

December 27, 2016. Moscow, Russia.

Results of the Board of Directors on December 23, 2016

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting on December 23, 2016.

The Board of Directors approved RusHydro's business plan for 2017 incorporating Cost optimization plan based on independent external audit of the Company and subsidiaries' costs.

The Board of Directors approved RusHydro's investment program for 2017 and planned investment projects of PJSC RusHydro and new construction projects of subsidiaries. The Board of Directors reviewed Company's business plan including investment program for 2018-2021.

RusHydro's 2017-2021 investment program provides for financing of RUB 167,362.06 mn and commissioning 695.48 MW of new electrical and 687.80 GCal*h of heating capacity. Construction of priority projects in the Far East (Yakutskaya TPP-2 (first phase), CHP in Sovetskaya Gavan', Sakhalinskaya TPP-2 (first phase)) is approaching completion. Planned financing volume of these projects for 2017-2018 is RUB 28,395.69 mn, with commissioning of 433.48 MW new electrical and 687.80 GCal*h of heating capacity.

In 2017, RusHydro is planning to finance investment projects, implemented by Company's subsidiaries as well as R&D activity in total amount of RUB 60,990.84 mn, including:

- Ust'-Srednekanskaya HPP in the amount of RUB 10,367.48 mn (commissioning of 142.5 MW in 2018);
- Boguchanskaya HPP in the amount of RUB 1,814.79 mn in 2017 for construction completion (commissioned in 2014);
- Gotsatlinskaya HPP in the amount of RUB 52.98 mn with project completion in 2017.
- Zaramagskye HPPs in the amount of RUB 23,297.75 mn (commissioning of 342 MW in 2018);
- Zagorskaya PSHPP-2 in the amount of RUB 5,000 mn. Construction completion is planned for 2020 with commissioning of two phases of 420 MW in 2019 and 2020. Full cost of construction will be determined based on project adjustment for liquidation of consequences of the plant's building subsiding;
- Nizhne-Bureiskaya HPP in the amount of RUB 13,327.73 mn (commissioning of 320 MW in 2017);
- Zaragizhskaya Small HPP in the amount of RUB 430.83 mn for payment of guaranteed delayed payment to contractors (the capacity is to be commissioned in 2016);
- Ust'-Dzhegutinskaya Small HPP in the amount of RUB 916.53 mn (commissioning of 5.6 MW in 2018);
- Barsuchkovskaya Small HPP in the amount of RUB 800.86 mn (commissioning of 5.01 MW in 2018);
- Verkhnebalkarskaya Small HPP in the amount of RUB 1,862.12 mn (commissioning of 10 MW in 2019).
- Completion in 2017 of design of Small HPP in the territory of North-Caucasus Federal District financing in total amount of RUB 63.42 mn.
- Financing of conservation of already built objects of Leningradskaya PSHPP, construction of which is discontinued in the amount of RUB 420 mn (RUB 240 mn per year). Completion of construction in progress is planned for 2018 in order to minimize maintenance costs.
- R&D program in the amount of RUB 2,636,35 mn.

The Board of Directors approved annual procurement program of RusHydro for 2017.

The Board of Directors approved the report on execution of KPIs of RusHydro for the third quarter of 2016.

The Board of Directors approved and introduced as of 01.01.2017 annual key performance indicators of the members of the Management Board of PJSC RusHydro for the year 2017 along with Methodology for calculation and evaluation of these KPIs. The Board of Directors also approved key performance indicators of the Long-Term Motivation Program of PJSC RusHydro for the first cycle for the years 2017 - 2019 along with methodology for calculation and evaluation of these KPIs.

With the view to implement directives of the Government of the Russian Federation on aligning management compensation with KPIs of Long Term Development Program (LTDP KPIs), the Board of Directors charged Nikolay Shulginov, Chairman of the Management Board - General Director of RusHydro, to amend the list and methodology of the LTDP KPIs of RusHydro Group for the years 2016-2020 accordingly.

The Board of Directors reviewed status of implementation of 4 priority projects in the Far East (Yakutskaya TPP-2 (first phase), Blagoveshenskaya CHP (2nd phase), CHP in Sovetskaya Gavan', Sakhalinskaya TPP-2 (first phase)) as of September 30, 2016.

The Board of Directors approved RusHydro's insurance program 2017.

The approved program provides for 2.8% reduction of insurance costs in 2017 as compared to 2016. The reduction is explained by optimization of the overall insurance program, reduction of insured persons due to personnel optimization, reduced number of vehicles employed by the Company and other efficiency enhancing measures.

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 38.6 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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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.