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RusHydro completes restoration of the Sayano-Shushenskaya HPP

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the tenth new hydropower unit has been commissioned at the Company's Sayano-Shushenskaya hydropower plant. The President of the Russian Federation, Vladimir Putin, participated in the ceremony of hydro-unit launch through videoconference with the Sayano-Shushenskaya HPP.

Launch of the unit No.2, the most damaged during the accident, completes restoration and comprehensive reconstruction of the Sayano-Shushenskaya HPP. All ten hydro-units of the plant were replaced with the new ones. The plant has now reached its full project capacity of 6400 MW.

Total financing of the restoration and reconstruction works amounted to RUB 41 bn, which is RUB 2 bn less than the initially planned amount. The Company financed reconstruction of the plant from its own funds. All works have been completed in accordance with the schedule approved by the Russian government in 2009.

On August 17, 2009, hydro turbine No. 2 of the Sayano-Shushenskaya hydropower plant broke apart violently. The turbine room and power equipment were flooded, the ceiling of the turbine room collapsed, all ten hydropower units of the plant were destroyed, and 75 people were killed.

Reconstruction of the Sayano-Shushenskaya HPP has been done in three stages:

2010 – The first stage of reconstruction: four hydropower units of the plant, least affected during the accident, were restored and put into operation.

2011 – 2013 – The second stage of reconstruction: five newly manufactured hydropower units were launched.

2013 – 2014 – The third stage of reconstruction: four previously restored hydropower units were replaced with the new ones, hydropower unit No.2, the most damaged during the accident, has been commissioned. The plant is now equipped with new circuit breakers, 16 power transformers and the newest up-to-date 500 kV indoor switchgear.

New equipment of the Sayano-Shushenskaya HPP has enhanced performance characteristics that meet all safety and reliability requirements. The useful life of the new units has been extended to 40 years and maximum efficiency now reaches 96.6%. They also have improved energy and cavitation features. The turbines will be fitted with a more efficient process protection system, which will automatically shut down the unit in case of any inadmissible deviations from controlled parameters. JSC Power Machines has manufactured and installed new hydro-units for the Sayano-Shushenskaya HPP.

Social aspect

RusHydro is also concerned about development of social infrastructure of Cheremushki settlement. The Company has already allocated funds in the amount of around RUB 1.3 bn for development and improvement of sports, educational, healthcare and cultural facilities of Cheremushki.

After the accident at the Sayano-Shushenskaya HPP RusHydro allocated funds in the amount of RUB 185 mn as a social support to people suffered from the accident. The Company will continue to provide material assistance to these people after completion of restoration of the Sayano-Shushenskaya HPP.

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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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.