

March 26, 2016

Results of the Board of Directors on February 25, 2016

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on February 25, 2016.

The Board of Directors approved the report on implementation of RusHydro's charitable and sponsorship activities plan in 2015.

The Board of Directors also approved the Company's charitable and sponsorship activities plan for 2016.

The Board of Directors approved an addendum No.9 to the agreement between RusHydro and Voith Hydro No. CP-0-177-2011 of June 17, 2011. In accordance with the agreement Voith Hydro is a supplier of the main generating equipment for the Saratovskaya HPP. The comprehensive modernization of the plant provides for replacement of 21 turbines and hydro unit No. 24.

The document provides for exclusion of the reference to LLC SGP as a party responsible for the Russian part of the agreement, introduction of a new contracting party — LLC VolgaHydro, as well as reduction of cost of contract to EUR 750,278,292.55 excluding VAT and RUB 9,007,741,773.42 excluding VAT.

The Board of Directors approved electricity sale to last resort providers of the second price zone under free bilateral agreements in 2016. The Board of Directors also approved the pricing procedure for electricity sold by RusHydro.

The Board of Directors approved an agreement between RusHydro and Administration of Talakan settlement located in Amur region on gratuitous transfer of property. According to the agreement RusHydro transfers to municipal property of Talakan settlement the following facilities:

- TCN (telecommunication computer network) transmission network;
- Sewer main network;
- Treatment facilities of surface watercourse;
- Electric lighting of the permanent settlement of Talakan 3rd stage.

The Board of Directors approved the agreement between RusHydro and SO UES, qualified as an interested party transaction.

According to the agreement RusHydro will control the reactive capacity without electricity production using generating facilities of the Volzhskaya, Ezminskaya, Gizeldonskaya, Zelenchugskaya HPPs and Zagorskaya pumped storage plant.

The Board of Directors also approved the pricing procedure for these services. The price of the agreement should be determined by the formula:

$$S_{\text{ФАКТ}} = \mathcal{E}_{\text{РСК}} \times (1 + \text{HP}) + S_{\text{ФАКТ МОЩН}}$$

(the cost of actually rendered services per calendar month under the Agreement shall be determined for each of the generating equipment

(hydroelectric generator)).

where:

\mathcal{E}_{PCK} , RUB – operating costs due to involvement of generating equipment (hydroelectric generator) in the rendering of services on reactive power control without electrical energy generation using generating equipment operating in synchronous compensator mode (hereinafter – services for RRSC), determined in accordance with the Procedure for determination of the cost of rendered services for RRSC, which is an Annex to the Agreement.

$\mathcal{S}_{\text{ФАКТ МОЩН}}$, RUB – the cost of power purchased by PJSC RusHydro in the wholesale market of electricity and power for participation in the rendering of services for RRSC, determined in accordance with the Procedure for determination of the cost of rendered services for RRSC, which is an Annex to the Agreement;

HP – norm of profitability of products (services), it is taken equal to the refinancing rate of the Central Bank of the Russian Federation at the moment of conclusion of the Agreement, it is expressed as a decimal fraction.

The limit price of the Agreement amounts to RUB 200,000,000, including VAT, and does not exceed 2% of balance cost of assets of PJSC RusHydro as of the last reporting date.

The Agreement is effective from January 01, 2016.

In accordance with article 46 of Regulation on disclosure of information of 30.12.2014 No. 454-P the Company will disclose the details of guarantee agreements with PJSC Sberbank, qualified as interested party transactions, in compliance with regulatory requirements.

The Board of Directors moved the deadline for execution of commission to the Chairman of the Management Board – General Director of RusHydro and resolved to submit for the Board's review till June 30, 2016, the Framework for restructuring of science and technology complex.

The Board of Directors resolved to amend p. 2.3 of the decision of the Board of August 30, 2011, on raising debt funds, which should be read as follows: “2.3. To submit the report on the amount of debt raised by the Company for the Board's review on a quarterly basis as a part of the Report on the Company's business-plan execution.”

The Board of Directors elected Andrey Kazachenkov, First Deputy General Director, as a member of the Management Board of RusHydro effective February 26, 2016.

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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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.