

Results of the Board of Directors on December 3, 2013

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on December 3, 2013.

In accordance with the President's decree on further development of RusHydro the Board of Directors approved a control model for construction of power facilities in the Far East of Russia. This model provides for transfer of shares of CJSC Blagoveschenskaya TPP, CJSC Sakhalinskaya HPP No.2, CJSC TPP in Sovetskaya Gavan', CJSC Yakutskaya HPP No.2 owned by RusHydro in trust to RAO ES of East. These shares are ex-dividend and cannot be alienated, pledged or reassigned.

The Board of Directors commissioned RusHydro's representatives in the governing bodies of the Company's subsidiaries and associates to vote for increase of share capital through additional share issues and approved subsequent acquisition of stakes of the following companies:

Company	Max. number of shares	Type of shares	Price per share	Share before acquisition	Share after acquisition
Blagoveschenskaya TPP	6,301,000,000	Ordinary	RUR 1	100%	100%
Sakhalinskaya HPP-2	12,995,000,000	Ordinary	RUR 1	100%	100%
TPP in Sovetskaya Gavan'	13,843,000,000	Ordinary	RUR 1	100%	100%
Yakutskaya HPP-2	16,861,000,000	Ordinary	RUR 1	100%	100%

The shares will be placed through private subscription and can be paid in cash and cash claims. The price of share placement is to be determined by the Boards of Directors of companies listed above.

The Board of Directors also commissioned RusHydro's representatives in the governing bodies of the Company's subsidiaries and associates to approve the non-interest bearing loan agreements between RusHydro and a number of its subsidiaries, qualified as major transactions, with the following terms:

Company	Amount of loan, RUR	Due date
Blagoveschenskaya TPP	1,693,300,000.00	December 20, 2015
Sakhalinskaya HPP-2	506,100,000.00	December 20, 2015
TPP in Sovetskaya Gavan'	3,124,900,000.00	December 20, 2015
Yakutskaya HPP-2	4,362,400,000.00	December 20, 2015

These agreements provide for working capital facilities to finance the first stage of construction of power projects in the Far East.

The Board of Directors commissioned RusHydro's representatives in the governing bodies of "VolgaHydro" LLC to approve the contractor agreement between "VolgaHydro" LLC, a joint venture established by RusHydro and Voith Hydro, and CJS Urban Engineering for development of project documentation for construction of the enterprise, qualified as major transaction, and determined the price limit of the agreement in the amount of RUR 20,212,310.80 (incl. VAT).

According to the agreement Urban Engineering will develop technical requirements for design, project documentation and fire safety statement as well as assist in approval of the project documentation, construction permission receipt and support the construction process.

These works are being implemented in terms of construction of enterprise aimed at manufacturing hydroturbine equipment located in Saratovskiy region. Urban Engineering was the winner of tender conducted by Voith Hydro due to its experience in construction of manufacturing enterprises and ability to carry out the design works within a short period of time and for the price stated in business plan.

The Board of Directors of RusHydro approved construction of “VolgaHydro” LLC, a joint venture aimed at manufacturing hydroturbine equipment, established together with Voith Hydro. On June 19, 2013, the Company’s Board of Directors approved participation of RusHydro in the joint venture located in Russia. RusHydro’s share in the share capital is 50% plus RUR 1, the share of Voith Hydro is 50% minus RUR 1.

The Board of Directors approved RusHydro’s agreements, qualified as interested-party transactions. In accordance of p. 6.2.2.8 of Regulations on disclosure of information the details of these transactions will be made available after their implementation in compliance with regulatory requirements of the Russian Federation.

The Board of Directors approved an agreement with Sberbank of Russia and the addendums to this agreement on banking services related to the construction of power facilities in the Far East, qualified as an interested-party transaction.

The Board of Directors determined the price limit of this agreement together with the addendums in the amount of RUR 440 mn.

The Board of Directors approved a 5-year loan agreement with Sberbank of Russia in the amount of RUR 11 bn with an interest rate of 8.99% per annum, qualified as an interested-party transaction.

The facility will be used to finance the current operating, financial and investing activities of the Company as well as to refinance liabilities of RAO ES of East Holding (part of RusHydro Group) owed to commercial banks, which will result in optimization of the company’s debt portfolio by reducing the cost of borrowed financing and increased maturity of loans.

The Board of Directors approved the trust agreement between RusHydro and RAO ES of East, qualified as an interested-party transaction, and determined the price limit of the agreement in the amount of RUR 72,000 (incl. VAT), but no more than RUR 3,000 (incl. VAT) per quarter.

According to the agreement RusHydro will transfer shares of the following companies in trust to RAO ES of East:

Company	Number of shares of the main issue	Number of shares of additional issue
Blagoveschenskaya TPP	500,000	6,301,000,000
Sakhalinskaya HPP-2	500,000	12,995,000,000

TPP in Sovetskaya Gavan'	500,000	13,843,000,000
Yakutskaya HPP-2	500,000	16,861,000,000

These shares are ex-dividend and cannot be alienated, pledged or reassigned.

The Board of Directors resolved to exclude from the working plan for the 2nd half of 2013 the item on approval of comprehensive modernization program of generating facilities of RusHydro Group for 2014-2025, planned for consideration in November 2013.

The Board of Directors approved its working plan for the 1st half of 2014.

The Board of Directors took note of execution of p. 1 of the President's decree of November 22, 2012 on further development of RusHydro in relation to retention of the Russian Federation share in the Company's share capital not less than 60.5%. The Board of Directors commissioned Evgeny Dod, Chairman of the Management Board of RusHydro, to arrange the state registration of the report on results of additional issue of the Company's shares by the Central Bank of Russia in accordance with the Federal law On securities market.

Placement of RusHydro's shares of additional issue (state registration number 1-01-55038-E-041D of December 3, 2012) started on December 20, 2012 and ended on November 26, 2013. The number of issued shares totaled 68,617,944,796, including 66,006,190,950 shares placed in favor of the Russian Federation.

The Board of Directors approved the report on execution of the Company's KPIs in the third quarter of 2013.

The Board Directors has amended Methodology of calculation of RusHydro's KPIs and RusHydro's annual KPIs in order to update it in compliance with the latest changes in legislation.

The Board Directors approved the list annual and quarterly KPIs of Rushydro for 2014.

Thus, the annual KPIs of Rushydro include:

1. Reduction of cost of goods (works, servicers) per unit of output (%);
2. Reliability criterion - simultaneously:
 - number of accidents on the Company's facilities below determined threshold level;
 - readiness ratio on the Company's facilities;
3. EBITDA level (mn RUR);
4. Compliance with timeline for capacity commissioning, funding and execution of financing plan (%);
5. Financial leverage ratio.

The quarterly KPIs include:

1. Reliability criterion - simultaneously:
 - accident rate (in relation to the previous year) in the Company;
 - absence of fatal accidents or group health injuries at the workplace, if there is an injured person, in the Company and subsidiaries generating electricity;
 - readiness certificate receipt (availability) for the Company's plants within specified period.

2. Current liquidity ratio
3. Execution of quarterly schedules of financing and implementation of investment program on an accrual basis year-to-date.

The Board of Directors approved the report on interim results of 2013 business-plan execution for the 9 months of 2013 (including report on implementation of investment program, comprising report on implementation of generating facilities modernization program for 9 months of 2013).

Electricity generation by RusHydro's power plants in the 3rd quarter and nine months of 2013 totaled 102.7% and 112.8% of the planned volumes respectively. The output amounted to 103.3% and 113.4% of the planned volumes respectively. The slight overshoot was a result of favorable hydrological conditions and regimes allowed by the Federal Water Resources Agency.

In the nine months of 2013 the installed capacity increased by 9MW on the Saratovskaya HPP and 10.5 MW on the Zhigulevskaya HPP due to completion of technical upgrade and reconstruction works.

The financing of investment program in the nine months of 2013 amounted to RUR 45 bn (including VAT) or 99% of the plan for the period and 57% of the annual plan.

Financing of rehabilitation and modernization projects in the nine months of 2013 amounted to RUR 20.03 bn or 97% of the plan for the period and 70% of the annual plan of RUR 28.63 bn.

Quorum for the Board of Directors meeting was established.

Voting results:

Item No. 1, 2, 3.1, 3.5, 10: "For" – 10, "Against" – 0, "Abstain" – 1.

Item No. 3.2, 3.3, 3.4, 5, 6, 7: "For" – 11, "Against" – 0, "Abstain" – 0.

Item No. 4.1, 4.2: "For" – 9, "Against" – 0, "Abstain" – 0.

Item No. 8: "For" – 9, "Against" – 1, "Abstain" – 1.

Item No. 10: "For" – 9, "Against" – 0, "Abstain" – 2.

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 36.5 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 67.1% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on the MICEX and RTS stock exchanges, 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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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," "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 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.