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RusHydro signs cooperation agreement with VTB

PJSC RusHydro (or “the Company”, ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that it has signed a cooperation agreement with VTB Bank PJSC (“VTB” or “the Bank”).

The Agreement has been signed at the Eastern Economic Forum by Evgeny Dod, Chairman of the Management Board – General Director, PJSC RusHydro, and Andrey Kostin, President and Chairman of VTB Bank.

The scope of agreement includes, inter alia, cooperation between the Company and the Bank in refinancing of the debt portfolio of RusHydro’s subsidiary, RAO Energy Systems of the East, increasing the investment appeal of RusHydro shares and seeking strategic investors in the Company’s share capital.

In particular, VTB considers providing financing to RusHydro in the amount of RUB 85 bn through purchase of newly issued shares of the Company and a conclusion of a 5-year forward contract on these shares. In case PJSC RusHydro approves the additional issue of shares, the Bank might own a stake of up to 20% of RusHydro’s shares. The Bank is also prepared to provide assistance to RusHydro in raising its investment appeal, including via improving financial conditions of the Company, and is ready to jointly seek strategic investors for the shares.

In turn, RusHydro is intended to implement, jointly with the Bank, measures aimed at increased investment appeal as well as ensure costs optimization, in order to increase net profit as basis for higher dividend income of shareholders.

With the purpose of implementing the Agreement, the parties plan to sign individual agreements covering each project.

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.

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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," "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.