

May 23<sup>rd</sup>, 2011

## Notice of the Annual General Meeting of Shareholders of RusHydro

The Board of Directors of JSC RusHydro (ticker symbol: RTS, MICEX, LSE: HYDR; OTCQX: RSHYY) on May 20, 2011 considered the issues, related to convening of the Annual General Meeting of Shareholders (AGM).

### Key highlights:

- The AGM to be held on June, 30, 2011, the record date is May 23, 2011;
- The Board of Directors proposes the dividend payment for a total amount of RUR 2,497 mn;
- The Board of Directors proposes the increase of the number of authorized share capital by 100 bn shares;
- The Board of Directors proposes the issue of additional 89 bn shares;
- The Board of Directors proposes pricing parameters for a swap of shares between RusHydro and Inter RAO UES;
- The Board of Directors proposes transactions between RusHydro and VTB.

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The Board of Directors resolved to convene the AGM on June 30, 2011, to be held at the following address: Russia, Krasnoyarsky Kray, Krasnoyarsk, prospekt Mira, 2b.

The meeting will commence at 14.00 (local time), the registration of shareholders will begin at 10.00 (local time).

The record date for the AGM is May 23, 2011. The announcement of the AGM will be published in Izvestia newspaper and on the Company's website no later than May 30, 2011.

The documents to the AGM in print will be available for review from May 30, 2011 to June 30, 2011 (inclusive) from 10.00 to 18.00 (Moscow time) at the following addresses:

- Moscow, Arkhitekтора Vlasova street, 51, central office of RusHydro;
- Moscow, Stromynka street, 18/1, the Company's registrar – JSC R.O.S.T.

The documents will also be available on the Company's website – [www.rushydro.ru](http://www.rushydro.ru)

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The Board of Directors approved the agenda of the AGM for the year ended December 31, 2010:

1. Approval of the Annual Report and financial statements for the year ended December 31, 2010.
2. Distribution of the Company's profit for the year ended December 31, 2010, including dividend payout.
3. Election of the Board of Directors.
4. Election of the Auditing Commission.
5. The approval of the candidacy of the Company's auditor.
6. The remuneration of member of the Board of Directors.
7. Approval of the amount, par value, type of shares authorized for issuance in addition to outstanding shares.
8. Approval of the amended Articles of Association.
9. Increase of the share capital of the Company.
10. Approval of the amended Regulations on convening and holding of meetings of the Board of Directors.
11. Approval of a number of non-arm's-length transactions.

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The Board of Directors also approved and recommended to the AGM to approve the following distribution of profit:

	<i>(in RUR)</i>
<b>Unallotted profit</b>	<b>37,962,948,537.35</b>
Distributable to:	
Reserve fund	1,898,147,426.87
Accumulation fund	33,567,933,694.57

incl.: funding of innovations	1,094,604,659.55
Dividends	2,496,867,415.91
Settlement of past losses	-

The dividend is to be paid from net profit calculated on the basis of Russian accounting standards.

The Board of Directors preliminary approved the Company's financial statement for the year ended 31, 2010.

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The Board of Directors recommended that the AGM resolves that RusHydro has the right to place additional 100,000,000,000 uncertified registered ordinary shares with a par value of RUB 1 per share for a total amount of RUB 100,000,000,000 (authorized shares).

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The Board of Directors recommended to the AGM to approve the increase of the Company's charter capital by placing additional registered ordinary shares for a total of 89,000,000,000 shares with a par value of RUB 1 each. The placement should be conducted via open subscription. Shares can be paid with cash or non-cash assets.

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The Board of Directors estimated the cash value of property acquired and disposed in the process of JSC RusHydro's purchasing ordinary registered shares of additional issue in JSC INTER RAO UES (registered with FSFM of Russia on November 16, 2010; state registration No. 1-03-33498-E-002D) placed by private offering.

The price of ordinary registered shares in JSC OGGK-1 transferred by RusHydro is RUR 1.12 per 1 share. The total value of 9,693,041,512 shares in associated transactions is RUR 10,856,206,493.44.

The placement price of ordinary registered shares of the additional issue acquired by RusHydro in INTER RAO UES is RUR 0.0535 per one share. Total value of 202,919,747,552 shares is up to RUR 10,856,206,494.03.

The securities shall be payable by their exchange for ordinary registered uncertificated shares in JSC OGGK-1 held by RusHydro. If there is any difference between the total value of the acquired securities and the price of the alienated assets of RusHydro, the transaction shall be payable in Russian rubles.

The Board of Directors advised the AGM to approve the transaction (which is in fact several associated transactions) on RusHydro's purchase of ordinary registered uncertified shares of an additional issue in INTER RAO UES, placed via a private offering.

Under this transaction, RusHydro shall exchange 29,998,136,646 ordinary registered uncertified shares with a par value of RUB 1 per share for 1,906,723,080 ordinary registered shares of Irkutskenergo with a par value of RUB 1 held by INTER RAO UES. The exchange rate is 15.7328229571753 RusHydro shares for 1 share of Irkutskenergo.

The Board of Directors recommended that the AGM approves the exchange agreement for RusHydro and Irkutskenergo shares concluded by RusHydro and INTER RAO UES.

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The Board of Directors defined the price (cash value) of property purchased/disposed by the Company in the process of a number of non-arm's-length transactions to be concluded between the Company and JSC VTB Bank. Among them:

- approval of the agreement/related agreements of deposit of cash assets;
- approval of the transaction/related transactions to established the minimum required surplus of cash assets on bank account(s);
- approval of transaction/related transactions of overdraft credit facility;
- approval of the agreement/related agreements of loan facility;
- approval of the agreement/related agreements to provide a loan;
- approval of the agreement/related agreements to issue the bank guarantee;

- approval of the agreement/related agreements for letter of credit;
- approval of the agreement/related agreements to provide the remote banking services.

The Board of Directors advised the AGM to approve the associated non-arm's-length transactions between the Company and JSC VTB Bank.

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The Board of Directors approved amendments and addendums to RusHydro's Articles of Association, specifically related to the location of corporate branches. The amendments were the result of changes in the location of the Dagestan branch and the Nizhegorodskaya HPP.

In addition, the Board of Directors advised the AGM to approve the Company's amended Articles of Association.

A new version of the Articles of Association was developed in light of the most recent changes in Russian laws on Joint Stock Companies with a focus on securing the rights and lawful interests of corporate shareholders. In particular, the new version of the Charter contemplates a reduced dividend payment period (from 120 to 60 days after the decision is made), a change in the postal code and updating the definition of the Board of Directors' competencies.

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Board of Directors preliminarily approved the Company's 2010 Annual Report and has advised the AGM to approve it.

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The Board of Directors recommended that the AGM approves the amended Regulation on the procedure for convening and meeting of the Board of Directors.

The need to approve a new version results from enacting the Resolution on the Corporate Secretary (Minutes of the Board of Directors No. 116, as of December 29th, 2010). Under this document, responsibilities of the Board of Directors' Secretary shall be transferred to the Corporate Secretary.

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The Board of Directors advised AGM to pay remuneration to members of the Board of Directors for the period from June 30th, 2010 to June 30th, 2011 in accordance with the Regulation on Remuneration Payable to Members of the Board of Directors of RusHydro.

Subject to the applicable Regulation on Remuneration Payable to Members of the Board of Directors of RusHydro, remuneration is not payable to members of the Management Board and Government officials. Personal remuneration payable to each member of the Board of Directors shall be defined based on the number of meetings held during the year and the number attended by said member of the Company's Board of Directors.

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The Board of Directors advised the Annual General Shareholders Meeting to approve the appointment of HLB Vneshtaudit as the auditor to audit RusHydro's 2011 financial statements under Russian accounting standards.

## **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," 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 changes in our industries, as well as many other risks specifically related to RusHydro and its operations.*