

**June 23, 2015**

**Results of the Board of Directors on June 19, 2015**

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on June 19, 2015.

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The Board of Directors took note of the information on the status of implementation of four priority projects in the Far East of Russia: Blagoveschenskaya TPP (2nd stage), Yakutskaya TPP No.2 (1st stage), TPP in Sovetskaya Gavan', and Sakhalinskaya TPP No. 2 (1st stage), as of March 31, 2015.

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The Board of Directors approved the amendments to the Annual procurement plan of RusHydro for 2015.

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The Board of Directors approved the report on interim results of 2015 business-plan execution for the 1<sup>st</sup> quarter of 2015 (including reports on implementation of investment program (including comprehensive modernization program) and annual procurement plan for the 1<sup>st</sup> quarter of 2015).

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The Board of Directors approved the report on the Company's Management performance in 2014.

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The Board of Directors approved a guarantee agreement between RusHydro and VTB Bank, qualified as interested party transaction.

In accordance with article 46 of Regulations on disclosure of the details of this transaction will be made available after its implementation in compliance with regulatory requirements of the Russian Federation.

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The Board of Directors approved promissory notes exchange agreements between RusHydro and Sulak HydroCascade, qualified as interrelated interested party transactions, and determined the price limit of these agreements in the amount of RUB 156,000,000.

According to these agreements RusHydro should exchange non-interest bearing promissory notes (notes maker – Sberbank of Russia and/or Gazprombank) for own promissory notes of Sulak HydroCascade.

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The Board of Directors approved an Addendum No. 2 to the agreement No. OG-192-63-2014 of June 2, 2014, between RusHydro and NP Hydropower of Russia, qualified as interested party transaction. The price of the agreement remains unchanged and amounts to RUB 80,001,784.55, incl. VAT in the amount of RUB 12,203,662.05.

The Addendum provides for the following amendments to the Appendix No. 1 of the agreement:

List of Organization Standards (Development Period 2014 – 2015)

No.	Name of Organization Standards
1	Operation of HPP. Planning and managing the emergency stock. Methodology guidelines.
2	Organizing the management of projects on technical re-equipment and reconstruction of existing hydropower facilities on pre-design and design stages of investment process.
3	Hydropower plants. Environment protection. Environmental impact assessment. Methodology guidelines.
4	Methodology guidelines on monitoring (controlling) the vibration status of hydropower units equipped with stationary vibration diagnostics systems.
5	Assessing the technical (limit) condition of power transformers.
6	Systems for automated monitoring and diagnostics of electrical equipment. General technical requirements, standard composition and functions.
7	Hydropower plants. Preparing the operational personnel of HPP. Standards and requirements.
8	Hydraulic structures of hydroelectric power plants. Methodology recommendations for the implementation of multifactorial studies
9	Hydropower plants. Methodologies for assessing the technical condition of main equipment
10	Hydropower plants. Organizing operation and maintenance. Standards and requirements.
11	Hydropower plants. Extending the life of main equipment in the process of operation. Standards and requirements.
12	Hydropower plants. Methodologies for assessing the condition of auxiliary equipment
13	HPP and PSHPP. Emergency control system. General technical requirements, standard composition and functions.
14	Hydroturbine units. Terms of delivery. Standards and requirements.
15	Power transformers of hydroelectric power plants. Organizing operation and maintenance. Standards and requirements.
16	Microprocessor relay protection and automatic control equipment of HPP, PSHPP. Organizing operation and maintenance. Volumes, standards and requirements.
17	Organizing corporate production asset management system Standards and requirements.
18	Hydropower plants. Assessing and forecasting the risks of accidents on hydraulic structures. Standards and requirements.
19	Methodology recommendations on designing and applying standard form sheets for repair volumes of equipment, buildings and structures.
20	Methodology guidelines on organizing the surveys of hydropower facilities.
21	Hydropower plants. Technical examination of buildings and structures, technological systems, main and auxiliary equipment, switchgear, equipment for proprietary and economic needs. Standards and requirements.
22	Hydropower plants. Methodology for defining the safety criteria for stated hydraulic structures.
23	Hydropower plants. Assuring the quality of works during construction. Standards and requirements.
24	Hydropower construction. Engineering surveys when designing area planning schemes and project documentation. Standards and requirements.

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The Board of Directors approved sale and purchase agreement(s) for non-interest bearing promissory notes of Rosbank in the amount of RUB 261,510,239.57 from VolgaHydro to RusHydro, qualified as interested party transaction(s). RusHydro will pay for the notes within 5 banking days after submission of notification of redemption of promissory notes by VolgaHydro (not until October 1, 2015).

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The Board of Directors approved a guarantee agreement between RusHydro and Peresvet Bank, qualified as interested party transaction.

In accordance with article 46 of Regulations on disclosure of the details of this transaction will be made available after its implementation in compliance with regulatory requirements of the Russian Federation.

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The Board of Directors commissioned RusHydro's representatives in the Board of Directors of JSC RAO ES of East to vote for a 12-year loan agreement between JSC RAO ES of East and VTB Bank in the amount of RUB 5,603,000,000 aimed to finance the construction of the offsite infrastructure facilities for TPP in Sovetskaya Gavan', qualified as major transaction.

*Total price of loan:*

To be determined as the aggregate of the following values:

- Loan amount: No more than five billion six hundred three million (5,603,000,000) rubles 00 kopecks.

- One-time fee for providing the credit facility payable at the conclusion of the Agreement: No more than 0.5 per cent of the loan amount;

- Commitment fee: No more than 0.5 per cent per annum to be accrued on undrawn amount of the loan;

- Amount of interest for the use of loan funds accrued at the rate of no more than the maximum interest rate for the person provided with the loan to implement the project selected for participation in the Program for supporting the investment projects implemented within the Russian Federation based on project finance in accordance with the Decree of the Government of the Russian Federation No 1044, dated 10/11/2014, "On Approval of the Program for supporting the investment projects implemented within the Russian Federation based on project finance" (hereinafter, the "Program"), and which shall not exceed the level of interest rate established by the Central Bank of the Russian Federation when providing the authorized banks with loan funds to refinance the loans issued by the authorized banks to end-borrowers (interest rate for specialized refinancing instrument) plus 2.5 percent per annum.

If the Project is excluded from the Program and/or if the Central Bank of Russian Federation does not provide or ends the provision of refinancing for the loan provided by the Program, the interest rate shall be determined by the Creditor unilaterally based on market interest rate indicators.

The maximum price of the Agreement shall be RUB 17,000,000,000.

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The Board of Directors approved the performance reports of Chairmen of Committees of the Company's Board of Directors for 2014 corporate year: Audit Committee, Investments Committee, reliability, energy efficiency and innovations committee, Strategy Committee, Human resources and Remuneration Committee.

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The Board of Directors approved the amended corporate governance Code of RusHydro.

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The Board of Directors approved the list of measures aimed at reduction of operating expenses, their target values and changes to the long-term development program of RusHydro Group.

Changes to the long-term development program of RusHydro Group provide for inclusion of key performance indicator "Reduction of operating costs" and methodology for its calculation.

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The Board of Directors resolved to:

1. Add the following point to "Preferences" section of procurement regulation: "The coal should be purchased from coal producers, the coal delivery agreements should be valid for not less than 1 year".
2. Commission Evgeny Dod, Chairman of the Management Board – General Director of RusHydro, to include the abovementioned point to the procurement regulation of the Company's subsidiaries and affiliates through September 1, 2015.

### **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.

### **For more information:**

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### **DISCLAIMER**

*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.*