

November 23rd, 2010

RusHydro Group Reports 9.8% IFRS Net Profit Growth for the 6 Months Ended 30 June 2010

RusHydro Group (ticker symbol: LSE, RTS, MICEX: HYDR OTCQX: RSHYY) announces its unaudited interim financial results for the six months ended June 30th, 2010, prepared in accordance with IFRS.

Financial Highlights for 6 months ended 30 June 2010 (RUR mln)

	6m 2010, RUR mln	6m 2009, RUR mln	Change,%
Revenue	204,978	168,835	21.4%
Operating expenses	(175,727)	(144,321)	21.8%
Operating profit	29,251	24,514	19.3%
EBITDA¹	34,851	30,864	12.9%
Net profit	21,462	19,549	9.8%

In the first half of the year 2010 RusHydro Group acquired retailing companies from OJSC RAO Energy System of East Group and OJSC Lenenergo. These retailing companies were accounted for using predecessor values method and retrospectively presented in all periods reported².

The Group's revenue for the six months ended 30 June 2010 has increased by 21.4% and totaled RUR 204,978 mln in comparison with RUR 168,835 mln for the six months ended 30 June 2009.

The main factors of revenue growth for the six months ended 30 June 2010 were:

- Increased share of sales at non-regulated price according to the timeline for liberalization of the wholesale market for electricity and capacity;
- A higher volume of electricity sales on the retail market (retailing segment);
- Increase in free electricity prices on the day-ahead market (European part of Russia).

The largest share of the Group's revenue is represented by revenue from sales of electricity and capacity:

	6m 2010, RUR mln	6m 2009, RUR mln	Change,%
Revenue	204,978	168,835	21.4%
Sales of electricity	176,965	140,156	26.3%
Sales of capacity	25,188	25,948	-2.9%
Other revenue	2,825	2,731	3.4%

Other revenue includes revenue earned from rendering of construction, repairs and other services.

The operating expenses for the six months ended 30 June 2010 totaled RUR 175,727 mln, a 21.8% increase in comparison with RUR 144,321 mln for the same period last year.

The increase in operating expenses was caused by:

- increased expenses to purchase electricity and capacity
- higher expenses for electricity distribution (retailing segment).

RusHydro Group's operating profit for the reporting period was RUR 29,251 mln, compared with RUR 24,514 mln for the same period in 2009.

¹ EBITDA determined as operating profit before depreciation

² The following companies were acquired from JSC RAO Energy System of East Group and JSC Lenenergo for cash considerations of RUR 7,832 mln and RUR 468 mln respectively (RUR 7,995 mln was paid during the first half of 2010): JSC Mosenergosbyt, JSC Saint-Petersburg Sale Company, JSC Altayenergosbyt, JSC Tambov Energy Retailing Company, JSC Saratovenergo and JSC United Energy Retailing Company.

EBITDA for the first half of 2010 increased by 12.9% year-on-year and totaled RUR 34,851 mln. EBITDA margin stood at 17.0%, compared with 18.3% for the same period last year.

The Group's net profit, in accordance with IFRS, for the first six months of 2010 totaled RUR 21,462 mln against RUR 19,549 for the same period last year.

Key indicators of the Group financial position as of 30 June 2010

As of June 30th, 2010, the Group's assets increased by RUR 17,368 mln to RUR 524,234 mln – a 3.4% increase compared with December 31st, 2009. The increase was primarily driven by:

- increase of property, plant and equipment;
- increase of other non-current assets (long-term promissory notes).

The Group's equity totaled RUR 420,345 mln and RUR 405,800 mln as of June 30th, 2010 and December 31st, 2009, respectively. The 3.6% growth was due to net profit generated during the reporting period.

As of June 30th, 2010, the Group's total liabilities were RUR 103,889 mln, or 2.8% higher than as at December 31st, 2009.

Subsequent events:

- August 2010. Hydro turbine unit No. 4 (GA-4) with an installed capacity of 640 MW was put into operation. Consequently, the total restored installed capacity at Sayano-Shushenskaya HPP reached 1,920 MW.
- August 2010. Starting from 30 August 2010 the ADRs of RusHydro have been traded on over-the-counter market of the highest level OTCQX in the United States of America.
- September 2010. The Group's Board of Directors approved financing of BEMA project for the total amount of RUR 50,010 million through loan agreements between OJSC Boguchanskaya HPP and CJSC Boguchansky Aluminium Plant with the State Corporation Vnesheconombank.
- October 2010. The Extraordinary General Meeting of the Company's shareholders approved the Company's placement of 1,860,000,000 additional ordinary shares with a par value of RUR 1.00 each by open subscription with a cash consideration.
- October 2010. The Company's Board of Directors approved the Company's investment program for 2011 – 2013 years. Total investment is planned in the amount of RUR 308,019 million. The Programme presumes 4,872 MW of generating capacity to be installed.
- October 2010. RusHydro has successfully placed LPN (Loan Participation Notes), the volume of the issue is RUR 20,000 million. The LPNs mature in 5 years and have a coupon rate of 7.875% per annum.
- October 2010. RusHydro acquired 100 percent of total share capital of OJSC Designing, Surveying and Research Institute Hydroproject named after S. Y. Zhuk for consideration of RUR 1,480 million paid in cash.

Consolidated financial statements are available on Company's website at:

<http://www.eng.rushydro.ru/investors/reports/finreports/iasfinrep>

DISCLAIMER

The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of RusHydro. One can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might," or the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially from these statements.

We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia and rapid technological and market change in our industries, as well as many other risks specifically related to RusHydro and its operations.