19.11.2009¹), the authorized capital of JSC RusHydro amounts to 288,695,430,802 (Two hundred and eighty eight billion six hundred and ninety five million four hundred and thirty thousand eight hundred and two) rubles.

Structure of the authorized capital of JSC RusHydro as per the results of placement of the additional issue of the shares No. 1-01-55038-E-038D

Russian Federation	57.97%
Minority shareholders	42.03%
incl. owners of depositary receipts	8.93%
TOTAL	100%

BASIC PARAMETERS OF THE ADDITIONAL ISSUE OF THE SHARES	
Method of placement	Open subscription
Category (type) of the shares	Ordinary registered
Form	Uncertified
Par value of each share	1 (One) ruble
Quantity of additional shares, items	1,860,000,000 (One billion eight hundred and sixty million)
Total volume of the issue by par value, rub.	1,860,000,000 (One billion eight hundred and sixty million)
Form of payment of the shares	Monetary funds
Price of placement of 1 (One) additional registered share	At the price to be determined by the Board of Directors of JSC RusHydro in accordance with Articles 36, 77 of the Federal Law “On Joint Stock Companies” but not less than par value (1 (One) ruble). The respective decision will be made by the Board of Directors of JSC RusHydro after making the decision by the General Meeting of Shareholders on increase of the authorized capital (prior to the beginning of the preemptive right term).
Term of the beginning of placement of the shares	After the state registration of the Decision on Additional Issue of Securities and the Prospectus (approximately, in December of 2010)
Term of the end of placement of the shares	Will be determined by the Board of Directors of JSC RusHydro at approval of the Decision on Additional Issue of Securities (approximately, in March of 2011)

¹ Report on the results of the specified issue of the securities is being registered by the FSFM (Federal Service for Securities Market) of Russia.

<p>Preemptive right of acquisition of the additional shares</p>	<p>In accordance with Article 40 of the Federal Law “On Joint Stock Companies”, all the shareholders of JSC RusHydro (irrespective of participation in voting and/or the procedure of voting on the issue of increase of the authorized capital) have the preemptive right of acquisition of additional shares in the quantity proportionate to the quantity of the shares of JSC RusHydro owned by them.</p> <p>Notification on the possibility of exercise by the shareholders of JSC RusHydro of the preemptive right of acquisition of the additional shares will be published pursuant to the procedure provided for by the applicable legislation and the Articles of Association of JSC RusHydro in the Izvestiya newspaper and placed on the web site of JSC RysHydro on the Internet.</p> <p>The list of persons having the preemptive right of acquisition of the additional shares will be made up as of September 14, 2010 (the date of making up the list of persons having the right to participate at the Extraordinary General Meeting of Shareholders).</p> <p>The validity term of the preemptive right will be determined by the Decision on Additional Issue of Securities (which shall not be less than 45 days); the validity term of the preemptive right is to be calculated from the date of publishing the notification in the Izvestiya newspaper and placement of the notification on the web site of JSC RysHydro on the Internet.</p> <p>The form of the application for acquisition of the additional shares of JSC RusHydro pursuant to the procedure of exercise of the preemptive right will be placed on the web site of JSC RysHydro on the Internet.</p>
<p>Quantity of the authorized shares as per the results of the additional issue (issue No. 1-01-55038-E-038D dated 19.11.2009)</p>	<p>1,864,560,041 (One billion eight hundred and sixty four million five hundred and sixty thousand forty one) shares</p>

The main purpose of the additional issue of the shares of JSC RusHydro is contributing budgetary provisions to the authorized capital of JSC RusHydro.

Placement of the shares will be effected by open subscription.

In accordance with the provisions of the Federal Law “On Joint Stock Companies”, the shareholders of JSC RusHydro will have the preemptive right of acquisition of the additional shares of JSC RusHydro proportionate to their share in the authorized capital (irrespective of participation in voting and/or the procedure of voting on the issue of increase of the authorized capital).

As the state registration of the Report on Results of Issue of the Shares of Additional Issue No. 1-01-55038-E-038D dated 19.11.2009 is scheduled for September of 2010, the new additional issue of the shares may be registered in November of 2010. The forecasted term of the beginning of placement of the shares by the preemptive right: December of 2010.

The shareholders of JSC RusHydro will not acquire the right to demand repurchase of the shares owned by them in connection with making the decision on increase of the authorized capital.

The quantity of the authorized shares provided for by the Articles of Association of JSC RusHydro allows to effect the state registration of the additional issue of securities within the specified scope.

In accordance with Article 48 of the Federal Law “On Joint Stock Companies” and the Articles of Association of JSC RusHydro, making the decision on increase of the authorized capital of JSC RusHydro pertains to the competence of the General Meeting of Shareholders of JSC RusHydro.

In accordance with Clause 3 Article 49 of the Federal Law “On Joint Stock Companies” and the Articles of Association of JSC RusHydro, the Board of Directors of JSC RusHydro made a decision to give recommendations to the General Meeting of Shareholders of JSC RusHydro on the issue of increase of the authorized capital of JSC RusHydro.