

November 18, 2016. Moscow, Russia.

RusHydro completes divestment of dams of the Angara cascade to EuroSibEnergo

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that it has completed a transaction to sell five dams of the Angara cascade to LLC Telmamskaya HPP (100% owned by JSC EuroSibEnergo).

The dams are part of technological complex of EuroSibEnergo's cascade of hydropower plants (HPPs) located on the Angara river; EuroSibEnergo leased them from RusHydro before.

The transaction amount is RUB 9,280 mn (excl. VAT in the amount of RUB 1,670 mn). The payment was made in cash in a single installment on November 17, 2016. KPMG made an independent assessment of the dams' market price. The Company's Board of Directors approved the transaction on October 7, 2016.

The transaction between PJSC RusHydro and LLC Telmamskaya HPP was done in respect of five dams of HPPs of the Angara cascade: right and left bank dams of the Irkutskaya HPP, right and left bank dams of the Bratskaya HPP, Ust'-Ilimskaya HPP dam. However, concrete channel dams of the Irkutskaya and Bratskaya HPPs, as well as buildings, generating and distribution equipment of all indicated HPPs are owned by PJSC Irkutskenergo. RusHydro was not involved in electricity and capacity generation and water regimes regulation by these plants. The Company acquired the dams in September 2011 for RUB 7,588 mn.

The deal is economically efficient for RusHydro and is in line with the updated Company's strategy.

This transaction allows EuroSibEnergo to create a unified asset and technology complex of HPPs and improve their reliability and efficiency. RusHydro, in turn, gets additional funds to finance its priority activities, including implementation of the ongoing investment projects.

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.