

September 15, 2014

Results of the Board of Directors on September 12, 2014

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on September 12, 2014.

The Board of Directors approved the report on execution of RusHydro's KPI's for the 2nd quarter of 2014.

The Board of Directors has approved the new edition of Provision on insider's information.

The Board of Directors resolved to amend the procurement policy of RusHydro in regards to preference for Russian producers of petrochemical products.

The Board of Directors approved an agreement between RusHydro and Hydropojekt Institute for development of single monitoring program of conditions of the Zagorskaya PSPP and Zagorskaya PSPP-2 hydro engineering facilities for the period of restoration works at the Zagorskaya PSPP-2, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 2,832,000.00, including VAT in the amount of RUB 432,000.00.

Commencement date of works - July 10, 2014;

Completion date of works - September 30, 2014.

The Board of Directors approved an addendum to the agreement No. BR-0-406-2012 dated August 28, 2012, between RusHydro and Hydropojekt Institute for geodetic monitoring of deformation of hydropower facilities and subsidence funnel, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 82,674,647.98, including VAT in the amount of RUB 12,611,386.98.

Commencement date of works - January 1, 2013;

Completion date of works - December 30, 2015.

The Board of Directors approved the agreement No. BR-0-414-2012 dated August 28, 2012, including the addendum No.1 between RusHydro and Hydropojekt Institute for geotechnical and hydrological surveys, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 8,288,105.24, including VAT in the amount of RUB 1,264,287.24.

Commencement date of works — January 1, 2013.

Completion date of works – December 30, 2015.

The Board of Directors approved the agreement No. SR-0-226-2013/P-15/13 dated October 16, 2013, including the addendums No.1, 2 for turn-key project of complex retooling of the hydropower unit No.9, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 23,882,417.66, including VAT in the amount of RUB 3,643,080.66.

Duration of works: from April 1, 2013, to November 28, 2014.

The Board of Directors approved the addendum No.1 to the agreement No. OG-192-63-2014 dated June 2, 2014, between RusHydro and NP Hydropower of Russia for development of the list of corporate standards for 2014-2015, qualified as interested party transactions, and determined that the price of this agreement remains unchanged and amounts to RUB 80,001,784.55, including VAT in the amount of RUB 12,203,662.05.

The List of Corporate Standards (developed in 2014-2015)

No.	Name of the corporate standard*
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1	Operation of HPP. Planning and emergency stock management. Procedural guidelines.
2	Corporate standard for the organization of management of projects dedicated to the technical upgrading and reconstruction of operating hydropower facilities at the preproject and project stages of the investment process.
3	Hydropower plants. Environmental protection. Estimate of environmental impact. Procedural guidelines.
4	Procedural guidelines for the monitoring (control) of the vibratory condition of hydraulic units equipped with stationary vibration monitoring systems.
5	Estimate of the technical condition (extreme limit state) of power transformers.
6	Electrical equipment automated monitoring and diagnostic systems. General technical requirements, standard configuration, functions.
7	Hydropower plants. Training of the HPP operating personnel. Rates and requirements.
8	Hydraulic structures of hydraulic power plants. Procedural guidelines for the performance of multivariate studies.
9	Hydropower plants. Methods for assessing the technical condition of the main equipment.
10	Hydropower plants. Management of operation and maintenance. Rates and requirements.
11	Hydropower plants. Extension of the service life of the main equipment in the course of operation. Rates and requirements.
12	Hydropower plants. Methods for assessing the technical condition of auxiliary equipment.
13	Hydraulic power plants and pumped storage hydropower plants. Emergency automation (EA). General technical requirements, standard configuration, functions.
14	Procedural guidelines for the choice of type of protection of technical water supply and field pipelines from zebra mussels and other biological sedimentations (HPPs and PSHPs).
15	Power transformers of hydraulic power plants. Management of operation and maintenance. Rates and requirements.
16	Microprocessor-based relay protection and automatic equipment (RPAE) of HPPs and PSHPs. Management of operation and maintenance. Scopes, rates and requirements.
17	Organization of the corporate plant asset management system. Rates and requirements.
18	Hydropower plants. Estimate and prediction of the breakdown risks of hydraulic structures. Rates and requirements.
19	Procedural guidelines for the development and use of standard records representing the scope of repair of equipment, buildings and facilities.
20	Procedural guidelines for the organization of surveys of hydropower facilities.
21	Hydropower plants. Engineering certification of buildings and facilities, technological systems, main and auxiliary equipment, distributing gears, station service, and maintenance units. Rates and requirements.
22	Hydropower plants. Methods for determining safety criteria for the declared hydroengineering facilities.
23	Hydropower plants. Quality control of work performance during the construction. Rates and requirements.
24	Hydraulic power development. Engineering surveys performed during the development of

Commencement of work: June 2, 2014.

Completion of work: May 31, 2015.

The Board of Directors approved a contract No. D-60540/5/10 dated November 18, 2010, as amended by an addendum No. 1 between RusHydro and Vnesheconombank for depositary services in regards to RusHydro's securities, including the storage of securities certificates and/or registering the rights to securities by opening and maintaining a separate custody account in the name of the Depositor, as well as conducting transactions on a custody account based on the instructions of the Depositor and its authorized persons, qualified as interested party transaction, and determined the price of contract in the amount of RUB 20,000.00, excluding VAT.

The Board of Directors approved power purchase agreements between RusHydro and INTER RAO, qualified as interested party transactions, in regards to output of the Bureyskaya HPP (Agreement No. 1) and Zeyskaya HPP (Agreement No.2), located in non-price zone, and determined the prices of these transactions in total amount of RUB 80,400,480 (incl. VAT):

- the price of the Agreement No. 1 amounts to RUB 35,654,880, incl. VAT;
- the price of the Agreement No. 2 amounts to RUB 44,745,600, incl. VAT.

Parties of the Agreements:

Seller — JSC RusHydro

Buyer — JSC Inter RAO

Subject Matter of the Agreements

The Seller should provide the Buyer with (supply to the Buyer) electricity in the amount determined in accordance with the Agreement and Wholesale Market Regulations. The Buyer should accept and pay for the electricity supplied (accepted) in accordance with the Agreement.

The Seller's delivery point cluster:

Under Agreement No. 1 – GBUREYG1, GBUREYG2.

Under Agreement No. 2 – GZEYAGS1, GZEYAGS2.

The Buyer's delivery point cluster:

PINTCHIN, PINTCHN1.

Amount (volume) of supplied power:

Under Agreement No. 1 – no more than 1,200,000 MWh.

Under Agreement No. 2 – no more than 1,200,000 MWh.

Price of the Agreements:

The price of electricity for the term of delivery (hereinafter referred to as "electricity price") amounts to:

- under Agreement No. 1 – 25.18 rubles/MWh (net of VAT);
- under Agreement No. 2 – 31.60 rubles/MWh (net of VAT).

In case the Federal Tariff Service changes the tariffs applied to the Bureyskaya HPP and/or Zeyskaya HPP during the term of power delivery under the Agreements, the electricity price under the Agreements may be changed to the amount equaling double the tariff for the respective HPP.

The cost of the total amount (volume) of electricity supplied (sold) by the Seller to the Buyer for the settling period (calendar month), due and payable by the Buyer to the Seller, shall be equal to the result of multiplication of the amount of electricity supplied in the respective settling period determined by the Commercial Operator in accordance with the Regulations on the Operation of the Wholesale Market Participants in the Territory of Non-Price Zones of the Wholesale Market, and the price of electricity.

Term of delivery under the Agreements

Delivery commencement date — the date when Agreements No. 1 and No. 2 are registered by the Commercial Operator.

Delivery cutoff date — December 31, 2014.

The Board of Directors approved the agreement between RusHydro and Moscow Power Engineering Institute for professional training of RusHydro's employee, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 210,000.00, VAT free.

Duration of services: from October 20, 2014, to June 30, 2016.

The Board of Directors approved the addendum No.10 to the contractor agreement No. 6672 dated September 26, 2008, between RusHydro and JSC Hydroproject Institute, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 120,018,611.54, including VAT in the amount of RUB 18,307,923.79.

The addendum provides for changing the price of the agreement, amendments to the schedule of works, amendments to the following documents: "Requirements specification", "Schedule of works", "Summary cost estimate with Appendices", "Schedule of payment".

Commencement date — September 30, 2008;

Cutoff date — November 21, 2014.

The Board of Directors approved the contractor agreement between JSC RusHydro and JSC Lenhydroproject, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 16,436,120.88, including VAT in the amount of RUB 2,507,204.88.

According to the agreement Lenhydroproject will develop design documentation for reconstruction of the start-up complex launched at the operational level mark of 547.00 m.

Commencement date: July 18, 2014.

Cutoff date: November 30, 2014.

The Board of Directors approved the contractor agreement between JSC RusHydro and JSC Lenhydroproject, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 308,072,843.58, including VAT in the amount of RUB 46,994,162.58.

According to the agreement Lenhydroproject will update the project of the Irganayskaya HPP with the installed capacity of 400 MW.

Commencement date: July 18, 2014.

Cutoff date: November 30, 2015.

The Board of Directors approved the contractor agreement between JSC RusHydro and JSC Lenhydroproject, qualified as interested party transaction, and determined the price of this transaction in the amount of RUB 2,131,844.64, including VAT in the amount of RUB 325,196.64.

According to the agreement Lenhydroproject will develop the additional operations schedule of the Sayano-Shushenskoe reservoir with the maximum water level of 536.5 m of the provisional regulations for the utilization of water resources of reservoirs of the Sayano-Shushenskiy hydropower complex.

Commencement date - date of signing of the Agreement;

Cutoff date – April 30, 2015.

The Board of Directors approved the interim report on implementation of innovative development program of RusHydro in the 1st half of 2014.

The Board of Directors approved the report on interim results of 2014 business-plan execution for the 1st half of 2014 (including report on implementation of investment program, including reports on fulfillment of comprehensive modernization program and procurement plan).

The Board of Directors took a note on execution of the Board's commission of May 23, 2014, and moved the deadlines for execution of a number of commissions regarding improvement of procurement policy of RusHydro and its approval by the Ministry of economic development and Ministry of energy of Russia to December 31, 2014.

The Board of Directors commissioned Evgeny Dod, Chairman of the Management Board-General Director of RusHydro, to:

1. Submit for the Board's consideration by November 20, 2014, the long-term development program of RusHydro in compliance with recommendations for the long-term development programs of the state-owned companies, which provide for update of the program on the annual basis;
2. Develop and approve by November 20, 2014, the Standard for the auditor's review of the program implementation that will regulate the procedure for this review, prepared in accordance with the standard for the auditor's review of the program implementation developed by the Ministry of economic development of Russia, stipulating the annual audit, starting from 2015 (following the results of 2014 reporting financial year), of the Program implementation, with the involvement of the expert organization being a member of a self-regulated organization of auditors (hereinafter referred to as the "Auditor"), performed in order to check compliance with the requirements specification stipulating the tasks and sub-tasks, that should be performed by the Auditor in the course of audit, prepared in consideration of the exemplary requirements specification of MEDT concerning the audit of implementation of the Companies' programs (instruction of the Government of the Russian Federation No. ISh-P13-2583 dated April 15, 2014) and approved by the Company's Board of Directors;
3. Amend, if necessary, by November 20, 2014, the effective Regulations on Remuneration to the sole executive body of the Company (adoption of the new version of the Regulation on Remuneration Paid to the Sole Executive Body of the Company) regarding the dependence of remuneration of the Company's sole executive body on execution of the planned performance indicators of the Company's activities determined by the Program.
4. Take note on the following information:
 - On June 18, 2014, the Company sent a letter to the Ministry of energy of Russia specifying the purposes and the list of indicators of the Program;
 - On August 15, 2014, the Company sent the Program to the Ministry of energy of Russia.

The Board of Directors commissioned Evgeny Dod, Chairman of the Management Board-General Director of RusHydro, to ensure the following:

1. By October 31, 2014 — analysis of the applied financial flows management system of JSC RusHydro, its subsidiary and affiliated companies (hereinafter referred to as the "Analysis"), including analysis of:
 - documents regulating the organization of settlement and cash services and the payment system;
 - procedure for choosing the lending organizations, banks, and instruments to be used for the financing of activities of the structural units;
 - budget performance monitoring mechanisms.
2. By November 5, 2014 — sending the results of the Analysis performed to the Ministry of Finance of the Russian Federation.
3. By March 30, 2015 — development and approval of the structure of the unified treasury of the Company, its subsidiary and affiliated companies (hereinafter referred to as the "treasury" or the "group of companies"), ensuring the centralized management of financial flows of the group of

companies, minimization of financial risks and operating expenses, and maximization of yield from the investment of free financial resources, whose main functions shall be the following:

- organization of a system of relations with the banks, ensuring optimization of the structure of bank accounts, minimization of bank operating expenses and loan interest most profitable for the group of companies, and annual inventory reconciliation of the settlement structure;
- operational planning and optimization of financial flows, including the development of a set of planned tasks relating to the financial support of activities of the group of companies, distribution of resources inside the group, and free cash investment;
- controlling, including that concerning cashflow and established limit budget performance, control of accuracy in effecting payments and the timely receipt of funds, constant monitoring and control over accounts payable and receivable;
- financial risk management, including the hedging (insurance) of interest rate, currency, price and volume risks, development and control of limits for different expense items, including formation of the payment schedule and control over the observance thereof;
- establishment (development) of the information infrastructure ensuring the automation of extended functions of the unified treasury, integration of treasury solutions with the production and accounting systems of interrelated blocks at the level of the corporate center of the group of companies.

4. By May 31, 2015 — development and approval of internal documents of the group of companies, regulating the activities of the Treasury and the system of financial flow management taking into account the effective legislation, including:

- regulation on the Treasury, regulating matters of subordination, obligations and rights, order of interaction of the group of companies with the Treasury;
- rules and regulations common for the whole group of companies (including lending and financial policies, general provisions and regulations concerning the key procedures);
- internal Financing Regulation (order of financing of the group of companies);
- payment Effecting Regulation.

5. By June 30, 2015, functioning of the Treasury considering the decisions adopted in accordance with Clauses 3 and 4.

The Board of Directors commissioned Evgeny Dod, Chairman of the Management Board-General Director of RusHydro, to ensure the following by December 1, 2014:

1. Carrying out comparative analysis of the corporate management standards applied within the Company and the key provisions of the Corporate Management Code (hereinafter referred to as the "Code"), considering the investigation of risks connected with the possible implementation of the new provisions of the Code in the activities of the Company (hereinafter referred to as the "Analysis"), paying attention to the prioritized implementation of the Code provisions about the appointment and termination of powers of the sole executive body by the Company's Board of Directors and about the control exercised by the Board of Directors over the activities of subordinated organizations as regards the corporate events performed and transactions made by them.

2. Allowing for the Analysis findings, development of a draft plan of activities ("Roadmap") for implementation of key provisions of the Code in the activities of the Company (hereinafter referred to as the "Plan") and sending it to the federal executive body determining state policy in the field where the Company operates (Minenergo of Russia), and to the Federal Agency for State Property Management to enable the formation of the draft directive guidelines on approval of the Plan in accordance with Regulation No. 738 of the Government of the Russian Federation "On the Management of the Federally Owned Shares of Joint-Stock Companies and Exercise of the Special Right for Participation of the Russian Federation in the Management of Joint-Stock Companies ("Golden Share")" dated December 3, 2004.

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 37.5 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 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.