

April 1, 2016. Moscow, Russia.

**RusHydro Group announces squeeze-out
for the remaining shares of RAO ES of the East**

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that Vostok-Finance LLC (100% subsidiary of PJSC RAO ES East) has started a mandatory squeeze-out procedure in respect of the remaining ordinary and preferred shares of PJSC RAO ES East.

The shares will be purchased at a price of RUB 0.35 per ordinary share and RUB 0.22 per preferred share (vetted by an independent appraiser), which totally complies with the Russian legislation and equals the price of the tender offer held from November 3, 2015 to January 18, 2016.

As a result of the voluntary offer for purchase of PJSC RAO ES East shares, Vostok-Finance LLC acquired ordinary and preferred shares comprising in aggregate 11.11% of PJSC RAO ES East voting shares, enabling RusHydro Group to consolidate over 95% in share capital of PJSC RAO ES East.

In accordance with the Russian legislation the legal entity which has acquired over 95% of shares in the public joint-stock company as a result of the voluntary offer should exercise a squeeze-out right of the public joint-stock company in relation to the remaining shares. Shareholders should submit to the registrar of PJSC RAO ES of the East – JSC “STATUS” their applications containing bank or broker account details to receive payment for shares till May 16, 2016.

Any shareholder who fails to submit their requests will be mandatorily withdrawn, with a cash settlement paid into the account of a notary in the city of Khabarovsk, Russian Federation.

The full consolidation of RAO ES of the East ordinary shares is a part of the long-term development program of RusHydro Group aimed to improve the efficiency of control over RAO ES of the East holding.

About RusHydro

RusHydro Group is one of Russia’s largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group’s thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 38.5 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 66.8% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company’s stock is traded on Moscow Exchange (MOEX), and included in MSCI EM и MSCI Russia indexes. Company’s GDRs in the IOB section of LSE, ADRs – in OTCQX.

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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 and political 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.