



Financial and Business Results for 2008



26 January 2009



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- 2 Production activities
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JSC RusHydro financial forecast for 2008-2009 according to Russian Accounting Standards (thous RUB)

Indicators	2008 expectations	2009 forecast
Core business revenues	61,877,186	81,080,340
Operating costs	38,237,792	41,290,732
Operating profit	23,639,394	39,789,608
Other incomes	24,851,489	11,092,543
Other costs	24,824,470	13,164,860
Balance of other incomes and costs	27,019	-2,072,316
Net profit	16,262,856	28,095,852
ROE, %	3.96	6.20
EBITDA	31,002,245	48,292,791
EBITDA margin, %	50.10	59.56
<i>For information:</i>		
<i>Year-end equity capital</i>	<i>410,360,816</i>	<i>453,106,668</i>
<i>Depreciation</i>	<i>7,362,851</i>	<i>8,503,183</i>



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JSC RusHydro Key Production Indicators for 2008 (forecast)

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	Indicator	Installed capacity, MW	Production, mln kWh
Far East and Siberia	FTS plan	10,331	34,327.6
	Actual		29,867.3
	%		-13%
Centre	FTS plan	11,303.4	39,328.6
	Actual		40,695.8
	%		+3.5%
South and Northern Caucasus	FTS plan	2,574.6	7,174.1
	Actual		7,287.0
	%		+1.5%
JSC RusHydro total	FTS plan	24,209	80,830.4
	Actual		77,850.1
	%		-3.7%
JSC RusHydro and SDC total	FTS plan	25,171 *	83,255.8
	Actual		80,272.8
	%		-3.6%

* For information: the total installed capacity of RusHydro facilities, including the Karachayev-Cherkessian HGC and the Kalmytskaya WPP – 25,173.6 MW



JSC RusHydro production forecast for 2009

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Electricity production and productive supply, mln kWh

	Indicator	2009
Far East and Siberia	Production	34,058.8
	Output	33,368.7
Centre	Production	37,550.9
	Output	36,622.6
South and Northern Caucasus	Production	7,187.9
	Output	7,060.8
Total for JSC RusHydro	Production	78,797.7
	Output	77,052.1
Total including, Geotherm, Kolymskaya HPP and Zaramagskiye HPPs	Production	81,214.4
	Output	79,282.0



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JSC RusHydro Key Performance Indicators on the Wholesale Electricity Market in 2008

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Indicators	Output	Commercial output		Purchasing costs		Net revenues
		volume	cost	volume	cost	
	thous kWh	thous kWh	thous RUB	thous kWh	thous RUB	thous RUB
Plan (RusHydro)	80,206,424	94,539,279	63,870,979	16,817,938	10,632,921	53,238,058
Actual	76,230,127	94,394,297	62,133,281	20,810,614	11,528,496	50,604,785
<i>Deviations</i>	<i>-4.96%</i>	<i>-0.15%</i>	<i>-2.72%</i>	<i>23.74%</i>	<i>8.42%</i>	<i>-4.95%</i>

Actual payment level – 98%

Total accrued receivables – 1.33 bln RUB



Performance of energy sales companies in 2008 *

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Company		Volume of sales on retail electricity market	Revenues (total)	Net profit	Payment for electricity supplied	Receivables under electricity sale and purchase contracts at year-end
		mIn kWh	thous RUB	thous RUB	%	thous RUB
Krasnoyarskenergosbyt	Plan	36,365.38	23,669,346.32	327,356.48	98%	1,205,521.80
	Actual	36,304.00	26,414,494.35	1,312,538.25	97%	836,535.00
Chuvash energy sales company	Plan	4,922.00	6,086,777.36	100,000.09	98%	248,784.99
	Actual	4,756.00	6,234,299.44	232,391.58	96%	429,655.16
Ryazan energy sales company	Plan	4,695.54	6,423,288.97	30,000.00	98%	166,955.63
	Actual	4,691.40	6,398,258.39	11,050.38	98%	166,955.60

* – data as of 23 January 2009.

Calculations are currently under way to forecast the performance of the energy sales companies in 2009 (within the scope of the procedures for agreeing the business plans of the above-listed companies)



Performance on the competitive capacity market

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in price zone 1

Average weighted capacity price on the Competitive Capacity Market														RUB/MW
Year	CCM price	months of the year												Av
		1	2	3	4	5	6	7	8	9	10	11	12	
2008	prelim							90,402	93,757	102,438	114,883	121,655	125,650	108,131
	actual							110,501	123,061	136,525	155,401	174,834	178,349	146,445
	dev							22.2%	31.3%	33.3%	35.3%	43.7%	41.9%	35.4%
2009	prelim	133,009	132,118	124,008	110,400	104,467	99,368	99,428	102,530	109,911	121,510	128,829	133,378	116,580
growth 2009/2008								10.0%	9.4%	7.3%	5.8%	5.9%	6.1%	7.8%

in price zone 2

Average weighted capacity price on the Competitive Capacity Market														RUB/MW
Year	CCM price	months of the year												Av
		1	2	3	4	5	6	7	8	9	10	11	12	
2008	prelim							85,072	90,394	104,818	116,652	129,370	135,431	110,289
	actual							95,469	102,853	124,290	137,896	151,700	167,006	129,869
	dev							12.2%	13.8%	18.6%	18.2%	17.3%	23.3%	17.8%
2009	prelim	141,549	140,639	129,710	117,559	106,201	92,827	91,240	95,740	110,715	122,931	134,081	136,142	118,278
growth 2009/2008								7.3%	5.9%	5.6%	5.4%	3.6%	0.5%	7.2%



JSC RusHydro performance targets for the Wholesale Electricity Market in 2009

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Indicators	Productive supply	Commercial output		Purchasing costs		Net revenues
		volume	cost	volume	cost	
	thous kWh	thous kWh	thous RUB	thous kWh	thous RUB	thous RUB
Actual 2008	76,230,127	94,394,297	62,133,281	20,810,614	11,528,496	50,604,785
Plan 2009	77,052,077	97,628,298	80,645,533	23,124,621	11,767,796	68,877,737
Deviations	1.08%	3.43%	29.79%	11.12%	2.08%	36.11%



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Results of the Board of Directors meeting on 23 December 2008

Resolutions adopted by the RusHydro Board of Directors:

- Strategy Committee membership approved. Vyacheslav Sinyugin, Deputy Energy Minister of the Russian Federation, elected Chairman of the Committee.
- Investment Committee membership approved. Andrey Sharonov, Member of the Board of Directors, elected Chairman of the Committee.
- Investment Programme for 2008 adjusted.
- Company Investment Programme for 2009 approved.
- Note taken of the report on the charitable activities of the Company in 2008.
- Conclusion approved of the over-the-counter free bilateral sale and purchase agreement for electricity and capacity between JSC RusHydro and JSC Krasnoyarskenergosbyt.
- Possibility approved of concluding a sale and purchase agreement for additional shares in JSC RusHydro between the Company and the Russian Federation (represented by competent government authorities), being an related-party transaction (within the scope of the current Company share placement by public offering).



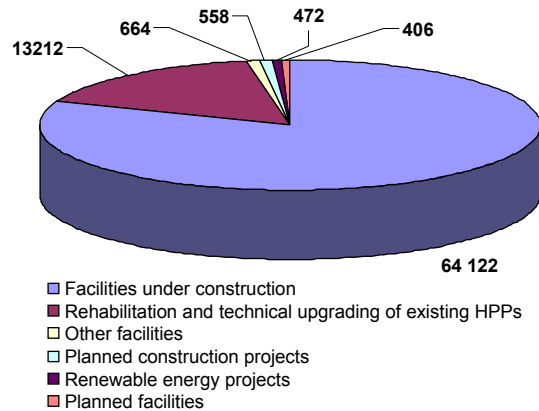
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RusHydro investment programme for 2009

By resolution of the RusHydro Board of Directors of 23 January 2009, the Company's investment programme for 2009 is approved in the amount of 79,434 mln RUB, providing for start-up of generating capacity in the volume of 145 MW.

Volume of financing in 2009, mln RUB



Sources of Investment Programme financing:

- Profits, including Targeted Investment Funds
- Depreciation
- Funds received from sale to the Russian Federation of additional shares in JSC RusHydro
- Budget financing of completion of the Ust-Srednekanskaya HPP
- Funds received as a result of the reorganisation of JSC RAO UES of Russia.
- Outside investor funds (IC RUSAL, BEMO Project)
- Other sources

Financing of investment activities during the 1st quarter of 2009 – 14 bln roubles

- Facilities under construction: Bureyskaya HPP, Ust-Srednekamskaya HPP, BEMO, Zaramagskiye HPPs, Kashkhatau HPP, Irganaiskaya HPP, shore spillway of the Sayano-Shushenskaya HPP and new construction (Zagorskaya PSPP-2, Gotsatlinskaya HPP).
- Rehabilitation and technical upgrading projects – on all existing facilities.
- Other facilities: completion of the Sayano-Shushenskaya HPP and investment in engineering SDCs. In addition, if additional funds are raised, purchase of engineering centres is proposed.
- Proposed facility construction: facilities to be built on the condition of availability of structured financing allowing the yield indicators to be brought into compliance with the requirements of JSC RusHydro (South Yakutia HPC, Nizhne-Kureiskaya HPP), as well as Zelenchukskaya HPP-PSPP.
- Renewable energy development projects: small (under 25 MW) tidal, wind, and geothermal power plants. Financing of construction of the relevant facilities will depend on allocation of budget funds).
- Planned facilities: a set of facilities for which the construction decisions will depend on the design results.



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Renewable energy development in 2008

Participation in elaboration of the regulatory and legal framework to support renewable energy development

JSC RusHydro initiated the creation of a Coordinating Group for elaborating regulatory and legal acts to support renewable energy development

The Coordinating Group has developed the concept of supporting renewable energy development, elaborated and submitted for consideration by the Russian Energy Ministry a full set of draft regulatory and legal acts for supporting renewable energy development.

Government directive on Determining the Key guidelines of government policy in the sphere of enhancing energy efficiency in the electricity sector on the basis of use of renewable energy sources for the period up to 2020

Draft document submitted to the Government and signed on 8 January 2009

Order of the Energy Ministry on the Procedure for maintaining the register of issue and redemption of certificates confirming the volume of electricity production by qualified renewable energy generating facilities.

Document signed by the Energy Ministry and submitted to the Justice Ministry for registration



Renewable energy development prospects for 2009

Continued participation in developing the regulatory and legal framework to support renewable energy development

Agreement within the Energy Ministry working group of the remaining draft regulatory and legal acts for supporting renewable energy development:

Government resolution on the Criteria and procedure for extension from the Federal Budget of subsidies to compensate for the cost of technological connection of renewable energy generating facilities

Government resolution on the Procedure for establishing mark-ups during pricing of electric power produced by generating facilities using renewable energy sources

Government resolution on Measures of government support for implementing renewable energy projects

Government resolutions on introduction of the necessary amendments and addenda into existing documents (rules governing the retail markets, wholesale markets and pricing fundamentals) in connection with the launching of the above-listed mechanisms for supporting renewable energy development

Goal: getting the entire set of regulatory and legal documents to support renewable energy production signed in 2009!

Attainment of this goal will mark the start of large-scale renewable energy development in Russia



Renewable energy development strategy

The Management Board of JSC RusHydro has approved the key provisions of the Renewable Energy Development Strategy up to 2020

The key provisions of the Strategy determine the renewable energy development segments that are strategic for the Company:

The regions of the Company's strategic interests in the sphere of renewable energy development are determined:

The stages and benchmarks for renewable energy development by JSC RusHydro are determined:

- Wind
- Tidal
- Small hydro
- Geothermal

- Far East
- Northern Caucasus
- Volga Area
- North-Western Region

Stage I (until 2012)

- up to 5 pilot wind power or small HPP projects
- 1 pilot tidal power project, 12 MW
- exploration programmes for SHPP dam sites
- 2.5 MW binary unit project
- reheat steam use project
- thermal pump use pilot project

Stage II (after 2012)

- Increase in installed capacity of renewable energy generation by JSC RusHydro to 4 GW



THANK YOU!

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APPENDICES



Capacity market – combination of regulated and competitive mechanisms

- For the purpose of creating a sufficient capacity reserve within the energy system for ensuring its reliable operation, it is necessary to combine the competitive mechanisms needed to enhance the economic efficiency of the market with the regulated mechanisms needed to provide for long-term balance reliability, which, by virtue of the specific nature of the electricity sector, is not decided by the market alone.
- The development vector for generating capacities has already been set by the government – the priorities are development of nuclear, hydro and coal power plants (the Russian Government has adopted directive No. 215-p, dated 22 February 2008, “Master plan for electricity facilities sitting up to 2020”, and government investment programmes have been approved for NPP and HPP).
- RusHydro is counting on structuring of the capacity market so that it takes objective account of the specific nature of hydropower generation and renewable energy generation – long payback periods, the need for government support for the infrastructure part of projects and for non-traditional energy sources, the system-forming role of major HPPs both for the power grid and for the Russian regions.



Development prospects for the Wholesale Electricity Market – the long-term capacity market

Expectation of suppliers from the target model of the market:

- (a) receipt of guaranteed payment for capacity in the long term for new generating facilities, making it possible for investment projects to be fully recouped
- (b) receipt of guaranteed payment for capacity in the long term for existing generating facilities, allowing for their maintenance in due condition, upgrading and rehabilitation
- (c) selection of generating facilities proceeding from the criteria of minimising aggregate costs of providing capacity and generating electricity
- (d) possibility of using free pricing mechanisms, in particular concluding bilateral contracts on a long term basis for the purpose of contracting for the electric power produced by future power plants
- (e) **agreed in principle** – the need to fulfil the government programme for development of generating facilities envisaged in the Master Plan of the investment programme for NPP and HPP, **CPC** for TPP projects
- (f) liability of the infrastructure for the risks involved in forecasting the pattern of demand

Proposed capacity market start-up schedule:

1. Choice of model, elaboration and agreement of the concept for the long-term capacity market – **February 2009**
2. Agreement of the draft resolution of the Government of the Russian Federation on the long-term capacity market – **March 2009**
3. Long-term competitive capacity sales for 2011-2014 according to the rules of the target capacity market – **3rd and 4th quarters of 2009**



Description of the projects of the RusHydro Investment Programme for 2009-2013

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No.	Investment projects	Capacity (design/launched), MW	Launch year	Cost estimate in base prices, mln RUB without VAT*	% of construction preparedness of the facility as of 31 December 2008 (forecast)
I Facilities under construction					
1	Bureiskaya HPP	2010/1975	2003-2009	2 502	90%
2	Ust-Srednekanskaya HPP	570/0	2012	1 801	39%
3	BEMO (BoHPP+BoAS)				
3.1.	Boguchanskaya HPP	3000/0	2010-2013	54 930***	78%
3.2.	Aluminium smelter	-	2010**	71 525***	7%
4	Constructions of the spillway of the Sayano-Shushenskaya HPP	-	2010****	2 029	55%
5	Irganaiskaya HPP	400/400	2006*****	310	95%
6	Gotsatinskaya HPP	100/0	2012	1 526	17%
7	Zaramagskiye HPPs	357/0	2009 (15 MW), 2011 (342 MW)	257	51%
8	Kashkhatau HPP (Cascade of Nizhne-Cherekskiye HPPs)	65/0	2009	125	85%
9	Zagorskaya PSPP-2	840/0	2011 (420 MW), 2012 (420 MW)	11 122	17%
II Proposed facilities under construction, inc. D&S work					
10	South Yakutia HPC	1300-1600/0	2015		
11	Nizhneyeniseysky HPC, inc:	8150-12150/0	2012, 2017		
11.1	Nizhne-Kureiskaya HPP	150/0	2012		
12	Zelenchuskaya HPP-PSPP	140/0	2012		
III Renewable energy projects, inc:					
13	TPP (Northern TPP in the Dolgaya Bay)	12/0	2012		
14	Wind power (Dalnevostochnaya WPP)	30/0	2012		
15	Geothermal power (reheat steam unit of the Mutnovskaya GeoPP)	12/0	2013		

*-for all facilities, the cost is indicated in 1991 prices, with the exception of construction of the spillway of the Sayano-Shushenskaya HPP (2000), the Gotsatinskaya HPP (2000), and the Zagorskaya PSPP-2 (2001); for the BEMO project in 2008 prices, according to the results of the basic engineering

** – start-up of the first stage, construction to be completed in 2012

*** – cost given in 2008 prices according to the results of the basic engineering

**** – year of construction completion

***** – planned year for completion of construction of the startup complex (400 MW) – 2010



2008 corporate highlights

The Extraordinary General Meeting of Shareholders elects a new the Board of Directors of the Company on 27 December 2008.

1. **Sergei Shmatko** – Chairman of the Board of Directors
2. **Rustem Khamitov** – Deputy Chairman of the Board of Directors
3. **Anatoly Ballo**
4. **Sergei Beloborodov**
5. **Vadim Belyayev** – independent director
6. **Boris Vainzikher** – independent director
7. **Eduard Volkov**
8. **Viktor Danilov-Danilyan** – independent director
9. **Vasily Zubakin**
10. **Sergei Maslov**
11. **Sergei Serebryannikov** – independent director
12. **Vladimir Tatsiy** – independent director
13. **Andrei Sharonov**

The Board of Directors includes 5 independent directors.



Equity capital of JSC RusHydro

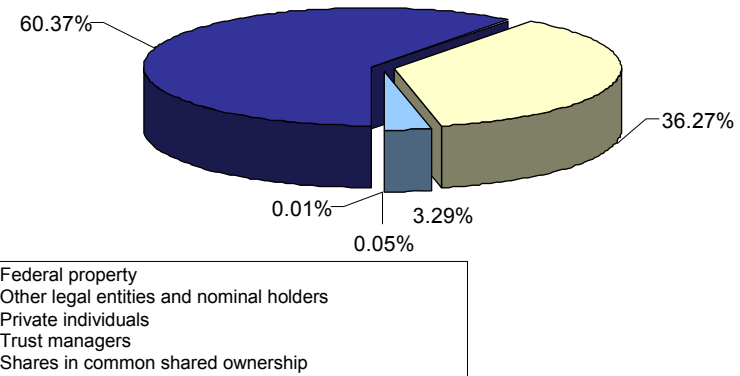
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✓ Amount of authorised equity capital: RUB 245,014,059,191 (as of 31 December 2008)

✓ Share type: ordinary registered non-documentary

✓ Share par value – 1 RUB

Structure of the equity capital of JSC RusHydro as of 31 December 2008



Owner of the securities	Ownership interest in the authorised equity capital as of:			
	01.01.2008	09.01.2008	01.07.2008	31.12.2008
JSC RAO UES of Russia	96.16%	77.93%	n/a	n/a
Federal property	1.84%	1.53%	60.37%	60.37%
Other legal entities and nominal holders	2.00%	17.55%	36.20%	36.27%
Private individuals	n/a	2.99%	3.41%	3.29%
Trust managers	n/a	n/a	0.01%	0.05%
Shares in common shared ownership	n/a	n/a	0.01%	0.01%
Total number of shareholders in the Company	3	28,386	312,795	312,432



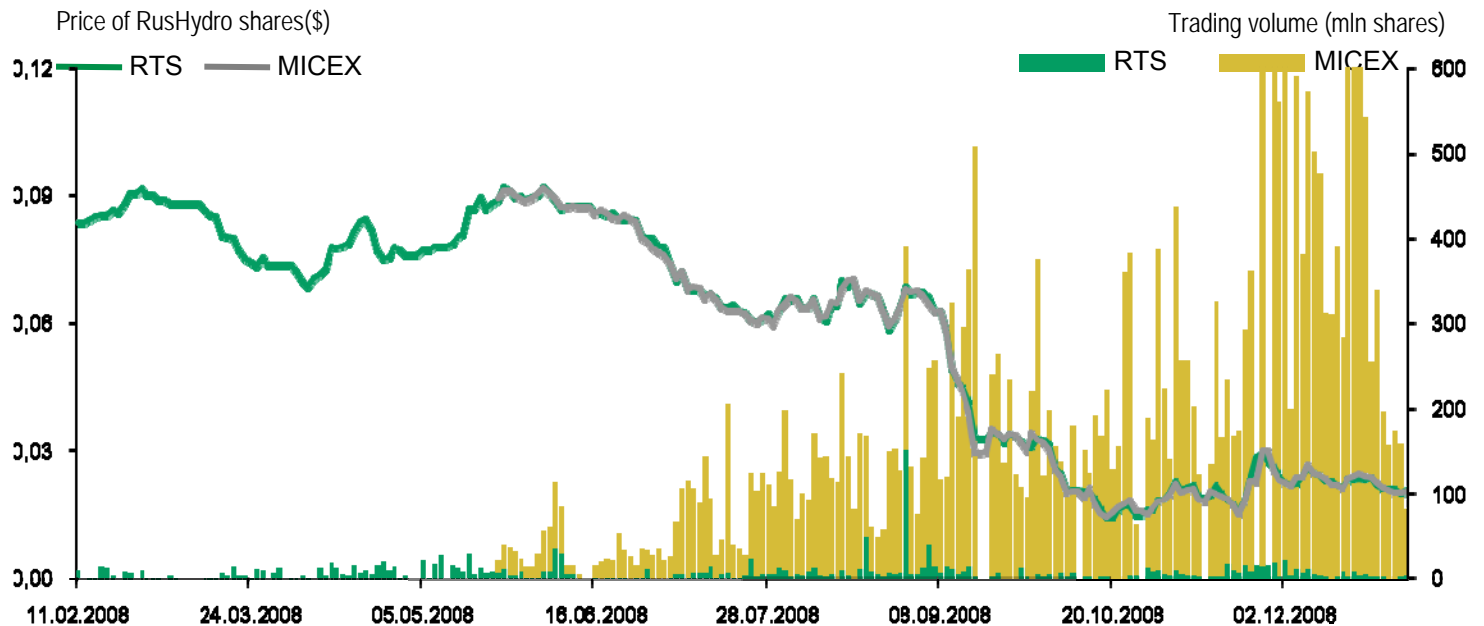
JSC RusHydro securities on the organised market in 2008

From **11 February 2008**, JSC RusHydro shares are traded on the RTS and MICEX stock exchanges
Securities code – **HYDR**

- In August 2008, the shares are included on **quotation list A1** of the RTS and MICEX stock exchanges
- From 29 August, the shares are included in the calculation of the MSCI Russia and MSCI EM indexes

The market capitalisation of the Company as of 31 December 2008 amounts to **USD 5,224,866,186.47**

Price dynamics and volume of trading in JSC RusHydro shares on the RTS and MICEX stock exchanges





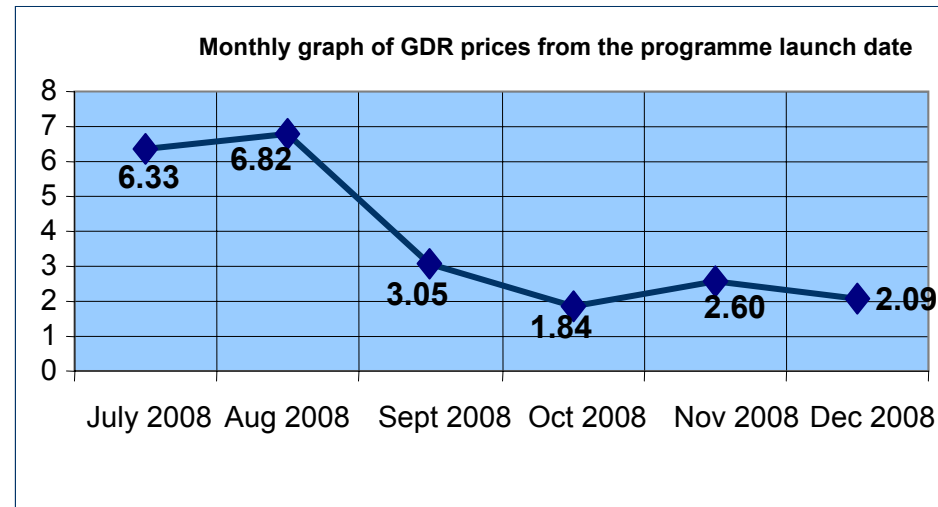
Depository receipts of JSC RusHydro

As of 31 December 2008, **2 programmes of depository receipts** for JSC RusHydro shares **are opened**:

- GDR programme opened under Rule 144A
- GDR programme opened in accordance with Regulation S

Both programmes were launched within the scope of completing the reorganisation of JSC RAO UES of Russia for the purpose of providing for participation by foreign investors in the authorised equity capital of JSC RusHydro

Summary information about the GDR programmes	
Depository bank	The Bank of New York Mellon
Ratio:	1 GDR = 100 ordinary shares
Ticker:	HYDR
CUSIP number (GDR 144A):	44880R103
CUSIP number (GDR Reg. S):	44880R202
Programme launch date:	17 June 2008
Total programme volume, % of authorised equity capital (as of 31 December 2008):	1.55%
Maximum possible programme volume, % of authorised equity capital	15%



Plans for 2009:

- quarter I of 2009 – launch of level 1 ADR programme
- quarter II of 2009 – listing of depository receipts on one of the leading foreign stock exchanges