

October 22, 2015. Moscow, Russia.

RusHydro Group announces its operating results for the 3Q and 9 months of 2015

PJSC RusHydro (ticker symbol: MICEX-RTS, LSE: HYDR; OTCQX: RSHYY) announces operating results for the 3rd quarter and nine months of 2015 of the parent company and the subsidiaries of RusHydro Group reflected in consolidated financial statements.

Key highlights:

- Gradual recovery of generation volumes as a result of improvement of hydrological conditions on the Volgo-Kama cascade and the South of Russia as well as increase in output by thermal plants of RAO ES of the East;
- Total electricity generation by power plants of RusHydro Group in 3Q 2015 amounted to 26,396 GWh (+2.9%), in 9M 2015 – 83,569 GWh (-3.5%);
- In 3Q 2015, total production by HPPs/PSPPs amounted to 20,218 GWh (+0.8%), in 9M 2015 – 60,501 GWh (-9.1%);
- In 9M 2015, total water inflow to reservoirs of the Volgo-Kama cascade was lower than long-run average, in 3Q 2015 – higher than normal;
- Electricity generation by the plants of RAO ES of the East in 3Q 2015 – 6,422 GWh (+11%), in 9M 2015 – 24,242 GWh (+15.0%);
- The electricity generation by the Boguchanskaya hydropower plant in 3Q 2015 amounted to 4,231 GWh (+103.2%); in 9M 2015 – 10,195 GWh (+61.2%)*;
- Water inflow to reservoirs of major hydropower plants of the Group in 4Q 2015 is expected to be close to or lower than long-run average.

In the 3rd quarter of 2015, total electricity generation by power plants of RusHydro Group amounted to 26,396 GWh, a 2.9% increase as compared to the same period of 2014, total power generation in the 9 months of 2015 amounted to 83,569 GWh (a 3.5% decline as compared to the same period of 2014). In the 3rd quarter of 2015, hydropower (HPPs) and pumped storage power plants (PSPPs) of RusHydro Group increased electricity generation by 0.8% to 20,218 GWh, in the 9 months of 2015 generation decreased by 9.1% to 60,501 GWh, output by thermal (TPPs) and geothermal plants located in the Far East of Russia in the 3rd quarter of 2015 increased by 10.4% to 6,178 GWh, in the 9 months of 2015 – by 15.3% to 23,068 GWh.

Electricity generation by the plants of RusHydro Group, GWh

	3Q'15	3Q'14	chg, %	9M'15	9M'14	chg, %
Center of Russia	10,074	8,466	19.0%	28,389	30,554	-7.1%
S. of Russia and N.Caucasus	2,020	1,767	14.3%	5,349	4,893	9.3%
Siberia	4,586	5,920	-22.5%	16,111	17,861	-9.8%
Total for the price zones	16,680	16,153	3.3%	49,849	53,308	-6.5%
Far East	3,132	3,535	-11.4%	9,058	11,782	-23.1%
RAO ES of the East	6,422	5,792	11%	24,242	21,076	15.0%
Armenia	162	179	-9.2%	422	434	-2.7%
TOTAL	26,396	25,660	2.9%	83,569	86,599	-3.5%
incl. by HPPs, PSPPs**	20,218	20,061	0.8%	60,501	66,587	-9.1%
incl. by TPPs and other	6,178	5,598	10.4%	23,068	20,011	15.3%
Boguchanskaya HPP	4,231	2,082	103.2%	10,195	6,325	61.2%

The underlying factors of the production change in January-September of 2015 were:

- total water inflow to reservoirs of the Volga-Kama cascade in the 3rd quarter of 2015 was higher than normal, in the 9 months - slightly lower than long-run average;
- water inflow to major reservoirs of Siberia in the 3rd quarter of 2015 was substantially lower than long-run average level;
- low water inflow to reservoirs of HPPs of the South of Russia and North Caucasus in the 3rd quarter of 2015;
- increase in electricity generation by TPPs of the Far East due to lower hydro production in the unified power system of the Far East as well as growth in electricity consumption.

Center of Russia

Due to low water inflow in the 2nd half of 2014, useful storage of the Volgo-Kama cascade reservoirs as of the beginning of 2015 amounted to 41.9 km³, 17.8% lower than long-run average and 35% lower than in the 1st quarter of 2014. In the 1st quarter of 2015, total water inflow to reservoirs of the Volga-Kama cascade was 26% higher than normal, but not enough to compensate low water resources in reservoirs of hydropower plants. In the 2nd quarter of 2015, water inflow to reservoirs of the Volgo-Kama cascade was 35-80% of norm, to Volgogradskoe reservoir – only 13% of norm.

In the 3rd quarter of 2015, water inflow to reservoirs of the plants located at the Upper Volga was 20-60% lower than normal, to Cheboksarskoe reservoir – close to normal. Water inflow to Kuibyshevskoe, and Nizhekamskoye reservoirs was 1.3-1.5x higher than long-run average, to Kamskoe reservoir – almost twice as high as normal.

Total water inflow to reservoirs of the Volgo-Kama cascade in the 3rd quarter of 2015 amounted to 47.7 km³ as compared to the average of 37.0 km³, in the 9 months of 2015 – 199.5 km³ as compared to the average of 219.3 km³.

Total electricity generation by RusHydro's hydropower plants of the Volgo-Kama cascade together with Zagorskaya pumped storage plant in the 3rd quarter of 2015 amounted to 10,074 GWh, a 19.0% increase as compared to the same period of 2014. In the 9 months of 2015, generation reached 28,389 GWh, which is 7.1% lower than in the same period of the previous year.

South of Russia and North Caucasus

Water conditions on the rivers of the South of Russia and North Caucasus in January-September 2015 were close or lower than long-run average. As a result of low water inflows drawdown of Chirkeyskoe and Irganayskoe reservoirs was more intensive.

In the 3rd quarter of 2015, water inflow to reservoirs of HPPs of the North Caucasus was 25-50% lower than normal, to Chirkeyskoe reservoir – close to normal. The plants operated in the regime providing for accumulation of water reserves by the beginning of autumn-winter period.

The electricity generation by the hydropower plants of the South of Russia and North Caucasus in the 3rd quarter of 2015 increased by 14.3% to 2,020 GWh, in the 9 months of 2015 – by 9.3% to 5,349 GWh.

Siberia

In the 1st half of 2015, water level in the basin of the Angara-Yenisey cascade was sustainably low, excluding Novosibirskoe reservoir where water inflow was 18% higher than normal. In the end of May, Novosibirsk region faced the heaviest flood in 46 years. Water inflow to reservoir of the Novosibirskaya HPP during the flood period reached 7500 m³/s. In the 3rd quarter of 2015, unlike the 1st half of the year, water inflow to all reservoirs of Siberia was substantially lower than long-run average and amounted to only 50-80% of norm.

The Boguchanskaya hydropower plant in the 9 months of 2015 generated 10,195 GWh, 61.2% increase as compared to the same period of the previous year. During spring flood period reservoir of the Boguchanskaya hydropower plant was filled to its design level of 208 m above sea level. In the 3rd quarter of 2015, the plant has been operating in a mode allowing to maintain navigation in the river below the dam. As of the end of September, the reservoir level of the Boguchanskaya HPP amounted to 207.15 m.

Total electricity generation by RusHydro's Siberian hydropower plants in the 3rd quarter of 2015 decreased by 22.5% to 4,586 GWh, in the 9 months of 2015 – by 9.8% to 16,111 GWh.

Far East

Due to low water conditions on the basin of the Zeya river, the reservoir was not filled to its normal water level of 315.0 m, which substantially affected output of Zeyskaya and Bureyskaya HPP in the 1st half of 2015.

In September, water inflow to major reservoirs of hydropower plants of the Far East was 40-60% lower than normal, except for Kolymskoe reservoir where water inflow was 1.5x higher than normal. In the 3rd quarter of 2015, water inflow to reservoirs of the Far East was close to long-run average levels.

Current hydrological conditions in the region and low water reserves didn't allow to fill the reservoir of the Zeyskaya HPP to its normal water level by the beginning of autumn-winter period which will limit the plant's output to 2.2 TWh from November 2015 to April 2016.

Total electricity generated by hydro and geothermal power plants of the Far East in the 3rd quarter of 2015, decreased by 11.4% to 3,132 GWh. In the 9 months of 2015, the generation decreased by 23.1% to 9,058 GWh.

In the 3rd quarter of 2015, generating assets of RAO ES of the East Holding, a subsidiary of RusHydro, produced 6,422 GWh of electricity, a 11% increase as compared to the 3rd quarter of 2014. In the 9 months of 2015, generation increased by 15% to 24,202 GWh. Of this total, 77% was generated by JSC Far East Generating Company (DGK), which increased production by 19% in the 9 months of 2015, mainly due to 13% decrease in electricity output by the Zeyskaya and Bureyskaya hydropower plants, as well as increase in electricity consumption by 1.5% as compared to the previous year. In the 9 months of 2015, electricity generation by companies operating in isolated energy systems of the Far East increased by 2% as compared to the same period of the previous year.

In the 9 months of 2015, heat output by thermal plants of RAO ES of the East decreased by 3% to 19,487 ths. GCal as compared to the same period of 2014. The decrease is mainly attributed to higher than usual air temperatures.

Heat output by thermal plants of RAO ES of the East, ths. GCal

	3Q'15	3Q'14	chg, %	9M'15	9M'14	chg, %
JSC DGK	1,418	1,384	2%	13,600	13,918	-2%
PJSC Yakutskenergo	167	178	-6%	1,483	1,557	-5%
SC Sakhaenergo	5	4	12%	66	59	12%
SC Teploenergoservice	57	61	-17%	846	872	-3%
PJSC Kamchatskenergo	120	128	-7%	1,294	1,468	-12%
SC KSEN	2	4	-50%	49	50	-1%
PJSC Magadanenergo	92	96	-4%	821	834	-2%
SC Chukotenergo	45	46	-2%	335	326	3%
JSC Sakhalinenergo	55	50	10%	992	1,002	-1%
Total	1,960	1,958	0%	19,487	20,086	-3%

Armenia

In the 3rd quarter of 2015, electricity generation by the Sevan-Hrazdan cascade of hydropower plants in Armenia decreased by 9.2% to 162 GWh, in the 9 months of 2015, electricity generation decreased by 2.7% to 422 GWh. The power generation by the plants of the cascade is dependent on water inflows of the Hrazdan river and water releases from Sevan lake.

Power retail

In the 3rd quarter of 2015, total electricity output by RusHydro's four retail companies, operating in Bashkiria, Chuvashia, Ryazan and Krasnoyarsk regions, amounted to 7,365 GWh, a 5.4% decrease as compared to the same period of 2014.

In the 3rd quarter of 2015, ESC RusHydro, a holding company for all electricity retail operations, increased electricity output by 15 GWh (or 3.9%), power retail company, operating in Chuvashia, also increased output by 47.2 GWh (or 7.3%) due to addition of major consumers.

The decrease in electricity output by JSC Krasnoyarskenergosbyt by 149.5 GWh or 5.2%, Bashkiria power retail company by 315 GWh (-9.9%) and PJSC Ryazan power retail company by 14.6 GWh (-2.2%) is attributable to temperature factor, transfer of a number of major consumers to independent wholesale electricity purchases as well as recession in manufacturing industry.

Electricity output by RusHydro Group's retail companies, GWh

	3Q'15	3Q'14	chg, %	9M'15	9M'14	chg, %
Krasnoyarsk power retail company	2,745	2,894	-5.2%	9,974	10,471	-4.7%
Bashkiria power retail company	2,874	3,189	-9.9%	10,213	11,199	-8.8%
Chuvash power retail company	692	645	7.3%	2,344	2,158	8.6%
Ryazan power retail company	657	671	-2.2%	2,043	2,139	-4.5%
ESC RusHydro	397	382	3.9%	1,263	974	29.7%
Total	7,365	7,782	-5.4%	36,413	37,813	-3.7%

Water inflows forecast

According to the forecast of the Hydrometeorologic Center of Russia, the following dynamics of water inflows to the major reservoirs is expected in the 4th quarter of 2015:

- water inflow to reservoirs of the plants located at the Upper Volga is expected to be 40-80% of norm, to the Cheboksarskoe, Kamskoye, Kuibyshevskoe and Nizhekamskoye - close or 25% higher than long-run average. Total expected water inflow to reservoirs of the Volgo-Kama cascade in the 4th quarter may amount to 33-41 km³ as compared to the average of 36.6 km³;
- water inflow to the reservoirs of hydropower plants located in the North Caucasus is expected to be 20-25% lower than long-run average;
- water inflow to major reservoirs of hydropower plants of Siberia is expected to be 10-25% lower than normal;
- water inflow to the HPP's of the Far East is expected to be 10-25% lower than normal, to Kolymskiy reservoir – 1.6-1.7x higher than long-run average.

* The Boguchanskaya hydropower plant is part of the Boguchanskiy Energy and Metals Complex (BEMO), a 50/50 joint venture (JV) between RusHydro and UC RUSAL, and is not part of RusHydro Group. According to RusHydro's shareholding in the JV (50%), the results of the plant are reported in the official financial statements in "Share of results of associates and jointly controlled entities". Operations of the HPP have been put into the press-release for general reference.

** Includes generation by HPPs of JSC RusHydro, Kolymskaya HPP and Viluiskie HPPs, part of RAO ES of East group.

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:

Investor Relations Department

Tel. +7 (800) 333 8000 ext. 1607, 1319, 1304

ir@rushydro.ru

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.