

October 11, 2016. Moscow, Russia.

Results of the Board of Directors on October 7, 2016

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on October 7, 2016.

The Board of Directors approved inclusion of the Integrated innovative activities KPI in the list of the Company's KPIs for 2016. The amendments should be effective from January 1, 2016.

The Board of Directors moved the deadline for submission feasibility analysis of the Zagorskaya PSPP-2 reconstruction project to March 10, 2017.

The Board of Directors moved the deadline for technological and price audit of the Maynskiy hydro complex comprehensive reconstruction project from 2016 to 2017 in order to develop the spillway construction options in line with optimization of PJSC RusHydro's investment program.

The Board of Directors approved corporate social responsibility and sustainable development report of RusHydro Group for 2015.

The Board of Directors commissioned Nikolay Shulginov, Chairman of the Management Board – General Director of PJSC RusHydro, to add until October 31, 2016, the Company's procurement policy with the requirement to buy innovative construction materials mostly from Russian producers.

The Board of Directors decided to dissolve the agreement on maintaining the Company's shareholder register between PJSC RusHydro and JSC Registrar R.O.S.T. and determined that JSC VTB Registrar will provide such services going forward. VTB Registrar has been chosen based on tender results.

The Board of Directors increased the number of members of the Strategy Committee to 14 and elected Nikolay Podguzov, member of the Board of Directors, to the Committee.

The Board of Directors approved the amended Regulations on Strategy Committee. The document has been developed to comply with the Corporate Governance Code of PJSC RusHydro and Corporate Governance Code of the Bank of Russia as well as the Company's corporate governance practices.

The Board of Directors approved the Program on disposal of non-core assets as well as the list of non-core assets of RusHydro.

The Board of Directors approved the report on execution of the Company's KPIs in the 2nd quarter of 2016.

The Board of Directors approved an addendum to the general credit agreement No. 1 of September 13, 2013, between PJSC RusHydro, JSC RUSAL, JSC RUSAL Krasnoyarsk and CJSC BoAZ, qualified as transaction denominated in foreign currency (pegged to foreign currency exchange rate).

The general credit agreement should be prolonged due to extension of credit period for three years.

According to the agreement PJSC RusHydro (Lender 1), OJSC RUSAL (Lender 2), OJSC RUSAL Krasnoyarsk (Lender 3) provide loan funds to CJSC BoAZ (Borrower) on the following terms:

Loan term	The loans are provided as separate tranches during the period from 01.01.2015 to 20.12.2030 (hereinafter each such tranche is referred to as "Loan Tranche").
Loan repayment period	Not earlier than 21.12.2030

Price of the Agreement, including the addendum to the agreement:

The total limit of loans — RUB 16,800,000,000.00 should be distributed between the Lenders as follows:

- Lender 1's loan limit in the amount of RUB 8,400,000,000;
- Lender 2's loan limit in the amount of RUB 4,400,000,000;
- Lender 3's loan limit in the amount of RUB 4,000,000,000.

The fixed interest rate is 8.72% per annum.

The interest rate may be decreased at the Lenders' discretion, with the written notification of the Borrower and conclusion of the relevant supplementary agreement to the Agreement. The interest rate is a subject to revision in case of changing the interest rate under the Agreement.

Other terms and conditions of the general Agreement remain unchanged.

The Board of Directors approved a guarantee agreement between PJSC RusHydro and the Russian Regional Development Bank (RRDB), qualified as an interested party transaction, and determined that the price of the agreement equals to total amount of liabilities of the borrower (PJSC Magadanenergo) under the credit facility agreement No. 1010-K-16 of July 11, 2016, provided by RRDB:

- The maximum amount of loan funds (credit line limit): RUB 500,000,000;
- The maximum amount of interest on loan: the interest rate for the entire period of the credit facility is 10.64 % per annum. The Bank has the right to increase the interest rate, in case the Bank of Russia increases the key interest rate and / or refinancing rate (discount rate).
- A penalty in the amount of interest rate multiplied by 1.5, in the percent per annum, accrued on the overdue amount of loan repayment or interest for each day of the overdue till the date of full repayment of overdue amount (inclusively);
- A penalty in the amount of 0.025% of the credit line limit for each case of non-fulfillment of obligations by the Borrower in respect of maintaining credit turnovers on their accounts opened by the Bank, in accordance with the amount which is established for the next calendar quarter.

Price of property that may be alienated under the Guarantee Agreement, is less than 2% of the book value of the Company's assets, determined according to the financial statements of the Company as of the last reporting date (30.06.2016).

Term loan repayment date is 21.01.2018.

The Board of Directors approved a guarantee agreement between PJSC RusHydro and JSC Gazprombank, qualified as an interested party transaction, and determined that the price of the agreement equals to total amount of liabilities of the borrower (PJSC RAO ES East) under the credit facility agreement No.4016-016-KLof July 8, 2016, provided by the bank:

- The maximum amount of loan funds (credit line limit): RUB 1,629,878,500.45;
- The amount of interest on loan: the interest rate for the entire availability period of the credit is 11.09 % per annum. The Bank has the right to increase the interest rate, in case the Bank of Russia increases the key interest rate and / or refinancing rate (discount rate).
- A penalty in the amount of 0.05% accrued on the overdue amount of loan or interest for each day of the delay;
- Early repayment charge is 0.25% per annum of the amount of early repaid credit (its part) during the first 30 months from the date of the Credit Agreement.

Loan repayment period is 84 months from the date of the Credit Agreement.

The price (monetary value) of the property that may be alienated under the Guarantee Agreement, is less than 2% of the book value of the Company's assets, determined according to the accounting statements of the Company as of the last reporting date (30.06.2016).

The guarantee agreement is valid through July 7, 2026.

The Board of Directors approved an agreement between PJSC RusHydro and National Research Moscow State University of Civil Engineering(NRU MGSU), qualified as an interested party transaction, and determined the price of the agreement in the amount of RUB 280,604 (including VAT in the amount of RUB 42,804).

According to the agreement, NRU MGSU will participate in the work of commission on technical audit of OJSC Vilyiskaya HPP-3 related to assessment of technical state of the main hydraulic facilities.

The end date of services is July 30, 2016.

The Board of Directors approved an agreement on gratuitous transfer of property between PJSC RusHydro and Perm.

According to the agreement, RusHydro transfers to the city of Perm the road bridge over the Kama river located in Perm.

The book value of property as of August 31, 2016, is RUB 3,786,844.28.

The Board of Directors approved Supplementary Agreement between PJSC RusHydro, Federal Agency for Public Property Management and the Ministry of Energy of the Russian Federation in implementation of 359-FZ "On the Federal Budget for 2016" and the order of the Russian Energy Ministry of 27.06.2016 No. 598 "On the use in 2016 of balances of budget investments which were not used in 2015, provided to PJSC RusHydro in 2012", in respect of transfer to the to the Federal treasury budget funds in the amount of RUB 6.098 billion to be used for the construction of CHPP in Sovetskaya Gavan.

The Board of Directors approved an Addendum to the Agreement on the provision of budget investments of 18.12.2012 No. 01-08 / 827, qualified as interested party transaction, and determined that the price of Addendum is a total of the following values:

- penalties for failure to achieve KPI of the Company, specified in paragraph 3.2.10 of the Agreement-1 (One) % of the amount of funds specified in paragraph 1.1 of the Agreement, for non-performance of each KPI in the reporting period;
- penalty for failure to fulfill obligations by the Company for the commissioning of each facility in the scheduled time specified in paragraph 2.5 of the Agreement - RUB 500,000 (five hundred thousand), multiplied by the number of days equal to the number of days since the date of the planned commissioning dates of the facility referred to in paragraph 2.5 of the Agreement, prior to the actual date of commissioning of the facility.

The Board of Directors approved an agreement with LLC Telmamskaya HPP (wholly owned by JSC EuroSibEnergo) for sale of five dams of the Angara cascade owned by the Company. The transaction price will be RUB 9,280 mn (excluding VAT in the amount of RUB 1,670 mn). KPMG made an independent assessment of the dams' market price.

PJSC RusHydro owns five dams of HPPs of the Angara cascade: right and left bank dams of the Irkutskaya HPP, right and left bank dams of the Bratskaya HPP, Ust'-Ilimskaya HPP dam. The Company acquired the dams in September 2011 for RUB 7,588 mn.

The Board of Directors commissioned RusHydro's representatives in the Annual General Meeting of shareholders of JSC Blagoveschenskaya CHPP to approve the general contractor agreement for construction and installation works between JSC Blagoveschenskaya CHPP and PJSC Power Machines with a memorandum of reconciliation of disagreements, qualified as major transaction. The scope of work and the requirements for its implementation are defined in accordance with the "Project documentation - a set of detailed documentation", which is part of the project documentation for the facility "Construction of the second stage of Blagoveshchenskaya CHP Plant".

Price of the Agreement is RUB 64,216,654, including VAT (18%) in the amount of RUB 9,795,760.91.

The price of related transactions, the price of the Agreement and the price of the general contractor agreement is RUB 7,262,397,476. The period of Work performance: from 01.01.2016 till 31.12.2016.

The Board of Directors cancelled the decision of the Extraordinary Meeting of shareholders of JSC Blagoveschenskaya CHPP of June 8, 2016, on approval of the general contractor agreement between JSC Blagoveschenskaya CHPP and PJSC Power Machines.

The Board of Directors approved of the guarantee agreement between PJSC RusHydro, acting as a guarantor on behalf of JSC RAO ES East acting as the borrower, and PJSC Sberbank, qualified as interested party transaction. The guarantee agreement is

concluded in regard to the loan for construction of the off-site infrastructure facilities for SakhalinskayaCHPP-2. The material terms of the loan are:

- The maximum amount of loan (credit line limit) isRUB 6,077,780,556.
- Repayment period of the credit funds - July 28, 2028.
- Interest rate on the loan funds use – 10.83% per annum;

The Guarantee agreement shall enter into force from the date of its signing and is valid until July 28, 2031.

The Board of Directors approved of the guarantee agreement between PJSC RusHydro, acting as a guarantor on behalf of PJSC Magadanenergo acting as the borrower, and JSC VBRR, qualified as interested transaction. The material terms of the loan are:

- The maximum amount of loan (credit line limit) is RUB400,000,000.
- Repayment period of the credit funds –December 31, 2017.
- Interest rate on the loan funds use – 10.33% per annum.

The Guarantee agreement shall enter into force from the date of its signing and is valid until December 31, 2017.

The Board of Directors approved a new version of internal audit Policy of PJSC RusHydro.

The document has been amended to comply with the listing rules of MOEX.

The Board of Directors approved a new version of the Regulations on Corporate Secretary of PJSC RusHydro developed in compliance with the requirements of MOEX listing rules.

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 38.6 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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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.