

June 01, 2016

Results of the Board of Directors on May 31, 2016

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on May 31, 2016.

The Board of Directors took a note of the report on interim results of 2016 business-plan execution for the 1st quarter of 2016, including reports on implementation of investment program (including comprehensive modernization program) and annual procurement plan for the 1st quarter of 2016.

The Board of Directors approved the report on execution of the Company's KPIs in the 1st quarter of 2016.

The Board of Directors approved the list of projects implemented or planned for implementation in terms of the investment program of RusHydro entitled to technological assessment and price audit in 2016-2017.

The Board of Directors took a note of the information on status of implementation of four priority projects in the Far East: Yakutskaya TPP-2, 2nd stage of Blagoveshenskaya TPP, TPP in Sovetskaya Gavan', Sakhalinskaya TPP-2 as of March 31, 2016.

The Board of Directors commissioned Nikolay Shulginov, Chairman of the Management Board – General Director of RusHydro:

1. To choose one of the following MOEX indexes: MICEX, MICEX PWR, SCI, RCI, to use as a target value for Total Shareholders Return (TSR) in the Company's KPIs starting from January 1, 2016. The indicator should be considered as achieved, in case its actual value exceeds the dynamics of chosen index.
2. To amend the Company's internal documents accordingly.

The Board of Directors commissioned Nikolay Shulginov, Chairman of the Management Board – General Director of RusHydro:

1. To approve by the Company's internal regulations not later than 45 days from the date of this resolution the standards for procurement of goods, works and services that are not subject to further resale (hereinafter - the procurement standards), providing for:
 - marginal price of goods, work, services and (or) the requirements for the amount, consumer properties and other characteristics of goods, work and services;
 - satisfaction of customer's requirements, without resulting in the procurement of goods, work and services with redundant consumer properties.
2. To publish the procurement standards on the Company's official website not later than 1 (one) working day from the date of implementing paragraph 1 of this resolution.

3. To apply the procurement standards while planning and running the Company's business.
4. To monitor on an annual basis, starting from 2017 (based on the 2016 fiscal year), the results of the Company's procurement activities, including in terms of compliance with the approved plans and procurement standards as well as compliance of the intended use of purchased goods, work and services with the Company's authorized activity.
5. Annual adjustment (update) of procurement standards.

The Board of Directors approved the amended charitable and sponsorship activities plan of the Company for 2016 as well as new version of charitable and sponsorship activities policy.

The Board of Directors approved Regulations on the accounting procedure of the investment projects of RusHydro Group.

The Board of Directors resolved to consider commission of the Federal Agency for State Property Management to prepare a road map for organization of anti-corruption procedures as accomplished.

The Board of Directors commissioned RusHydro's representatives at the AGM of JSC BoGES Holding company and JSC BoAZ Holding company to approve loan agreements, qualified as major transactions.

PJSC RusHydro transfers to JSC BoGES Holding company non-interest bearing loan in the amount of RUB 2,673,602 and non-interest bearing loan in the amount of RUB 2,073,602 to JSC BoAZ Holding company. The loans are aimed to finance the investment projects of the companies.

The Board of Directors commissioned RusHydro's representatives at the AGM of JSC BoGES Holding company to approve an agreement, qualified as major transaction.

According to the agreement JSC BoGES Holding company transfers to LLC Joint holding company BoGES non-interest bearing loan in the amount of RUB 600,000. The loan is aimed to finance the investment project of the company.

The Board of Directors commissioned RusHydro's representatives at the AGM of JSC Blagoveschenskaya TPP to approve the agreement for construction and installation works between JSC Blagoveschenskaya TPP and JSC Power Machines. Price of the agreement amounts to RUB 64,216,654.85, including VAT (18%) in the amount of RUB 9,795,760.91.

The price of related transactions (the price of the Agreement and the price of the general contractor agreement) amounts to RUB 7,262,397,476.99.

The period of works:

Start date - January 20, 2016.

End date - June 10, 2016.

The Board of Directors commissioned RusHydro's representatives at the AGM of JSC TPP in Sovetskaya Gavan' to approve an addendum to the general agreement No. SG TPP – 14/0027 of June 23, 2014, between JSC TPP in Sovetskaya Gavan' and JSC GlobalElectroService, qualified as major transaction.

The addendum is signed due to changes in the construction schedule of TPP in Sovetskaya Gavan'.

Terms of completion of works under the Agreement (taking into account the addendum to the agreement):

The start date of works shall not be changed by addendum to the agreement No. 4, and shall be the date of signing the Agreement - June 23, 2014.

The End date of construction of TPP in Sovetskaya Gavan' (amended by addendum to the agreement No. 4):

Target date for commissioning: 30.08.2017

Target date for actual completion: 11.10.2017

Price of the Agreement remains unchanged and amounts to RUB 13,177,650,000.00, including VAT (18%) in the amount of RUB 2,010,150,000.00.

The Board of Directors determined the auditor's remuneration for auditing the Company's 2016 accounting statements of PJSC RusHydro under RAS and consolidated financial statements of RusHydro Group under IFRS in the amount of RUB 119,999,805 (including VAT in the amount of RUB 18,305,055), including:

1. audit of financial statements of PJSC "RusHydro" prepared in accordance with the Russian Accounting Standards in the amount of RUB 19,558,500.00, including VAT in the amount of RUB 2,983,500.00;
2. audit of consolidated financial statements of RusHydro Group prepared in accordance with the International Financial Reporting Standards in the amount of RUB 76,474,620.00, including VAT in the amount of RUB 11,665,620.00 kopeck;
3. review of condensed consolidated interim financial information of RusHydro Group prepared in accordance with the International Accounting Standards (IAS) 34 - "Interim Financial Reporting" for six months, ended on June 30, 2016, in the amount of RUB 23,966,685.00 kopeks, including VAT in the amount of RUB 3,655,935.00 kopecks.

JSC PriceWaterhouse Coopers Audit has won a tender for these services.

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.

For more information:

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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," "plan", "aim", "target", "forecast", "project", "should", "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 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.