

QUARTERLY REPORT

Public Joint-Stock Company Federal Hydrogeneration Company RusHydro

Code of the Issuer: 55038-E

for Q1 2016

Address of the Issuer: 43 Dubrovinskogo St., bldg. 1, Krasnoyarsk, Krasnoyarsk Krai, 660017.

**The information contained herein is subject to disclosure pursuant to the securities
legislation of the Russian Federation**

Chairman of the Management Board — General Director

Date: May 16, 2016

_____ N.G. Shulginov
signature

Corporate Accounting and Reporting Department - Chief
Accountant

Date: May 16, 2016

_____ D.V. Finkel
signature

Contact person: **Roman Yuryevich Sorokin, Head of the Directorate for Equity and Corporate Transaction
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The address of the Internet site (sites) where the information contained herein is to be disclosed:

www.rushydro.ru, <http://www.e-disclosure.ru/portal/company.aspx?id=8580>

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Introduction

Grounds for the Issuer's obligation to disclose information in the form of a quarterly report

The securities prospectus with regard to the Issuer's securities has been registered.

State registration of at least one issue (additional issue) of securities of the Issuer accompanied by the registration of the prospectus of the securities in the placement of securities through a public offering;

The Issuer's exchange-traded bonds have been admitted to stock trading organized with the presentation of the exchange-traded bonds prospectus to the stock exchange for such admission.

This Quarterly Report contains evaluations and expectancies of the Issuer's authorized management entities with regard to future events and (or) actions, development prospects of the economic sector where the Issuer is carrying out its primary activities, and results of the Issuer's activities, including the Issuer's plans, likelihood of certain events and performance of certain actions. Investors shall not rely entirely upon the evaluations and expectancies of the Issuer's management entities, since, in future actual results of the Issuer's activities may differ from the expected results for various reasons. Acquisition of the Issuer's securities is connected with the risks described herein.

I. Information on Bank Accounts, Auditor (Audit Organisation), Appraiser, and Financial Advisor of the Issuer, as well as on Persons who Have Signed the Quarterly Report

1.1. Information on the Issuer's Bank Accounts

Information on credit institution

Full corporate name: **Public Joint-Stock Company Sberbank of Russia**

Abbreviated corporate name: **PJSC Sberbank**

Location: **19 Vavilova St., Moscow, 117997**

INN: **7707083893**

BIC: **044525225**

Account number: **40702810438090001390**

Correspondent account: **30101810400000000225**

Account type: **settlement account in Russian rubles**

Information on credit institution

Full corporate name: **Gazprombank (Joint-Stock Company)**

Abbreviated corporate name: **Bank GPB (JSC)**

Location: **63 Novocheremushkinskaya St., Moscow, 117418**

INN: **7744001497**

BIC: **044525823**

Account number: **40702810400000003242**

Correspondent account: **30101810200000000823**

Account type: **settlement account in Russian rubles**

Information on credit institution

Full corporate name: **Joint Stock Bank ROSSIYA Open Joint Stock Company**

Abbreviated corporate name: **JSB ROSSIYA OJSC**

Location: **101, bldg. 5, Gazoprovod, Sosenskoye, Moscow, 142770**

INN: **7831000122**

BIC: **044599132**

Account number: **40702810460016000306**

Correspondent account: **30101810400000000132**

Account type: **settlement account in Russian rubles**

1.2. Information on the Issuer's Auditor (Audit Organisation)

Information about the auditor (audit organisation) shall be specified performing independent audit of the Issuer's accounting (financial) statements, as well as the consolidated financial statements of the Issuer forming a part of the quarterly report as well as about the auditor (audit organisation) approved (elected) for the audit of the annual accounting (financial) statements and annual consolidated financial statements of the Issuer for the current and the last completed reporting year.

1.2.1. Full corporate name: **Joint-Stock Company PricewaterhouseCoopers Audit**

Abbreviated corporate name: **JSC PwC Audit**

Location of the audit organisation: **10 Butyrsky Val St., Moscow, Russian Federation, 125047**

INN: **7705051102**

OGRN: **1027700148431**

Tel.: **(495) 967-6000**

Fax: **(495) 967-6001**

E-mail: **pwc.russia@ru.pwc.com**

Information about membership of the auditor in self-regulated organisations of auditors

Full name: **Non-Profit Partnership "Audit Chamber of Russia"**

Location

3/9 3rd Syromyatnichesky Lane, bldg. 3, Moscow, Russia, 105120

Additional information: **registration number 870 in the register of members of ACR; Principal Number of Registration Entry (PNRE) in the registry of audit organisations: 102010003683**

Reporting year(s) from the last five completed reporting years and current year, for which the auditor (audit organisation) carried out (will carry out) an independent audit of the Issuer's statements

Accounting (financial) statements, year	Consolidated financial statements, year
-	2011
2012	2012
2013	2013
2014	2014
2015	2015
2016	2016

Additional information:

JSC PwC Audit does not perform independent audit of the consolidated interim financial statements of the Issuer; JSC PwC Audit performs review of the consolidated interim financial statements of the Issuer for six months ended on June 30 of the reporting year. According to the results of the above reviews, JSC PwC Audit submits a report on review of the consolidated interim financial statements for the relevant period.

Reporting periods from the last five completed reporting years and current year, for which JSC PwC Audit performed (will perform) review of the interim consolidated financial statements of the Issuer:

Consolidated interim financial statements, period
six months ended on June 30, 2011
six months ended on June 30, 2012
six months ended on June 30, 2013
six months ended on June 30, 2014
six months ended on June 30, 2015
six months ended on June 30, 2016

Factors which can influence the auditor's (audit organisation's) independence from the Issuer, including information on the availability of material interests connecting the auditor (persons holding posts in the management bodies and bodies controlling financial and economic activities of the audit organisation) with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities of the Issuer):

There are no factors which can influence the independence of JSC PwC Audit from the Issuer, as well as material interests connecting JSC PwC Audit (persons holding posts in the management bodies and bodies controlling financial and economic activities of JSC PwC Audit) with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities of the Issuer)

The Issuer's auditor (audit organisation) selection procedure

The tender procedure connected with the auditor's (audit organisation's) selection, and its key conditions:

Selection of the audit organisation performing independent audit of the accounting (financial) statements of the Issuer for 2012–2014:

In accordance with Federal Law No. 307-FZ dated December 30, 2008 On Audit Activities, tender selection of the Company's Auditor for 2012–2014 was performed on the basis of Federal Law No. 94-FZ dated July 21, 2005 On Placing of Orders for Supplies of Goods, Performance of Work, and Rendering of Services for State and Municipal Requirements.

Tender documentation of the open tender concerning entry into a services agreement for the audit of PJSC RusHydro accounting statements, prepared in accordance with Russian Accounting Standards (RAS) for 2012–2014 (hereinafter referred to as “the Tender Documentation”) was prepared on the basis of Federal Law No. 94-FZ dated July 21, 2005 On Placing of Orders for Supplies of Goods, Performance of Work, and Rendering of Services for State and Municipal Requirements.

The Tender Documentation of the open tender concerning entry into a services agreement for the audit of PJSC RusHydro accounting statements, prepared in accordance with RAS for 2012–2014 was approved by decision of the Buying Audit Committee dated December 09, 2011.

On the basis of the approved Tender Documentation, the Tender Committee carried out the appropriate procedure for selection of the Company's auditor for 2012–2014 from January to February 2012. In accordance with the minutes of the Tender Committee on Assessment and Comparison of Bids concerning entry into services agreement for the audit of PJSC RusHydro accounting (financial) statements, prepared in accordance with RAS for 2012–2014 (Minutes No. 3 dated February 03, 2012), Joint-Stock Company PricewaterhouseCoopers Audit won the open tender.

Selection of the audit organisation performing independent audit of the consolidated financial statements of the Issuer for 2012–2014:

In order to apply funds of PJSC RusHydro effectively and economically, as well as pursuant to the Regulations for the Procedure for Scheduled Procurement of Goods, Works, Services, approved by decision No. 241 of the Board of Directors of the Company, upon decision of the Central Buying Committee of PJSC RusHydro dated August 30, 2011, scheduled procurement was arranged and carried out concerning entry into services agreement for the audit (review) of the consolidated financial statements of RusHydro Group, RAO Energy Systems of East Group, Yakutskenergo Group, Far East Energy Company Group and separate financial statements of Far-Eastern Distribution Company, JSC Far East Generating Company, CJSC Non-Bank Financial Company Interbank Settlement Center, prepared in concordance with International Financial Reporting Standards (IFRS) for 2012–2014 through open single-stage multi-lot request for proposals without prequalification of bidders.

The procurement documentation on an open single-stage multi-lot request for proposals without prequalification of bidders concerning entry into a services agreement for the audit (review) of the consolidated financial statements of RusHydro Group, RAO Energy Systems of East Group, Yakutskenergo Group, Far East Energy Company Group and separate financial statements of JSC Far-Eastern Distribution Company, JSC Far East Generating Company, CJSC Non-Bank Financial Company Interbank Settlement Center, prepared in concordance with International Financial Reporting Standards (IFRS) for 2012–2014, was approved by decision of the Buying Audit Committee dated November 16, 2011.

In accordance with the minutes of the Buying Committee (No. 2 dated December 22, 2011), Joint-Stock Company PricewaterhouseCoopers Audit won the open single-stage multi-lot request for proposals without prequalification of bidders.

Selection of the audit organisation performing independent audit of the accounting (financial) statements and consolidated financial statements of the Issuer for 2015–2017:

In accordance with Federal Law No. 307-FZ dated December 30, 2008 On Audit Activities, tender selection of the Company's Auditor for 2015–2017 was performed on the basis of Federal Law No. 44-FZ dated April 5, 2013 On the Contract System in the Procurement of Goods, Works and Services for State and Municipal Needs.

In order to apply funds of PJSC RusHydro effectively and economically, as well as pursuant to the Regulations for the Procedure for Scheduled Procurement of Goods, Works, Services, approved by decision of the Board of Directors of the Company, upon decision of the Central Buying Committee of PJSC RusHydro No. 470 dated December 4, 2014, scheduled procurement was arranged and carried out concerning entry into services agreement for the audit of the accounting statements of PJSC RusHydro, prepared in concordance with Russian Accounting Standards (RAS), and audit (review) of the consolidated financial statements of RusHydro Group, prepared in accordance with International Financial Reporting Standards (IFRS) for 2015, 2016 and 2017 through open tender.

Tender documentation of the open tender concerning entry into a services agreement for the audit of PJSC RusHydro accounting (financial) statements, prepared in accordance with RAS, and audit (review) of the consolidated financial statements of RusHydro Group, prepared in accordance with IFRS for 2015–2017 (hereinafter referred to as “the Tender Documentation”) was prepared on the basis of Federal Law No. 44-FZ dated April 5, 2013 On the Contract System in the Procurement of Goods, Works and Services for State and Municipal Needs.

The Tender Documentation of the open tender concerning entry into a services agreement for the audit of PJSC RusHydro accounting statements, prepared in accordance with RAS, and audit (review) of the consolidated

financial statements of RusHydro Group, prepared in accordance with IFRS for 2015, 2016 and 2017 was approved by decision of the Buying Audit Committee dated February 27, 2015.

In accordance with the minutes of the Tender Committee (Minutes No. 2 dated April 8, 03, 2015), Joint-Stock Company PricewaterhouseCoopers Audit won the open tender.

The auditor (audit organisation) nomination procedure for approval by the meeting of shareholders (participants), including the management body taking the relevant decision:

The Board of Directors of the Issuer nominates the auditor to be approved by the General Meeting of Shareholders of the Company.

In accordance with legislation, the Issuer shall audit its financial statements on an annual basis. In order to audit and confirm the annual financial statements, the General Meeting of Shareholders shall approve the auditor of the Company on an annual basis.

JSC PwC Audit was approved as an auditor of the Issuer under the decision of the General Meeting of Shareholders of the Company (Minutes No. 13 dated June 26, 2015).

The Issuer's auditor shall, under the agreement entered into with it, audit the Issuer's financial and business activity in accordance with the legislation of the Russian Federation.

Information on works performed by the auditor within special audit assignments: No work was performed within special audit assignments during audit governed by Federal Law On Audit Activities No. 307-FZ dated December 30, 2008.

The procedure for determination of the auditor's (audit organisation's) remuneration, actual remuneration paid by the Issuer to the auditor (audit organisation), according to the results of the last completed reporting year for which the auditor (audit organisation) performed an independent audit of annual accounting (financial) statements and/or annual consolidated financial statements of the Issuer, information on deferred and outstanding payments for services rendered by the auditor (audit organisation):

The payment procedure and remuneration of the audit organisations and individual auditors for audit (including mandatory) and associated services are specified in the audit services agreements and cannot depend on any requirements of the audited entities with regard to the content of conclusions which can be made during the audit.

The remuneration for the Issuer's auditor, approved by the Annual General Meeting of Shareholders of the Issuer, for mandatory annual audit and confirmation of the Issuer's annual financial statements, shall be determined by the Board of Directors of the Issuer.

The auditor's remuneration shall be determined according to the tender results when the Company's auditor is selected.

Information on actual amount of remuneration paid by the Issuer to JSC PwC Audit according to the results of the last completed reporting year, for which JSC PwC Audit performed independent audit of accounting (financial) statements of the Issuer and annual consolidated financial statements of the Issuer:

Actual amount of remuneration to be paid by the Issuer to JSC PwC Audit according to the results of 2015, for which JSC PwC Audit performed an independent audit of accounting (financial) statements of the Issuer and annual consolidated financial statements of the Issuer, is 120,000,690 Russian rubles (including VAT), including the cost of services for review of the consolidated interim financial statements of the Issuer for six months ending June 30 of the reporting year equal to 23,771,100 Russian rubles (including VAT).

In accordance with schedule of payments under contracts with JSC PwC Audit, an amount of 33,394,059 Russian rubles (including VAT) was paid by the Issuer in 2015 and an amount of 86,606,631 Russian rubles (including VAT) was paid by the Issuer in April 2016.

Information on deferred and outstanding payments for services rendered by the auditor (audit organisation): There are no deferred or outstanding payments for services rendered by JSC PwC Audit

1.2.2. Information on the auditor — **HLB Vnesaudit CJSC**

Full corporate name: **HLB Vnesaudit Closed Joint Stock Company**

Abbreviated corporate name: **HLB Vnesaudit CJSC**

Location: **25-27/2 Bolshaya Yakimanka St., Moscow, Russian Federation, 109180**

INN: **7706118254**

OGRN: **1027739314448**

Tel.: **(495) 967-0495**

Fax: **(495) 967-0497**

E-mail: **info@vnesaudit.ru**

Information about membership of the auditor in self-regulated organisations of auditors

Full name: **Non-Profit Partnership Institute of Professional Auditors**

Location of the audit organisation: **14 Nametkina St., bldg. 1, Moscow, Russia, 109180**

Additional information: **Principal Number of Registration Entry in the registry of auditors and audit organisations: 10202000095.**

Reporting year(s) from the last five completed reporting years and current year, for which the auditor (audit organisation) carried out (will carry out) an independent audit of the Issuer's statements

Accounting (financial) statements, year
2011

Factors which can influence the auditor's (audit organisation's) independence from the Issuer, including information on the availability of material interests connecting the auditor (persons holding posts in the management bodies and bodies controlling financial and economic activities of the audit organisation) with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities of the Issuer)

There are no factors which can influence the independence of HLB Vneshaudit CJSC from the Issuer, as well as material interests connecting HLB Vneshaudit CJSC (persons holding posts in the management bodies and bodies controlling financial and economic activities of HLB Vneshaudit CJSC) with the Issuer (persons holding posts in the management bodies and bodies controlling financial and economic activities)

The Issuer's auditor (audit organisation) selection procedure

The tender procedure connected with the auditor's (audit organisation's) selection, and its key conditions: Selection of the audit organisation performing independent audit of the accounting (financial) statements of the Issuer for 2011:

In accordance with Article 5 of Federal Law No. 307-FZ dated December 30, 2008 On Audit Activities, the agreement for mandatory audit of accounting statements of the organisation the share of state-owned property in the authorized (reserve) capital of which is at least 25 per cent shall be concluded according to the results of order placement through bidding in the form of open tender in accordance with the procedure specified in Federal Law No. 94-FZ dated July 21, 2005 On Placing of Orders for Supplies of Goods, Performance of Work, and Rendering of Services for State and Municipal Requirements.

In order to meet the above requirement, PJSC RusHydro approved the composition of the Tender Committee selecting the auditor of the Company (Minutes of the Audit Committee of the Board of Directors of PJSC RusHydro No. 17/1 dated February 05, 2010).

In accordance with the minutes of the Tender Committee on Assessment and Comparison of Bids concerning entry into services agreement for the audit of PJSC RusHydro accounting statements, prepared in accordance with Russian Accounting Standards for 2011 (Minutes No. 628/4 dated April 08, 2011 (0419000000111000001)), HLB Vneshaudit Closed Joint-Stock Company won the open tender.

The auditor (audit organisation) nomination procedure for approval by the meeting of shareholders (participants), including the management body taking the relevant decision:

The Board of Directors of the Issuer nominates the auditor to be approved by the General Meeting of Shareholders of the Company.

In accordance with legislation, the Issuer shall audit its financial statements on an annual basis. In order to audit and confirm the annual financial statements, the General Meeting of Shareholders shall approve the auditor of the Company on an annual basis.

HLB Vneshaudit CJSC was approved as the auditor of the Issuer for 2011 under the decision of the General Meeting of Shareholders of the Company (Minutes No. 7 dated July 04, 2011).

Information on work of the auditor (audit organisation) within special audit engagements:

No work was performed within special audit assignments during audit governed by Federal Law On Audit Activities No. 307-FZ dated December 30, 2008.

The procedure for determination of the auditor's (audit organisation's) remuneration, actual remuneration paid by the Issuer to the auditor (audit organisation) according to the results of the last completed reporting year, for which the auditor (audit organisation) performed an independent audit of annual accounting (financial) statements and/or annual consolidated financial statements of the Issuer, information on deferred and outstanding payments for services rendered by the auditor (audit

organisation):

The payment procedure and remuneration of the audit organisations and individual auditors for audit (including mandatory) and associated services are specified in the audit services agreements and cannot depend on any requirements of the audited entities with regard to the content of conclusions which can be made during the audit.

The remuneration for the Issuer's auditor, approved by the Annual General Meeting of Shareholders of the Issuer, for mandatory annual audit and confirmation of the Issuer's annual financial statements, shall be determined by the Board of Directors of the Issuer.

The auditor's remuneration shall be determined according to the tender results when the Company's auditor is selected.

Actual remuneration paid by the Issuer to HLB Vneshaudit CJSC according to the results of the 2011 financial year, for which HLB Vneshaudit CJSC performed an independent audit of accounting and financial statements of the Issuer in accordance with RAS, amounts to RUB 14,950,000 (VAT included).

Information on deferred and outstanding payments for services rendered by the auditor: No deferred or overdue payments for the services rendered by HLB Vneshaudit CJSC.

1.3. Information on the Issuer's Appraiser(s)

Appraiser(s) were not involved.

1.4. Information on the Issuer's Consultants

Financial consultants were not attracted within 12 months before the end of the reporting quarter on the grounds specified in this clause.

1.5. Information on Persons who Have Signed the Quarterly Report

Full name: *Nikolay Grigoryevich Shulginov*

Born in: *1951*

Primary employment:

Company: *PJSC RusHydro*

Position: *Chairman of the Management Board – General Director*

Full name: *Dmitry Vladimirovich Finkel*

Born in: *1977*

Primary employment:

Company: *PJSC RusHydro*

Position: *Corporate Accounting and Reporting Department – Chief Accountant*

II. Key Information on Financial and Economic Performance of the Issuer

2.1. The Issuer's Financial and Economic Performance Indicators

The dynamics of the Issuer's financial and economic performance indicators Standard (rule), in accordance with which the accounting (financial) statements are prepared, on the basis of which indicators are calculated: RAS

Measurement unit for workforce productivity calculation: **thousand Russian rubles/person**

Indicator	2014	2015	2015, 3 months	2016, 3 months
Workforce productivity	18,991	19,605	4,302	5,078
Debt-to-equity ratio	0.19	0.20	0.19	0.20
Leverage ratio	0.13	0.14	0.12	0.13
Debt coverage ratio	0.42	0.52	1.31	0.87
Overdue debt rate, %	0	0	0	0

All indicators are calculated on the basis of recommended calculation procedures.

Analysis of the Issuer's financial and economic activity on the basis of economic analysis of dynamics of the given indicators:

Growth in the workforce productivity in 2015 as compared with 2014 is due to a 4 % decrease in the number of employees (optimization of business processes and as a result of the number). The 18 % increase in the ratio in 2016 (3 months) against 2015 (3 months) is due to the growth in revenue from the sale of electricity (capacity) and decrease in the number of employees.

Debt-to-equity ratio characterizes the correlation between external and own sources of financing. The indicator for all periods analysed is on the same level. Slight deviation is due to raising of borrowed funds to finance the Issuer's investment program.

Debt coverage ratio shows the extent of current liabilities which may be covered by funds available or expected in the nearest future. The decline of this indicator is a positive feature of the Company's activities, as the ratio of the existing short-term liabilities coverage by funds available increases. The ratio is equal to 0.42 at the end of 2014, and amounted to 0.52 at the end of 2015, the deviation is negligible. Comparison of this indicator for 2015 (3 months) and 2016 (3 months) shows a positive dynamic from 1.31 to 0.87, what is due to the increase in revenue from principal activity (sales of electricity and capacity) at the end of Q1 2016.

In general, analysis of the creditworthiness indicators allows us to state that the Issuer's financial status in the period reviewed was stable.

2.2. The Issuer's Market Capitalization

Market capitalization is calculated as the product of the number of shares of the relevant category (type) and the market value of one share disclosed by the market operator.

Unit of measure: **RUB**

Issue 1-01-55038-E

Indicator	December 30, 2015	March 31, 2016
Market capitalization	RUB 232,294,036,584.85	RUB 263,735,231,426.89

Information on the securities market operator providing the data for calculation of the market capitalization, as well as any other additional information on public trading of securities at the Issuer's discretion:

Source of information: CJSC MICEX SE official website (<http://moex.com/>)

2.3. The Issuer's Liabilities

2.3.1. Borrowed Funds and Accounts Payable

as of December 31, 2015

Structure of borrowed funds

Measurement unit: **Russian rubles**

Indicator	Indicator value
Long-term borrowed funds	105,069,965,350.79
Including:	
Credits	58,970,953,307.38
Loans, except for bond loans	1,099,012,043.41
Bond loans	45,000,000,000.00
Short-term borrowed funds	18,940,225,472.13
Including:	
Credits	1,214,025,472.13
Loans, except for bond loans	750,000,000.00
Bond loans	16,976,200,000.00
Total overdue debt on borrowed funds	0
Including:	
On credits	0
On loans, except for bond loans	0
On bond loans	0

¹ On December 31, 2015 the Issuer's securities were not traded at CJSC MICEX SE.

Structure of accounts payable

Measurement unit: **Russian rubles**

Indicator	Indicator value
Total accounts payable	12,017,055,702.09
including overdue	0
Including	
To the budget and state extra-budgetary funds	3,237,846,371.22
including overdue	0
To suppliers and contractors	5,861,064,004.50
including overdue	0
To employees of the organisation	668,637,980.45
including overdue	0
Other	2,249,507,345.92
including overdue	0

There are no overdue accounts payable.

Creditors with at least 10 per cent of the total accounts payable or at least 10 per cent of the total borrowed (long-term and short term) funds:

Full corporate name: **Public Joint-Stock Company Sberbank of Russia**

Abbreviated corporate name: **PJSC Sberbank**

Location: **19 Vavilova St., Moscow, 117997**

INN: **7707083893**

OGRN: **1027700132195**

Debt: **33,917,269,549.48 Russian rubles.**

Amount and terms and conditions of the overdue debt (interest rate, fine sanctions, penalties):

None

The creditor is an affiliate of the Issuer: **No**

as of March 31, 2016

Structure of borrowed funds

Measurement unit: **Russian rubles**

Indicator	Indicator value
Long-term borrowed funds	104,711,881,608.38
Including:	
Credits	58,379,286,085.57
Loans, except for bond loans	1,332,595,522.81
Bond loans	45,000,000,000.00
Short-term borrowed funds	18,641,748,915.25
Including:	
Credits	1,165,398,915.25
Loans, except for bond loans	750,000,000.00
Bond loans	16,726,350,000,000
Total overdue debt on borrowed funds	0
Including:	
On credits	0
On loans, except for bond loans	0
On bond loans	0

Structure of accounts payable

Measurement unit: **Russian rubles**

Indicator	Indicator value
Total accounts payable	14,499,533,081.62
including overdue	0
Including	
To the budget and state extra-budgetary funds	6,450,186,582.99
including overdue	0
To suppliers and contractors	623,641,485.77
including overdue	0
To employees of the organisation	245,144,922.39
including overdue	0
Other	3,180,560,090.47
including overdue	0

There are no overdue accounts payable.

Creditors with at least 10 per cent of the total accounts payable or at least 10 per cent of the total borrowed

(long-term and short term) funds:

Full corporate name: **Public Joint-Stock Company Sberbank of Russia**

Abbreviated corporate name: **PJSC Sberbank**

Location: **19 Vavilova St., Moscow, 117997**

INN: **7707083893**

OGRN: **1027700132195**

Debt: **33,909,431,200.87 Russian rubles**

Amount and terms and conditions of the overdue debt (interest rate, fine sanctions, penalties):

None

The creditor is an affiliate of the Issuer: **No**

2.3.2. Credit History of the Issuer

Execution by the Issuer of its obligations under the facility agreements and/or loan agreements in force within the last completed reporting year and current year, including those concluded due to issue and sale of bonds, the principal debt under which is 5 and more per cent of the Issuer's balance sheet assets as of the end of the last completed reporting period consisting of 3, 6, 9 or 12 months preceding conclusion of the relevant agreement as well as other facility agreements and/or loan agreements, which the Issuer deems material.

Type and Identification Characteristics of Liabilities	
1. Loan, Rushydro Finance Limited, Loan Agreement of October 27, 2010	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Rushydro Finance Limited, 53 Merrion Square, Dublin 2, Ireland
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 20,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 0
Credit (loan) period, (years)	5
Average interest on credit (loan), % per annum	7.875
Number of interest (coupon) periods	10
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	October 28, 2015
Actual credit (loan) payment period (date)	October 28, 2015
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
2. Bonds, series 01	
State registration number and registration date: 4-01-55038-E dated September 23, 2010	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue,
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 10,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 10,000,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	8.00
Number of interest (coupon) periods	20

Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 12, 2021*
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds, series 01, is 10 years. Tender offer for acquisition of bonds at the owner's request for a period of 5 years is possible in respect of the securities.

Type and Identification Characteristics of Liabilities	
3. Bonds, series 02	
State registration number and registration date: 4-02-55038-E dated September 23, 2010	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue,
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 5,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 5,000,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	8
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 12, 2021*
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds, series 02, is 10 years. Tender offer for acquisition of bonds at the owner's request for a period of 5 years is possible in respect of the securities.

Type and Identification Characteristics of Liabilities	
4. Credit, Public Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5486 dated November 18, 2011	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Public Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 40,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 20,000,000,000
Credit (loan) period, (years)	9
Average interest on credit, loan, % per annum	8.26
Number of interest (coupon) periods	36
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	November 17, 2020
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
5. Credit, Unicredit Bank Austria AG, Credit Agreement dated December 12, 2011	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Unicredit Bank Austria AG, 1010 Wien, Schottengasse 6 — 8, Austria
Principal debt as at the date of liabilities, RUB/foreign currency	EUR 127,796,550
Principal debt as at the end of the reporting quarter, RUB/foreign currency	EUR 86,208,239
Credit (loan) period, (years)	15
Average interest on credit, loan, % per annum	3.12
Number of interest (coupon) periods	60
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	August 28, 2026
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	Drawdown is performed from 2012 to 2017

Type and Identification Characteristics of Liabilities	
6. Credit, European Bank for Reconstruction and Development, Credit Agreement dated December 7, 2011	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	European Bank for Reconstruction and Development, One Exchange Square, London EC2A 2JN, United Kingdom
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 8,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 7,500,000,000
Credit (loan) period, (years)	15
Average interest on credit (loan), % per annum	12.60
Number of interest (coupon) periods	60
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	March 10, 2026
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
7. Credit, Bayerische Landesbank, Credit Agreement dated October 15, 2012	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Bayerische Landesbank, Brienner Str. 18 80333 Munich, Germany
Principal debt as at the date of liabilities, RUB/foreign currency	EUR 16,485,731.83
Principal debt as at the end of the reporting quarter, RUB/foreign currency	EUR 15,661,445.24
Credit (loan) period, (years)	12.5

Average interest on credit, loan, % per annum	1.08
Number of interest (coupon) periods	26
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 30, 2025
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
8. Credit, Public Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5685 dated December 4, 2013	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 10,612,754,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 10,612,754,000
Credit (loan) period, (years)	5
Average interest on credit, loan, % per annum	7.99
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	December 04, 2018
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
9. Credit, European Bank for Reconstruction and Development, Credit Agreement dated December 5, 2013	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	European Bank for Reconstruction and Development One Exchange Square, London EC2A 2JN, United Kingdom
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 4,400,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 3,485,000,000.75
Credit (loan) period, (years)	12
Average interest on credit, loan, % per annum	14.71
Number of interest (coupon) periods	47
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	October 14, 2025
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
10. Bonds, series 07	
State registration number and registration date: 4-07-55038-E dated December 27, 2012	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 10,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 10,000,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	8.50
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	February 02, 2023
Actual credit (loan) payment period (date)	Existing *
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds of series 07 is 10 years. Tender offer for a period of 5 years is possible in respect of the securities.

Type and Identification Characteristics of Liabilities	
11. Bonds, series 08	
State registration number and registration date: 4-08-55038-E dated December 27, 2012	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 10,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 10,000,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	8.50
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	February 02, 2023*
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	*Maturity of bonds of series 08 is 10 years. Tender offer for a period of 5 years is possible in respect of the securities.

Type and Identification Characteristics of Liabilities	
12. Credit, Public Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5724 dated April 8, 2014	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Public Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 2,776,363,638.11

Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 2,776,363,638.11
Credit (loan) period, (years)	8
Average interest on credit, loan, % per annum	15.03
Number of interest (coupon) periods	32
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 7, 2022
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
13. Credit, Crédit Agricole Corporate and Investment Bank Deutschland / ING BANK, a Branch of ING-DiBa AG, Credit Agreement dated March 4, 2014	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Crédit Agricole Corporate and Investment Bank, France, Taunusanlage 14, 60325 Frankfurt am Main, Federal Republic of Germany / ING BANK, a Branch of ING-DiBa AG, Hamburger Allee 1, 60486 Frankfurt am Main, Federal Republic of Germany
Principal debt as at the date of liabilities, RUB/foreign currency	EUR 190,284,359
Principal debt as at the end of the reporting quarter, RUB/foreign currency	EUR 86,998,547.17
Credit (loan) period, (years)	15
Average interest on credit, loan, % per annum	0.79
Number of interest (coupon) periods	30
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 4, 2029
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
14. Bonds, series 09	
State registration number and registration date: 4-09-55038-E dated December 27, 2012	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 10,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 10,000,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	12.75
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in	None

days (if any)	
Scheduled credit (loan) payment period (date)	April 15, 2025*
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	*Maturity of bonds of series 09 is 10 years. Tender offer for a period of 2.5 years is possible in respect of the securities.

Type and Identification Characteristics of Liabilities	
15. Bonds, series BO-II01	
State registration number and registration date: 4B02-01-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 5,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 5,000,000,000
Credit (loan) period, (years)	3
Average interest on credit, loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
16. Bonds, series BO-II02	
State registration number and registration date: 4B02-02-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 5,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 5,000,000,000
Credit (loan) period, (years)	3
Average interest on credit, loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
17. Bonds, series BO-II03	

State registration number and registration date: 4B02-03-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 5,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 5,000,000,000
Credit (loan) period, (years)	3
Average interest on credit, loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

2.3.3. Liabilities of the Issuer under Security it provides

Information shall be disclosed on the total amount of security provided by the Issuer (amount of outstanding obligations for which the Issuer provided security if, in accordance with conditions of the security provided, performance of the relevant obligations is secured in full) specifying separately the amount of the security provided by the Issuer for obligations of third parties. If the Issuer provides security in the form of a pledge or guarantee, in addition the amount of security provided by the Issuer in the form of a pledge shall be indicated, specifying separately the amount of security in the form of a pledge provided by the Issuer for obligations of third parties, and the amount of security provided by the Issuer in the form of a guarantee, specifying separately the amount of security in the form of a guarantee provided by the Issuer for obligations of third parties.

Unit of measure: **RUB**

Indicator	As of December 31, 2015	2016, three months
Total amount of security provided by the Issuer (amount of outstanding obligations for which the Issuer provided security)	92 757 240 140,50	104 440 782 713,57
Amount of security provided by the Issuer for obligations of third parties	92 757 240 140,50	104 440 782 713,57
Amount of security provided by the Issuer in the form of a pledge, specifying separately the amount of security in the form of a pledge provided by the Issuer for obligations of third parties,	25,642,903,370.59	25,642,903,370.59
Amount of security provided by the Issuer in the form of a guarantee, specifying separately the amount of security in the form of a guarantee provided by the Issuer for obligations of third parties,	67 114 336 769,91	78 797 879 342,98

Information on each case of the provision of a security, the amount of which is five or more per cent of the balance value of the Issuer's assets as at the end of the relevant reporting period:

Such liabilities at the reporting date are not available.

2.3.4. Other Liabilities of the Issuer

There are no other obligations not recognized in the accounting (financial) statements that could materially affect the Issuer's financial status, liquidity, sources of financing, and terms and conditions of application thereof, performance results and expenses

2.4. Risks Inherent to Acquisition of Equity Securities Being Placed (Placed)

The Issuer's risk management policy:

Detailed analysis of risk factors related to acquisition of the placed equity securities, in particular:

Industry risks

Country and regional risks

Financial risks

Legal risks

Reputation risk

Strategic risk

Risks related to the Issuer's activities

Emerging wholesale and retail electricity and capacity markets have a higher risk level than developed markets of other products and services and include significant legal, economic, and, because of high social significance for country, political risks. Dynamic development of these markets allows us to suppose, with a high probability, that information contained herein can be promptly outdated. Current information uncertainty because of the dynamic change of factors can influence the Issuer's future activity, possibility of asset sale, and meeting of repayment deadlines. The investors shall take that uncertainty into account in estimating of own risks and taking a decision on investment feasibility. In addition, some risks that are not substantial at the moment may become substantial in future.

In order to optimize risks, the Issuer performs regular work on their recognition, assessment, and control, as well as development and application of risk response measures, business continuity management, and aspires to meet international and national risk management standards (National State Standard R ISO 31000-2010, COSO ERM 2004, Corporate governance code of the Central Bank of the Russian Federation, guidelines of Federal Property Management Agency and the Ministry of Finance in the field of risk management and internal control, etc.).

Quality of the risk management system of the Issuer was earlier confirmed by an independent jury of international competitions. In particular, the Issuer was pronounced the winner in such categories as the Best Risk Management Comprehensive Program, the Best Risk Manager of Russia, conducted by Russian Risk Management Society RusRisk, Russian National Association of Risk Managers, being a member of the Federation of European Risk Management Association (FERMA). In June, 2015 within the framework of the 13th International professional forum "Risk Management in Russia and CIS" program RusHydro risk management has become a winner of the annual competition "Best Risk Management 201 " in the category "Production organization". In November 2015 the Company participated in the KPMG study, "The practice of risk management in Russia: strengths and areas for development." Results of the study are presented under the link <http://www.kpmg.com/RU/ru/IssuesAndInsights/ArticlesPublications/Pages/Risk-management-practice-in-Russia-report.aspx>. As it was demonstrated by this study many of the best practices of corporate risk management are assessed on major Russian companies and are used in PJSC "RusHydro" (the integration of risk management in the company's development strategy, the collection and accumulation of statistical data, the interaction between departments, the involvement and active participation of key stakeholders as well as the quality of information on key risks).

By the Decision of the Management Board of the Company dated November 28, 2014, No. 884, the Development Program for Corporate Internal Control and the Risk Management System of RusHydro Group was approved.

The Issuer's activity with regard to risk management is connected with the need to reconstruct operating and construct new generating facilities, including:
Improving reliability, safety, and cost effectiveness of the equipment by regenerating worn main and auxiliary equipment;

Increase technical-and-economic characteristics of HPP for operation on the competitive electrical energy market, and reduce repair expenses;

Increase in operating performance through implementation of a program to reduce operating costs and make savings;

Targeted financial policy;

Continuous analysis of electric energy market conditions;

Competitive environment in procurement, works, and services.

The Issuer's risk management policy:

The Issuer's risk management policy implies timely recognition and prevention of possible risks in order to minimize losses.

In October, 2015 the Audit Committee of PJSC "RusHydro" approved "POLICY in the area of internal control and risk management of PJSC "RusHydro" in the new version, which was approved by the Board of Directors of PJSC "RusHydro" (protocol number 227 16/11/2015). The Issuer's activities within specific risks management are described in Clauses 2.4.1.—2.4.5. below.

2.4.1. Industry Risks

Influence of possible decline in the Issuer's industry on its activities and fulfilment of the obligations under securities. Major possible changes in the sector according to the Issuer (separately in domestic and foreign markets), as well as prospective actions of the Issuer in these circumstances:

Foreign market:

The Issuer is exposed to comparatively moderate external industry risks. For example, during seismic shift in corporate defaults in 2009 connected with the global financial and economic crisis, annual default frequency of the Issuers in the power industry with Moody's ratings was 2.7 per cent, however, due to gradual stabilization of the global economy, index of annual default frequency of the Issuers in the power industry with Moody's ratings slide to 0.8 per cent with an absolute decrease in the total number of defaults from 261 in 2009 to 69 in 2013 and to 53 in 2014 (see Moody's Investors Service, Special comment: Corporate Default and Recovery Rates, 1920–2014).

In 2015 PJSC "RusHydro" took 137 position in the ranking of 250 leading energy companies of the world according to Platts (Platts 2015 the Top 250 Global Energy Company Rankings). In the list of Russian energy companies RusHydro was ahead of Volzhskaya Territorial Generating Company, today PJSC "Plus T" (165 place), PJSC "Inter RAO" (207 place) and "Rosseti " (210 place).

In Platts ranking were 12 companies of the Russian energy sector. In this list, RusHydro was the best electric company (9th position), behind were only the eight of largest oil and gas companies. While composing the ranking, the financial performance of public enterprises of the energy sector with total assets of more than 5 billion US dollars is used.

Assessment is based on the following financial metrics: asset value, revenues, profits and return on invested capital for the last fiscal year.

Domestic market:

The Issuer is exposed to industry risks mainly due to the possible changes in the electric power industry. On the one hand, it is to be noted that decrease in uncertainty of work of the Issuer on the wholesale market power associated with the transition in 2015 on a long-term model for competitive selection of power required by Rules of the wholesale electricity and capacity market (Approved by regulation of the Government of the Russian Federation No. 1172 dated December 27, 2010). As a result of competitive selection of power held in 2015 the price of power for the period to 2019 (inclusive) was defined. The increase predictability of prices for future periods reduces the level of industry risk.

At the same time as part of the continuing reforming of the energetics, the norms governing the Russian power market, as well as the norms applied to market liberalization, specification of power tariffs, functioning of the capacity market, and relationships between power manufacturers and consumers are subject constant changes. Since the official beginning of the reformation in July 2001, the implementation term of the reformation stages and the scope of these stages have changed several times.

As a result the Russian power market has suffered fundamental changes and has been operating in relative

uncertainty (during 2015 the Rules of the wholesale market of electric energy and capacity were adjusted 12 times).

As part of the risk management industry Issuer undertakes the necessary measures to create a favourable legal framework for electricity and capacity market for the Issuer. To realize this goal, the Issuer is involved as an expert in the process of drafting legal acts in the field of electricity at the sites of the Ministry of Energy, the Association "NP Market Council" and the Federal Antimonopoly Service.

Along with the existing risks inherent to the Russian electric power and capacity market, a large number of operational, commercial, engineering, management, regulatory, and other risks may arise, which are difficult or impossible to foresee at present and which are outside the control of the Issuer. Such changes and associated uncertainty may have a material, adverse effect on the Issuer's business activity, its income, and results of its operations.

Under the current market model, the risk that the prices for the wholesale market power are not sufficient to cover the fixed costs of power plants to full extent. The Issuer is exposed to the competitive expansion risk on the retail market due to activation of power supply companies aspiring to render services to large consumers. In order to manage that risk, the Issuer is focused on the work with the customer base. Measures on risk elimination connected with loss of consumers:

- Individual relationship building with large consumers
- Promotion of the company on key consumer markets
- Transfer to new relations with consumers: increase of consumer services, considering needs and expectations of customers, and with strict observance of obligations
- Continued status of guaranteeing supplier for concentration of the customer base and reduction of costs per energy unit by trade companies of the Issuer.

According to the Issuer's assessment, the decline in the industry may be associated with the following risk groups:

1. Operational (production) risks related to wear and tear, infringement of operational conditions, and critical changes in equipment working conditions. Realization of such risks may result in equipment breakdown (emergency cases) and destruction of facilities. Systematic emergencies may result in power system separation, rolling blackouts of consumers, and operation of capital equipment under critical conditions.

Hydroelectric power plants are essential for provision of the required quality of power supply covering uneven sections of daily load curves and being a short term operative and emergency power reserve.

Unsatisfactory equipment conditions due to its wear and tear are one of the central causes of operational risks, which are, but are not limited to:

- Decrease in the operational and economic indicators of HPP
- Risk of emergency resulting in a lack of electric power and grave environmental and social consequences
- Operation of engineering devices at hazardous production facilities (operation of pressurized lifting installations and equipment) of the branches and PJSC "RusHydro" beyond the normative period that significantly increases the risk of emergency and accidents occurring at hazardous production facilities
- Risk of personnel injury and death

Besides, the Issuer's equipment is to a significant extent exposed to natural disasters, malfunction, etc. These factors may cause decrease the reliability of equipment, enhance the likelihood of failure and increase maintenance costs.

Action plan for management of these risks:

Industrial operational risk management of PJSC "RusHydro" branches forms the basis for decision making on technical and engineering issues by the Issuer when planning equipment technical influence programs (within prospective technical reconstruction and modernization, repair, and maintenance program).

To manage the risks related to production assets' reliability more effectively, PJSC "RusHydro" actively implements various methods of risk management, including implementation of technical policy requirements.

The probability of equipment failure is assessed as standing referring industry average. All the Issuer's main production facilities are insured. In addition, a set of measures is implemented to ensure the reliability of the equipment and facilities at the adequate level, i.e.:

- planned repair works are carried out in full extent;
- The Technical Policy, approved by the Board of Directors (Minutes No. 133 dated September 05, 2011), is applied in the Company, and it is based on the principle of achieving of the Company's strategic aims, integrated management of the Issuer's engineering system, transparency, and economic feasibility of adopted engineering decisions. In 2011, the Board of Directors approved the Comprehensive Modernization Program (hereinafter CMP) for Generating Facilities for 2012–2025. The aim thereof is to maintain the long-term reliability and safety of generating facilities of PJSC "RusHydro" in the long run. As part of the PTP in 2015 the company implemented the modernization of stations, 14 hydroelectric units with total capacity of 1171 MW.

Remarking nine modernized hydraulic units of Kama, Saratov, Zhiguli, the Volga and the Novosibirsk HPP allowed increasing of their capacity to 55.5 MW. Modernization of the equipment is accompanied by improvement of operational and environmental performance. The new turbines and generators, designed and manufactured in accordance with the current level of power engineering, have a higher efficiency, longer run and require lower repair costs, more reliable and secure..

- Modern diagnostics methods without equipment shutdown are implemented.
- The structure and volumes of spare parts optimized.
- A tender selection of service and supply organisations is performed to improve the quality of services and materials provided, increase contractors' responsibility, and reduce the cost per unit.

To ensure reliability of the system, emergency automation is implemented and constantly updated in accordance with the latest requirements. The objectives of the centralized emergency automation system include provision of system reliability in the event of local emergencies. As a result of the application of the above activities, it is worth noting that the Sayano-Shushenskaya HPP of RusHydro on the results of 2015 was awarded as the System Operator "For significant contribution to the reliability modes UES of Russia". The award took place on December, 22 at a gala event of the Ministry of Energy of the Russian Federation in honour of the Day of Energy.

Risk management within compliance with the industrial safety requirements throughout the production risk management structure of PJSC "RusHydro" branches is ensured on the basis of an effective system of production control over compliance with the requirements of industrial safety at PJSC "RusHydro" branches, developed on the basis of industrial safety requirements of the federal legislation.

2. Environmental risks expressed in the form of oil leakage to rivers from the hydroelectric generating set of HPPs and the exceeding of dam (storage reservoir) benchmarks in the upstream and downstream pools.

Fines for possible oil leakages will not affect the creditworthiness of the Issuer, so this risk may be considered to be insignificant. Furthermore, during implementation of actions stipulated by the prospective technical reconstruction and modernization program, the Issuer replaces the elements and units of the hydroturbines with modern facilities, the design of which ensures high ecological compatibility of the production process. An example was introduced in September 2015 for use on the Cheboksary GES "RusHydro" of reconstructed hydraulic unit (GA) number 2. Water turbines of Cheboksary GES are environmentally friendly designed with oil-free bushings impellers. This prevents even the hypothetical possibility of oil entering the water.

The rising of the storage reservoir level in the upper or lower benchmarks could result in the flooding of coastal areas where the production/residential facilities and natural complexes are located.

Action plan for management of these risks:

The storage reservoir level control is carried out in strict compliance with the schedule issued by the Inter-Agency Operational Team. To prevent underflooding, protective dams and installations are used. It is the owners' responsibility to ensure their proper condition and timely fortification of disintegrating dam sections. The Issuer shall for its part timely inform water consumers based on meteorological forecasts for the period of flood inflows on possible river levels to allow them to adopt the necessary protection measures.

To improve the environmental protection management process further, PJSC "RusHydro" implements an environmental management system in accordance with the international standard ISO-14001:2004. On November 2015 PJSC "RusHydro" was the winner of the First All-Russian competition "MediaTEK" in the category "Environmental standard." Diploma of the winner in the category "Environmental standards" was presented on November 20 in the framework of the business program of the IV International Forum ENES - 2015.

Environmental audits of company subsidiaries are performed on a regular basis. Recommendations issued based on the results of environmental audit are implemented in accordance with the Inconsistencies Elimination Action Plan.

In September 2015 PJSC "RusHydro" took 3rd place in the competition of "Environmental Initiative of Russian companies in the media. Mining and metallurgy" prepared by "the Institute of Modern Media" (Modern Media Research Institute) in collaboration with the TV channel "Living Planet". Federal charity event "Protect!" is held since 2005 by all hydropower plants of the location areas from the Caucasus to the Far East. The campaign aims to raise young people caring attitude to water reservoirs and coastal areas. This result is exported tons of debris, landscaping of beaches and promenades with the participation of more than 30 000 children, adolescents and adults. In 2015, 51 environmental actions took place in 17 regions of Russia, as well as in Kyrgyzstan. More than 4,000 participants have gathered about 6,000 bags of garbage.

3. Risks related to construction of alternative power supply facilities by large consumers.

One of the objectives of the reformation of the Russian power industry is to create competition within Russian power generation and power supply sectors. Construction of alternative power supply facilities by large consumers may result in competitive expansion and reduction of the Issuer's future power production and sales

volumes.

To decrease this risk, the Issuer performs active work with its consumers aimed at establishing mutually advantageous and long-term relations.

Additional actions by the Issuer for mitigation of the said risks:

- Increase in operating performance through implementation of a program to reduce operating costs and make savings.

- Work on increasing the share of long-term contracts for power supply in the total volume of executed contracts.

- Implementation by the Issuer of a balanced financial policy.

4. Risks related to uncertainty of power generation ("water content" risk) and demand forecast.

The risk of power generation uncertainty for the Issuer involves the impossibility of precise forecasting of the volumes of power generated in the mid-term and long-term. This risk basically affects fulfillment of the Issuer's obligations on power supply on the wholesale electricity (and capacity) market. The Issuer may face the inability to supply the electricity required by generation agreements and, as a consequence, may have to buy additional volumes at higher prices on the wholesale market.

The Issuer may also face the risk of annual, seasonal, and daily fluctuations of energy demand owing to weather conditions and other factors. Demand for electricity is usually higher from October to March because of more prolonged nights and colder weather, as well as during office hours. Taking into account the production flexibility of HPP results in a maximum production capacity of the Issuer's participate in the regulation for the periods indicated resulting in a complete workload of the Issuer's capacity within the stated periods. In this connection, the Issuer may face the risk of economically inefficient capacity utilization during the high demand for electricity and the inability to compensate for lost income over the period of diminution in the demand for electricity due to the limited amount of drawdown of reservoirs.

The Issuer's action plan for management of these risks:

This risk is mitigated within the production and sales activities of PJSC "RusHydro" due to:

- Protection of the HPP's interests at the Interdepartmental Operating Groups of the Federal Water Resources Agency

- Execution of hedging bilateral agreements for the day-ahead market (including purchase of electric power as collateral for obligations)

In accordance with the foregoing, the Issuer believes that the possible decline in the Issuer's industry, adverse changes in the operation and production process, and construction of alternative power supply facilities by large consumers may affect the Issuer, but shall not substantially affect fulfilment of its obligations under its securities.

5. Risks related to possible changes of prices for raw materials and services used by the Issuer (separately on domestic and foreign markets) and their influence on the Issuer's activities and fulfilment of the obligations under securities:

Foreign market:

Risks inherent in the volatility of global prices for raw materials and services used by the Issuer in its activity have no impact on the Issuer's activity, as their share in production cost is about 1 per cent, and the share of import deliveries for the Issuer is insignificant.

Domestic market:

Since the key raw material for the Issuer during electricity generation is water resources, and no increase in the water tax rate over the price for electricity is forecast, risks inherent in a possible change in the raw material price are insignificant.

6. Risks inherent in a rise in prices for equipment and other material and technical resources used by the Issuer in its activity:

Foreign market:

Risks inherent in volatility of global prices for equipment and other material and technical resources used by the Issuer in its activity have no impact on the Issuer's activity, as the share of imports in production cost is insignificant.

Domestic market:

These risks are principally due to inflation processes in the national economy and may be minimized by the following measures:

- Improvement of operational efficiency by implementation of programs on reducing production costs and making savings (creation of competition in the works and services procurement sector, contracting with a firm contract price, optimization of repair and maintenance, capital construction costs, etc.)

- Implementation of a balanced financial policy as regards compliance with the payment discipline to mitigate insolvency risks and procurement of financial stability of the Issuer and compliance with standards of business planning

The risk shall not materially influence performance of the Issuer's obligations under securities.

7. Risks related to possible changes of prices for the Issuer's products and/or services (separately on the domestic and foreign markets), their influence on the Issuer's activities and fulfillment of the obligations under securities:

Foreign market:

The Issuer does not export electricity on the foreign market, so in this respect, risks inherent in a possible change in prices for products and/or services on the foreign market are absent.

Domestic market:

The most significant risks for the Issuer are those related to possible decrease in sales prices for electric power and capacity on the wholesale market. Realization of these risks leads to a decrease in revenue of the Issuer.

In present the above mentioned risk is assessed as being insignificant.

8. The influence of a possible decline in situation in the Issuer's industry on its activities and fulfillment of obligations under securities:

Foreign market:

The Issuer does not export electricity to the external market, and therefore the risks associated with a possible worsening of the situation in the global power industry, which do not affect the Russian market, are missing for the Issuer.

Domestic market:

The Issuer is the largest hydropower company in Russia holding a key position in the national economy. The Issuer believes that the possible decline in the Issuer's industry, adverse changes in the operation, and production process, construction of alternative power supply facilities by large consumers may affect the Issuer but shall not substantially affect fulfillment of its obligations under securities.

2.4.2. Country and Regional Risks

Risks inherent in the political and economic situation in a country (countries) and region, where the Issuer is registered as a taxpayer and/or performs its primary activity, provided that primary activity of the Issuer in such a country (region) brings 10 and more per cent of income for the last complete reporting period preceding the securities prospectus approval date.

Country Risks

The Russian economy has no protection against market recessions or a slowdown in global economic development. Nowadays, perception of country risks by investors decreases the volume of foreign investments in Russia and has a negative impact on the Russian economy. Furthermore, as Russia produces and exports large volumes of natural gas and oil, the Russian economy is vulnerable to changes in international prices for energy products, and a slide in natural gas and oil prices have a significant effect on development of the Russian economy. These events may limit the Company's access to capital and adversely affect the purchasing ability of the Company's consumers. The Issuer supposes implementation of all the actions intended for a decrease in the influence of such events on its activities by optimizing leverage in crisis conditions.

Furthermore, due to the world financial market crisis and a slump in industrial production, there is a risk of a drop in demand for power, which may lead to a reduction in sales volumes and in the Issuer's proceeds, as well as a risk of accounts receivable growth due to non-payment by power consumers.

Exposure to country risk may be indirectly assessed by credit rating with some assumptions (less political risks for business). Due to external factors such as the decrease in the oil prices according to the results of 2014, Russia's rating was initially decreased from BBB at a positive forecast to BBB- with a negative forecast (according to Standard & Poor's international rating agency) and in January 2015 from BBB- to non-investment BB+, which is inevitably a negative factor; however, it has a specific character connected with anti-Russian sanctions. Depending on the continuation of this policy or its cancelation, the level of country risk will be subject to change. In this connection, there is possible growth in the risk connected with failure to discharge obligations by separate foreign suppliers and contractors, contraction of the sales market and contract revision. It is worth noting that the results of the first quarter of 2016 do not show a deterioration of the situation. According to the International rating agency Standard & Poor's as of March 2016 the long-term credit rating of Russia on foreign currency liabilities is maintained at "BB +" level (sub-investment) with a negative outlook on it. The situation in Russian macroeconomics since the previous estimates S & P and Fitch did not undergo adverse changes, the economists pay attention. In the basis of assessments is political engagement of leading rating agencies. Russian outlook could be revised to stable if the financial situation and the prospects for economic growth in the country will improve. The downgrade is likely to happen if geopolitical developments lead to a tightening of sanctions

against foreign states in the Russian Federation.

In order to diversify the country risk is developing cooperation with both European and Asian, and Latin American partners in accordance with previously signed agreements intercompany

It is also worth noting the growing volume of Russia's cooperation with partners in the SCO and BRICS, the establishment of new financial institutions and the arrival to the country capital data partners that influence country risk in the direction of its decline.

Political Risks

Due to the tightening of control on the part of energy sector regulatory agencies, the Issuer is taking steps necessary to avoid a detrimental effect of the above-mentioned risks on its activity. In particular, key attention is paid to ensuring transparency and reliability of control procedures for expenditure of budgetary funds under implementation of the Issuer's investment program, as well as implementation of risk management measures, as described in this section.

Regional Risks

The Issuer is registered as a taxpayer in Krasnoyarsk Krai, but productive assets and the operations themselves are carried out in many regions of the Russian Federation. In this respect it is possible to define specific risk in two regions: risks inherent in potential terrorist activity are a burning problem for the North Caucasus, and the Far East is characterized by earthquake activity and the inaccessibility of certain areas. Measures are being taken in respect of these risks and they are described in the following two sections. The risk on the whole is assessed as insignificant.

Assumed actions of the Issuer in the event of an adverse effect of changes in the situation in the country (countries) and the region (regions) on its activities.

Work is progressing by the Issuer on amendment of Russian Federation legislation and corporate standards in technical regulation as regards procurement of hydropower engineering facility safety and reliability;

The Issuer continues implementation of the social policy, directed to support relatives of the deceased and injured persons of the accident at the Sayano-Shushenskaya HPP (for detailed information please visit the Issuer's corporate site <http://www.sshges.rushydro.ru/>, SShHPP Reconstruction).

The Company is also constructing 4 electricity generation facilities in the Far East (CHPP in Sovetskaya Gavan (planned date of commissioning - 2017), Sakhalinskaya SDPP-2 (1st stage) (planned date of commissioning - 2017); Yakutsk SDPP-2 (1st stage) (planned date of commissioning - 2016), Blagoveshchenskaya CHPP (2nd stage (planned date of commissioning - 2016).

Besides in 2015 the first phase of the second stage of the Annunciation CHP was conducted. The main technological equipment have passed the individual test and trial starts: December 10, 2015 dust coal boiler has successfully passed the first launch of a liquid fuel (fuel oil), in the ignition mode, with 30% of the installed thermal load of boiler aggregate worked continuously for 45 hours. It received a positive opinion from the RTN to stage a voltage of 110 kW of outdoor switchgear. December 25, 2015 a new power grid was issued into a single first current turbine generator was synchronized with the grid. Main process equipment has successfully passed comprehensive testing, during which the boiler, steam turbine and generator continuously worked for 72 hours. The transaction on the transfer of companies of the BEMA project under the jurisdiction of the Russian Federation is being implemented.

In the second phase of the project in 2016 it is planned to complete construction of the tower, perform landscaping, reconstruction of fuel facilities, building of roads and external networks, to complete the reconstruction of protective structures. In order to ensure maximum transparency of expenditure of budgetary funds allocated by the state for the development of power industry of the Far East, PJSC "RusHydro" has formed a mechanism to Ministry of Economic Development, Ministry of Energy and the Accounts Chamber of the Russian Federation continuously assess and analyse the progress of the project, to check the efficiency of capital investments and to exercise control over target use of funds. Transparent use of funds provides PJSC "Savings Bank" through a system of separate bank accounts, which are opened for each participant in the construction. Independent price and technology audit of design and estimate documentation for each project are carried out by engineering companies, selected on a competitive basis by Sberbank. For more information on the parameters of the target budget of spending control system can be found in a special section of the site RusHydro "Development of the Far East Energy" at http://www.rushydro.ru/activity/razvitie_energetiki_dalnego_vostoka/

Changes in the situation in the country and regions of the Issuer's activities, the nature and frequency of such changes, and risks inherent thereto are difficult to predict, as it is the case with their effect on the future activities of the Issuer. Most of these risks are beyond the control of the Issuer due to their global scale. In case of disruption in the situation in Russia or the regions, which may adversely affect the Issuer's activities, the Issuer's management will undertake a number of actions for crisis management to mitigate to the greatest possible extent the adverse effect of the situation on the company.

Risks related to possible military conflicts, imposition of a state of emergency or strikes in the country

and region where the Issuer is a tax resident and/or carries out its principal activities.

In case of possible military conflicts, as well as a threat of terrorist exposure to the Issuer's facilities (including under conditions of an aggravated international situation), there are possible risks of personnel death and capital asset breakdown. The Issuer's region of registration and many regions of the Issuer's activities are characterized by a peaceful political situation. The probability of military conflicts, a declaration of a state of emergency and strikes in these regions is minimal, except for constituent entities of the Russian Federation located on the border with Ukraine and in the North Caucasian Federal District. In connection with possible escalation of the Georgian-Ossetian conflict, the described risk may arise in the region of the Issuer's activities — the Republic of North Ossetia-Alania.

According to the results of sabotage at the Baksanskaya HPP (July 21, 2010) and detection of an explosive device at the Irganayskaya HPP (September 7, 2010), the Issuer carried out comprehensive reassessment of safety systems at every facility. According to its results, a comprehensive plan for protection enhancement at the Issuer's facilities has been implemented, within which changes in the ongoing safety program at the Issuer's plants, including those in progress, have been introduced.

In case of this risk occurrence, the Issuer will take actions to mitigate the consequences thereof, including:

Evacuation of personnel and construction equipment located in close proximity;

Enhancement of security of the Issuer's facilities by engaging additional forces of the Ministry of Internal Affairs of the Russian Federation in order to prevent risks.

Risks related to geographic features of the country and region where the Issuer is registered as a tax resident and/or carries out its principal activities, including the heightened danger of natural disasters, possible cessation of transportation due to remoteness and/or inaccessibility, etc.

Generally, the regions of the Issuer's activity are characterized by a well-developed transport infrastructure and are not exposed to risks connected with termination of transport connection. In this respect, some generating assets of the Issuer are located in remote areas with a severe, harsh climate, including in Krasnoyarsk Krai and some areas of the Far Eastern Federal District. The Issuer constantly advances technologies of access to and work in severe weather conditions of these areas. However, there is no guarantee that the Issuer will not incur additional expenses in overcoming technical difficulties associated with climate and accessibility of these areas, which may exert a negative influence on the Issuer's business, income, financial standing, performance, and prospects. In the foreseeable future, these risks are assessed by the Issuer as insignificant.

Risks also related to geographic features of regions include: risk of losses (for instance, lay up of fixed assets) in connection with seismic activity, avalanches and mudslides, possible landslides and rain-caused floods, as well as other adverse weather conditions (tornados, strong snowfalls and frost, etc.). The majority of the Company's facilities is located in seismically quiet regions, however, such facilities as the Pauhetskaya GeoPC and the Verkhne-Mutnovskaya GeoPC are located in an earthquake zone with potential earthquake strength up to 9 on the Richter Scale. An emergency action plan has been developed in the event of earthquakes with continuous monitoring of the situation. Transport connection is being elaborated in advance with a focus on the aforesaid risk, cargo and personnel delivery scheme being optimized.

2.4.3. Financial Risks

Exposure of the Issuer to risks inherent in a change in interest rates, foreign currency exchange rates, due to activity of the Issuer or due to hedging performed by the Issuer with a view to reduce adverse effects of the above risks.

Exposure of the Issuer's financial standing, its liquidity, sources of funding, performance, etc., to a change in currency exchange rate (exchange risks):

The financial status of the Issuer, its liquidity, sources of financing and performance results do not depend heavily on foreign exchange differences and interest rate changes.

The Issuer sells power on the domestic market of the Russian Federation. The settlements with suppliers of the resources, accrual and receipt of payments from power consumers are performed mostly in the Russian currency — RUB. The influence of volatility of the national currency exchange rate of the Russian Federation on the Issuer's financial status is assessed as insignificant.

The Issuer's obligations are also primarily denominated in rubles. Therefore, the Issuer's exposure to risk of changes in foreign currency exchange rates is estimated by the Issuer as insignificant.

Expected actions of the Issuer in the event of a negative impact of changes in currency exchange rate and interest rate on the Issuer's activity.

Due to the deteriorating of international situation, economic sanctions and other force majeure could increase the risk of the Issuer's access to credit difficulties foreign counterparts, more expensive debt issuer,

losses due to increased foreign exchange rates and interest rates. Controlling these risks is to reduce the limits for counterparty banks to lower the ratings of stress-testing of possible losses due to the growth of the euro and interest rates on the Issuer approved the procedure control currency and interest rate risks, legal support of contractual base.

Some loans of the Issuer are connected with floating interest rates of MosPrime and Euribor. However, a share of loans with a fixed interest rate is 76 % of the Issuer's balance of outstanding loans to the end of 1 quarter of 2016. In order to minimize interest risk by the Issuer, swap contract was concluded so as to fix variable interest rate in relation to the credit of PJSC Sberbank (approximately 1,33 billions of RUB on March 31, 2016).

According to the Issuer, inflation has a critical influence on securities payments, inflation levels as well as expected actions of the Issuer with regard to a decrease in the above risk:

The inflation level directly depends on the political and economic situation in the country. An increase of the inflation is connected with general increase in interest rates.

The adverse effect of inflation on financial and economic activities of the Issuer may result from the following risks:

- Risk of loss related to a decrease in the actual cost of accounts receivable in case of significant deferral or delay in payment;
- Risk of increase in the cost of Issuer's obligations;
- Risk of increase in product, works and services cost due to an increase in prices for energy resources, transport expenses and salaries, etc.;
- Risk of decrease of actual cost of funds raised for financing the investment program.

It should be noted a significant effect of inflation on the financial results of the Issuer's activity. Inflation growth significantly affects the financial performance results of the Issuer. It may lead to an increase in the Issuer's costs as a consequence to a fall in profits and in the profitability of activities. In addition, the rise in inflation is connected with increasing of borrowing costs for the Issuer, which is characterised by risk of lack of working capital.

Critical significance of inflation, according to the Issuer:

Taking into account the level of potential earnings of the Issuer's activity, the critical inflation level under which the Issuer would have difficulties, is equal to at least 20 % per annum. However, according to the forecast of socio-economic development of the Russian Federation for 2016 and the planning period of 2017 and 2018, published by the Russian Ministry of Economic Development, the rate of annual inflation (CPI) in 2016 is projected at 6.4% in the baseline scenario with the price of Urals oil 50 dollars. / bbl., at 8.3% in the conservative scenario, with the price of Urals oil of \$ 40. / bbl., at 6.2% in the target scenario, if the price of Ural oil per bbl is 50 dollars. At the end of 2015, according to Rosstat, inflation in Russia amounted to 12.9% against 11.4% in 2014, 6.5% in 2013, 6.6% in 2012, 6,1% in 2011 and 8.8% in 2010 and 2009.

In the event of a rise in inflation, the Issuer plans to raise working capital turnover by amending contractual relations with its consumers.

Liquidity risk:

Rational liquidity risk management includes maintaining sufficient monetary funds and convertible securities so as to maintain the Issuer's ability to execute its current obligations. Temporarily disposable monetary resources are placed in short-term financial instruments, generally in bank deposits and promissory notes. The list of credit institutions and calculation of risk limits concerning placement of temporarily disposable monetary resources is approved on a quarterly basis under the Rules accepted by the Company.

Indices of the Issuer's financial statements subject to change to a greater extent as a result of the aforesaid financial risks. Risks, probability and nature of changes in statements:

Risk	Probability	Indices of financial statements subject to change to a greater extent as a result of the said financial risks	Nature of changes in statements
Increase in loan rates of banks	Low	Balance sheet (form No. 1): 1) Accounts payable (other creditors) Statement of Financial Performance (form No. 2): 1) Interest payable 2) Net profit	Profit decrease, increase of debt service costs

Exchange risk	Average	Balance sheet (form No. 1): 1) Accounts receivable 2) Accounts payable 3) Cash — Statement of Financial Performance (form No. 2): 1) Other income and expenses 2) Net profit 3) Interest payable	Growth in investment costs, increase in accounts payable, growth in other expenses, increase in expenditures connected with interest and reduction of net profit
Inflation risks	High	Statement of Financial Performance (form No. 2): 1) Other expenses 2) Cost of goods, products, works, services sold 3) Net profit	Profit decrease
Liquidity risk	Low	Balance sheet (form No. 1): 1) Accounts receivable 2) Cash 3) Accounts payable Statement of Financial Performance (form No. 2): 1) Other income and expenses 2) Net profit	Profit decrease

2.4.4. Legal Risks

Since generation as well as purchase and sale of electric energy and capacity is the core business of the Issuer, legal risks concerning regulation of this type of activities may significantly affect the Issuer's status, i.e. lead to a decrease in the Issuer's net profits. A decrease of the net profits of the Issuer in its turn may lead to a decrease in the amount of the dividends payable.

Risks Related to Changes in the Currency Control

Domestic Market:

Taking into account that the Issuer's export of products is insignificant, the risk of changes to currency regulation shall be deemed insignificant as well.

Foreign Market:

Taking into account that the Issuer's import of products is insignificant, the risk of changes to currency regulation shall be deemed insignificant as well.

Legal Risks Related to Changes in the Customs Clearance Regulations and Duties

Domestic Market:

Taking into account that the Issuer's export of products is insignificant, the risk of changes in customs regulations and duties shall be deemed insignificant as well.

Foreign Market:

Taking into account that the Issuer's import of products is insignificant, the risk of changes in customs regulations and duties shall be deemed insignificant as well.

Risks Related to Amendments to the Tax Laws

Domestic Market:

The Russian tax system is characterized by a large number of taxes and frequent changes in regulations. The Russian tax laws are subject to varying interpretations and frequent changes. Laws and regulations often include unclear and contradictory wording and allow varying interpretation of the same issue. As a consequence, tax authorities often have different views on interpretation of the same regulatory documents at different levels. Therefore, the operations and activities which have never been contested may be contested. Tax audits may cover three calendar years of activity immediately preceding the year of audit. Under certain conditions even the earlier period may become subject to audit.

Amendments to the tax legislation as regards an increase in the tax rates or changes to the tax calculation and payment procedure or terms may result in a decrease in the net profits of the Issuer, that in its turn may lead to a decrease in the amount of dividends payable. These risks of the Issuer are considered as insignificant.

Foreign Market:

Risks related to amendments to the tax law are considered as insignificant. These risks influence the Issuer to the same extent as other members of the market.

Risks related to changes in requirements governing licensing of the Issuer's principal activities or licensing rights to use objects with limited circulation (including natural resources) as well as requirements pertaining to environmental and other permits and compliance with established standards

Domestic Market:

Changes to the licensing requirements of the Issuer's principal activities may delay preparation of the documents necessary for prolongation of the license, and might require that the Issuer comply with the stated requirements. In general this risk should be deemed insignificant, except that for prolongation of the license or

performance of the activities subject to licensing such requirements will be specified which the Issuer will not be able to comply with or compliance with which will be tightly related to excessive expenses, which may result in cessation of these activities by the Issuer.

Foreign Market:

In case of changes to the licensing requirements of the Issuer's principal activities, the Issuer will act in accordance with new requirements, including as regards obtaining the necessary licenses.

Risks related to changes in the legal practice pertaining to issues concerning the Issuer's activities (including the issues of licensing), which may adversely affect the results of its activities, as well as the results of on-going legal proceedings involving the Issuer

Domestic Market:

Changes in the legal practice in relation to issues concerning the Issuer's activities may lead to increased costs for engagement of qualified lawyers, as well as judgments against the Issuer which may adversely affect the Issuer's operational results.

Foreign Market:

This risk influences the Issuer to the same extent as other members of the market.

2.4.5. Reputation Risk

To lower the risk, the Company, together with concerned parties, arranges public events, special events for the media, analysts and representatives of the investment community, regularly updates information on its official web resources, prepares official comments on key issues of its activity and regularly monitors the public space. The Public Activity Regulation and Information Activity Performance Regulation are approved at PJSC "RusHydro". The complex of measures taken ensures constant broadcasting of reliable information in the public domain on behalf of the Issuer, so this risk is assessed by the Issuer as insignificant.

2.4.6. Strategic Risk

This risk is reflected in the Issuer's losses as a result of errors (deficiencies), admitted in decision-making, defining business strategy and development of the issuer (strategic management) and are expressed in not counting or insufficient account of possible hazards that may threaten the activity of the issuer, wrong flax or insufficiently reasonable definition of perspective directions of activity in which the issuer can achieve a competitive advantage, there is no provision or incomplete necessary resources (financial, material, technical, human) and organizational measures (administrative decisions), which should ensure the achievement of the strategic objectives of the issuer's activity.

The company implemented a strategic management system built on the basis of:

- Strategic Plan;
- The long-term development program;
- Procedures of the current (tactical) planning;
- Audit of the implementation of long-term development program;
- System of key performance indicators.

The establishment and implementation aimed at optimizing risk control procedures for all elements of strategic management is carried out by means of regulation and formalization of control procedures as well as the responsibility of securing the implementation of control procedures for the specific structural units and employees of the Company.

Strategic Issuer's management system meets the requirements of the Federal Property Agency to the formation of a system of strategic planning of joint stock companies with state participation (a letter from the Federal Property Agency 29.04.2014 N OD-11/18576 "On the development of key strategic documents in state-owned companies").

Due to the high quality of the strategic planning work, a prompt response to external factors and an integrated approach this risk is assessed as insignificant.

2.4.7. Risks Related to the Issuer's Activities

Risks inherent in current court processes, in which the Issuer is involved:

There are no court processes, involvement in which may materially affect financial and economic activities of the Issuer.

Risks of the inability to renew any of the Issuer's licenses for any specific type of activity or to use any facilities that have limited transferability (including natural resources):

The Issuer does not use in its activity facilities which are limited in turnover (including natural resources), does not engage in banking, insurance activities, is not a professional securities trader or investment fund. The Issuer likewise does not extract commercial minerals and does not render communication services.

After establishment of the institution of self-regulated organisations (SRO), licensing of construction activities has been replaced since January 01, 2010, with a competency certificate to be granted by the SRO. Subsidiaries of PJSC "RusHydro" joined NP ENERGOPROJECT (self-regulating organisation in the field of project activities), NP ENERGOSTROY (self-regulating organisation in building activities), and NP AISS (self-regulating organisation in engineering surveys). The Issuer is a member of NP EnergoStroiAllianz Group of Construction Organisations.

Work permits for activities involved in building, refurbishment, and overhaul of capital construction projects, front-end engineering design of capital construction projects, and engineering surveys of capital construction projects have been received by construction, repair, design, and research and development subsidiaries and affiliates of JSC RusHydro.

The Issuer shall meet all license requirements in full and on time, the Issuer does not foresee any difficulty in renewal of current licenses (the complete list of the Issuer's licenses is disclosed in Clause 3.2.5. Information on the Issuer's Authorizations (Licenses) or Permits for Separate Types of Works).

These risks are assessed by the Issuer as insignificant.

Additional actions of the Issuer for management of this risk:

Work is ongoing on receipt by the Issuer's branches of waste disposal limits in accordance with the established procedure.

Risks related to potential liability of the Issuer for debts of third parties, including subsidiaries of the Issuer:

Liability for debts of subsidiaries may be incurred as stipulated by the applicable laws of the Russian Federation, namely, if the Issuer's instructions binding on subsidiaries result in losses or bankruptcy of subsidiaries. The probability of these risks is low.

Due to acquisition during the course of the issuance of PJSC "RAO Energy Systems of East" shares by the Issuer in 2011–2013, the Issuer integrated all business processes of two companies in order to detect and manage new risks. As a result, since the beginning of 2012, the project is implemented for creation of the corporate risk management system of "RAO ES of East" Holding in accordance with the Issuer's Risk Management Policy. In particular, regularly updated plans for strategic risk management of company "RAO ES of the East" holding are developed. The procedure for regular reporting for execution of the Strategy Risk Management Plan to the Board of Directors is being implemented by both subsidiaries and PJSC "RAO ES" of the East.

Risks related to loss of possible consumers, providing turnover amounting to at least 10 per cent of the total revenues from sales of the Issuer's products (works, services):

Due to the fact that the Issuer sells practically all produced electricity on the wholesale market, this risk is insignificant.

Other risks related to the issuer's activities

The Company is actively working on prevention of corruption. Under Resolution No. RP-39 of the President of Russian Union of Industrialists and Entrepreneurs (hereinafter RUIE) dated June 07, 2013, No RP-39 the Issuer was included in the Consolidated Register of Participants in the Anti-Corruption Charter of Russian Business. The essence of this instrument is implementation of special anti-corruption programs and practices by companies that affect not only the situation in the company, but also relationships with business partners and

with the state. The Charter provides for the waiver of preferences, procurement through open bidding, financial control, training and work with personnel, assistance to law enforcement agencies, and other measures. In autumn 2014 the RSPP experts acknowledged efforts to prevent corruption in the PJSC "RusHydro" one of the best among the companies participating in the Anti-Corruption Charter of Russian Business. This conclusion is made on the basis of monitoring the implementation of the Charter, carried out by the Issuer has revealed full compliance PJSC "RusHydro" with the Charter. The Issuer improves the internal control and risk management system on a regular basis.

More than 200 thousand consumers of electricity and thermal energy group of companies JSC "ESC RusHydro" and PAO "RAO ES of the East" have been tested within the project "reliable partner". The most conscientious of them have been awarded by the Council of Federation of the Federal Assembly of the Russian Federation. The winners were selected on the basis of several criteria chief among which are respect for the terms of payment and availability of metering devices.

Pursuant to Regulation No. 883 of the Russian Federation Government dated October 07, 2013, specifying the list of companies, directors of which shall submit information on income, expenses, property, and property obligations, which includes PJSC "RusHydro", the company set itself the task of optimizing such work both in relation to efforts and accuracy of submitted information. As a result, the algorithm for detection of concealment of information and conflict of interest (declared or secret participation in legal entity having relations with any company from the RusHydro Group) was automated, information collection was automated for due diligence concerning revelation of a conflict of interest within RusHydro Group, statement preparation within the declared campaign was also automated, and the number of errors was decreased when completing declarations on account of built-in protection from input errors. The program was called "Client of Affiliates" and certificate thereto No. 2014617320 dated July 17, 2014, was issued by Rospatent.

The code of corporate ethics, regulations on notification of the employer regarding facts of inducing employees to commit illegal actions, regulations on notification of gifts received by the employees due to hospitality events, business trips, and other formal events, and regulations on prevention and settlement of conflicts of interest have been implemented. In October 2015 the Anti-corruption policy of PJSC "RusHydro", of the Board of Directors of PJSC "RusHydro" was approved. Information and campaign materials were developed and coordinated, warning about the responsibility for illegal actions. Trust Line operates on an ongoing basis. Uninterrupted operation of the telephone line for Trust Line is ensured. Mechanisms for periodic performance checks of the communication line for Trust Line with recording of information about its faults have been developed and implemented. Trust Line webpages at the Company's official website are improved. In 2015 "Line of confidence" received 522 appeals. On 6 appeals the facts were confirmed and decisions were made on bringing to disciplinary liability.

Risks related to the actions of third parties:

The Issuer is exposed to risks related to the operations of third parties during performance of works at the HPP and other risks to boot:

1. Failure to fulfil obligations within the term stipulated by a contract may result in untimely commissioning of power generating equipment and that will affect power generation.

2. If default under contracts takes on massive proportions as regards the term of completion of works, this may lead to an extension of the term for completion of repair works and lead to depreciation of capital funds. This may affect operational reliability of power plant equipment.

3. Contractors, due to their substandard management and performance of works, may impair plant equipment, which may result in equipment emergency stops potentially affecting power generation.

Risks inherent in trade unions and retention of qualified managerial personnel.

These risks are assessed as insignificant due to the significant efforts undertaken by the Issuer with respect to staff retention and development. In particular, creation of a specific order for specialist training, recovery of human resources of the hydropower industry with secondary technical education, creation of "Young Hydropower Workers" circles based on youth technical creativity centres within the corporate footprint of the Issuer, enhancement of interaction with educational specialized universities and scientific institutes.

Special attention is paid to increasing motivation, material and moral incentives, and social protection of staff.

The PJSC "RusHydro" policy in relation to employees is based on the following principles:

- Increase in qualification of the employees through implementation of training programs
- Granting the best social packages in the electric power industry to its employees
- Development of the employee motivation/stimulation system for the purposes of growth in efficiency of staff and the Issuer as a whole

Due to the need for staffing provision for commissioning capacity of major new construction projects in the framework of the investment program of the Issuer and the implementation of key objectives of the Issuer's production plan, such as maintenance of reliable and uninterrupted operation of facilities and increase in operating performance, mitigation of human factor risks by means of better professional training and staff accountability at all levels, in September 2010, E. V. Dod, Chairman of the PJSC "RusHydro" Management Board, approved the Human Resources Priority Development Concept within the campaign From New School to Work Area and Program of its Implementation. The primary objective of the Program is to develop technical education and increase the prestige of technical professions creating conditions to satisfy the needs of PJSC "RusHydro" in professionals educated in a quality manner, who are expected to operate the Company's capacities, both current and planned for commissioning, and to maintain their reliable and uninterrupted operation.

The risk of it being impossible to conclude an agreement under terms and conditions acceptable for employees is assessed by the Issuer as insignificant in the medium term. The risk of it being impossible to select qualified managerial personnel is minimized by the Company's measures on creation of a candidate pool and training of newcomers in specialized professions. In this respect a number of partner agreements with specialized universities have been concluded.

5. Covenants in credit agreements.

In accordance with the terms and conditions of certain credit agreements, the Issuer is obliged to execute imposed financial and other restrictions limiting its ability, among other things, to pledge property or other encumbrance, acquire assets, or invest, sell, transfer, or otherwise dispose of its assets or accounts receivable, carry out a merger or acquisition, or insert amendments to its business or dividend payment policy. The terms and conditions of credit agreements require that the Issuer achieve certain financial ratios. The necessity to adhere to financial ratios and other restrictions may prevent the Issuer from executing its business strategies. Moreover, any restriction violation indicated in credit agreements by the Issuer may cause a default of such obligation and, correspondingly, immediate debt repayment. The consequence thereof may be a significant adverse effect on business, income, financial standing, performance of the Issuer and its ability to fulfil obligations, as well as pay dividends.

The Issuer has formalized a control process concerning covenant observance (the relevant local normative act is in force); when management decisions are made, these risks are assessed on a permanent basis. Therefore, the Issuer considers these risks to be insignificant.

6. Observance of terms and conditions of credit agreements with SC Vnesheconombank.

RUSAL and PJSC "RusHydro" control progress and observance of established projected timetables, they also monitor observance of indicators stipulated by credit agreements.

7. Health and safety.

Powers, responsibilities, and accountability in the health, safety, and security management system at facilities are distributed from the site manager to employees in accordance with administrative and functional subordination under local administrative and regulatory documents of the facility (orders, regulations, procedures).

At PJSC "RusHydro" strict observance of occupational safety standard are of all employees performing work at the Issuer's facilities.

Monitoring of compliance with safety standards in the production of specific activities is entrusted to the responsible supervisors.

Facilities have the full, necessary regulatory technical and legal base, and local normative documents (occupational safety regulations) for all professions and types of work have been elaborated.

Blue-collar employees have monthly briefings on 3–4 health and safety matters as a whole and on profession and types of performed work in particular.

Blue-collar employees pass an annual test of their knowledge of health and safety standards.

Management of all levels involved in production is also briefed and their knowledge are tested.

Workplace employment conditions compliance certification is carried out at all facilities of the Issuer.

The special assessment of working conditions (certification of workplaces) involves independent specialized organizations.

Specialized medical institutions are engaged for mandatory periodic medical professional examination.

Independent specialized organisations are engaged to assess safety of hydraulic structures and equipment.

The Company has an effective alert system which immediately inform about all undesirable events (incidents).

Each and every incident is subject to investigation.

Hazardous production facilities of PJSC “RusHydro” are operated in accordance with the legislation pertaining to production safety: a system is used for industrial control over compliance with the industrial safety requirements, the necessary authorization documents are available on operation of hazardous production (hereinafter HPF) facilities, risk of civil liability during operation of hazardous production facilities is insured, and the personnel of the Company facilities is certified in the area of production safety.

Fire safety declarations have been drawn up. Activities in the field of fire safety in the Issuer's production facilities is carried out strictly in accordance with the requirements in the field of fire safety legislation.

In all of the Issuer's facilities are designed and maintained to date the declaration of safety of hydraulic structures.

The Issuer's action plan for management of these risks:

- Tightening of control over activity of the Issuer's contractors and subcontractors at facilities (including a series of actions with respect to rendering contract operations of contractors and subcontractors transparent has been adopted in the reporting period)

- Blacklisting unscrupulous contractors. As of March 2016, this blacklist includes 44 companies; <http://zakupki.rushydro.ru/WP/contractor.aspx>

- Insuring the power plant equipment against damage by third-party operations

- Granting work permits only to qualified personnel

- Claim administration works with contractors who have violated works performance timeframes as regards payment of discharge for default under a contract

- Monitoring progress of works performance at the plants on a monthly basis

This section covers only risks which the Issuer deems to be insignificant. Other risks not covered by this section are also possible. Any other risks unknown to or insignificant for the Issuer at the moment may also negatively affect the Issuer's business activities and fulfillment of its obligations, as well as dividend payments.

III. Detailed Information on the Issuer

3.1. History of the Issuer's Foundation and Development

3.1.1. Information on the Issuer's Corporate Name (Name)

Full corporate name of the Issuer: *Public Joint-Stock Company Federal Hydrogeneration Company RusHydro*
- in English: «**Public Joint-Stock Company Federal Hydro-Generating Company – RusHydro**»

Effective date of the current full corporate name: *July 06, 2015(State registration of the new edition of the Statute of the Issuer, approved by resolution of the annual general meeting of shareholders (Protocol №13 of 26/062015)*

Abbreviated corporate name of the Issuer: *PJSC “RusHydro”*

-in English: PJSC «RusHydro»

Effective date of the current abbreviated corporate name: *July06, 2015(State registration of the new edition of the Statute of the Issuer, approved by resolution of the annual general meeting of shareholders (Protocol №13 of 26/062015)*

If the corporate name of the Issuer (name for non-profit organisation) is registered as trademark or service mark, *Information on their registration shall be specified:*

Information on registration of the specified trademarks:

Certificate of trademark (service mark):

No. 454339, registered with the Public Register of Trademarks and Service Marks of the Russian Federation on February 20, 2012, the registration will expire on July 02, 2019;

No. 454053, registered with the Public Register of Trademarks and Service Marks of the Russian Federation on February 16, 2012, the registration will expiry on February 16, 2021;

No. 440951, registered with the Public Register of Trademarks and Service Marks of the Russian Federation on July 13, 2011, the registration will expiry on February 16, 2021;

No. 453894, registered with the Public Register of Trademarks and Service Marks of the Russian Federation on February 15, 2012, the registration will expiry on February 16, 2021.

All previous names of the Issuer over the entire period of its operation.

If within the Issuer's existence its corporate name (name for non-profit organisation) has changed, all its previous full and abbreviated corporate names (names) and forms of incorporation, with specification of the date and reasons of the change.

Full corporate name: *Joint-Stock Company Federal Hydrogeneration Company RusHydro*

Abbreviated corporate name: *JSC RusHydro*

Effective date of the name: *July 13, 2011*

Reasons for the name coming into effect: *State registration of new version the Issuer's Charter on July 13, 2011, approved by the decision of the Annual General Meeting of Shareholders of the Issuer dated June 30, 2011 (Minutes No. 7 dated July 04, 2011) and Resolution No. 1322-r of the Ministry of Justice of the Russian Federation dated June 17, 2011.*

Full corporate name: *Joint-Stock Company Federal Hydrogeneration Company*

in English: «**Public Joint-Stock Company Federal Hydro-Generating Company – RusHydro**»

Abbreviated corporate name: *JSC RusHydro*

Effective date of the name: *July 14, 2010*

Reasons for the name coming into effect: *State registration of new version the Issuer's Charter on July 14, 2010, approved by the decision of the Annual General Meeting of Shareholders of the Issuer dated June 30, 2010 (Minutes No. 5 dated June 30, 2010) and Resolution No. 5006-r of the Ministry of Justice of the Russian Federation dated June 28, 2010.*

Full corporate name: *Joint-Stock Company RusHydro*

Abbreviated corporate name: *JSC RusHydro*

Effective date of the name: *July 4, 2008*

Reasons for the name coming into effect: *State registration of new edition of the Issuer's Charter on July 04, 2008, approved by the decision of the Annual General Meeting of Shareholders of the Issuer dated June 25, 2008 (Minutes No. 1 dated June 26, 2008).*

Full corporate name: *Joint-Stock Company Federal Hydrogeneration Company*

Abbreviated corporate name: *JSC HydroOGC*

Effective date of the name: *December 26, 2004*

Reasons for the name coming into effect: *State registration of the legal entity on December 26, 2004*

3.1.2. Information on State Registration of the Issuer

Primary state registration number of the legal entity: *1042401810494*

State registration date: *December 26, 2004*

Name of the registering authority: *Inspectorate of the Ministry of Taxation of the Russian Federation for Zheleznodorozhniy District of Krasnoyarsk, Krasnoyarsk Krai.*

3.1.3. Information on Foundation and Development of the Issuer

The Issuer is established for an unspecified period of time.

Brief history of the Issuer's establishment and development. The purposes of the Issuer's establishment, the Issuer's mission (if any), and other information on the Issuer's business, which is important for taking decision on acquisition of the Issuer's securities:

PJSC "RusHydro" was established in accordance with Resolution No. 526 of the Russian Federation Government dated July 11, 2001 "Main Directions of Electrical Power Industry Reform in the Russian Federation" and Directive No. 1254-p of the Russian Federation Government (as amended on October 25, 2004, No. 1367-p) as a wholly owned subsidiary of OAO RAO UES of Russia.

State registration of the Issuer took place on December 26, 2004.

In 2005, the Board of Directors of RAO UES of Russia approved a target model of PJSC "RusHydro" in the form of an Operating Company managing its branches established on the basis of JSC HPPs during

reorganisation of subsidiaries and affiliates (S&A) in the form of affiliation with PJSC "RusHydro" (Minutes No. 204 dated September 30, 2005 — October 4, 2005).

On April 27, 2005, the Board of Directors of RAO UES of Russia approved a plan of accelerated consolidation of the Issuer into a unified Operating Company, providing for affiliation with RusHydro of subsidiary JSC HPPs (without construction sites and infrastructure subsidiaries), other JSC HPPs, as well as JSC State Holding HidroOGK and JSC Minority Holding HidroOGK, established as a result of reorganisation of RAO UES of Russia in the form of split-off (Minutes No. 250 dated April 27, 2007). The Issuer's Operating Company with the direct participation in the Issuer's authorized capital of shareholders of subsidiaries and affiliates (S&A), as well as shareholders of RAO UES of Russia (through JSC Minority Holding HidroOGK and JSC State Holding HidroOGK) was formed within 2007–2008 through reorganisation in the form of affiliation with RusHydro of the following joint-stock companies (hereinafter referred to as the Affiliated Companies):

JSC Bureyskaya HPP, JSC Volzhskaya HPP, JSC Votkinskaya HPP, JSC Dagestan Regional Generation Company, JSC Zhigulevskaya HPP, JSC Zagorskaya PSHPP, JSC Zeyskaya HPP, JSC Zelenchukskiye HPPs, JSC Kabardino-Balkarian Hydrogeneration Company, JSC KabbalkHPP, JSC Kamskaya HPP, JSC Cascade of VV HPPs, JSC Cascade of NChHPPs, JSC Nizhegorodskaya HPP, JSC Saratovskaya HPP, JSC North Ossetian HGC, JSC Stavropol Electricity Generating Company, JSC Sulakenergo, JSC Cheboksarskaya HPP, JSC Neporozhny SShHPP, CJSC EOZ, JSC Irganayskaya HPP, JSC State Holding HidroOGK, JSC Minority Holding HidroOGK.

Therefore, in July 2008, the Company's target model was implemented. In the same year, the Company's shares were brought to the Russian shares market. In order to upsurge liquidity, increase market capitalization, and attract new investors, as well as observe the interests of former holders of depositary receipts of OAO RAO UES of Russia, the Company launched a program of depositary receipts, with the depositary bank being Bank of New York Mellon.

Following the results of consolidation, the Company consolidated over 50 HPPs in 18 regions of the Russian Federation.

In 2011, the charter capital of PJSC "RusHydro", the Russian Federation was introduced a controlling stake in PJSC "RAO Energy Systems of East", resulting in "RusHydro" installed capacity of the Group increased from 26.1 to 35.2 GW. Currently, in accordance with the decision of the Board of Directors of PJSC "RusHydro" (protocol number 223 7/10/2015) taking steps to consolidate 100% shares of PJSC "RAO ES of the East" in the ownership of "RusHydro" Group.

The Issuer's strategic objectives are major guidelines for development of the Issuer.

The strategic objectives of the Issuer:

- Safe and secure operation of the Company's facilities;
- Increase in energy efficiency through sustainable development of electrical power generation based on renewable energy sources;
- Increase in the Company's value.

Mission of the Issuer. The Company's activity is aimed at efficient use of water resources, the creation of conditions to ensure the reliability of the Unified Energy System of Russia, the increased use of renewable energy sources for the benefit of shareholders and society.

Other information on the Issuer's activities that is important when taking decisions on acquisition of the Issuer's securities: N/A.

3.1.4. Contact Information

Location of the Issuer

Krasnoyarsk, Krasnoyarsk Krai.

Address of the Issuer specified in the Unified State Register of Legal Entities:

43 Dubrovinskogo St., bldg. 15, Krasnoyarsk, Krasnoyarsk Krai, 660017.

Other address for correspondence

7 Malaya Dmitrovka St., Moscow, Russia, 127006

Tel.: +7 800 333 8000

Fax: +7 (495) 225 37 37

E-mail: office@rushydro.ru

Address of website (websites) where information on the Issuer, its securities issued or being issued is available:

www.rushydro.ru

<http://www.e-disclosure.ru/portal/company.aspx?id=8580>

Name of the Issuer's special division working with shareholders and investors of the Issuer:

Strategy and IR Department

Location of the division: ***7 Malaya Dmitrovka St., Moscow, Russia, 127006***

Tel.: +7 800 333 8000

Fax: +7 (495) 225-37-37

E-mail: ir@rushydro.ru

Website address: www.rushydro.ru

Name of the Issuer's special division working with shareholders and investors of the Issuer:

Corporate Governance and Property Management Department

Location of the division: *7 Malaya Dmitrovka St., Moscow, Russia, 127006*

Tel.: +7 800 333 8000

Fax: +7 (495) 225-37-37

E-mail: office@rushydro.ru

Website address: www.rushydro.ru

3.1.5. Taxpayer Identification Number

2460066195

3.1.6. Branches and Representative Offices of the Issuer

Information on the Issuer's subsidiaries in accordance with the Charter of the Issuer.

The Issuer has no representative office.

Information about the Issuer's branches in accordance with the Issuer's Charter.

Name: PJSC "RusHydro branch" — Bureyskaya HPP

Location: Talakan, Bureyskiy District, Amur Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Aleksandr Sergeevich Garkin

Validity period of the power of attorney: until January 31, 2017

Name: PJSC „RusHydro branch“ — Volzhskaya HPP

Location: 1a Lenina Avenue, Volzhskiy, Volgograd Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Sergey Nikolaevich Bologov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC "RusHydro branch" — Votkinskaya HPP

Location: Chaykovskiy, Perm Krai, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Aleksey Georgievich Byakov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC „RusHydro branch“ — Dagestan branch

Location: 5 M. Khalilova St., Kaspiysk, Republic of Dagestan, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Timur Gamzatovich Gamzatov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC "RusHydro branch" — Zhigulevskaya HPP

Location: Zhigulevsk, Samara Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Oleg Vladimirovich Leonov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Zagorskaya PSHPP

Location: 100, township Bogorodskoe, Sergievo-Posadskiy District, Moscow Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Vladimir Ivanovich Magruk

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Zeyskaya HPP

Location: Zeya, Amur Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Irina Dmitrievna Savelyeva

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Kabardino-Balkarsky branch

Location: Township Kashkhatau, Cherek District, Kabardino-Balkar Republic, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Muradin Khuseevich Misirov

Validity period of the power of attorney: until June 30, 2016

Name: PJSC „RusHydro branch“ — Kamskaya HPP

Location: Kamskaya HPP, Perm, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Viktor Georgievich Alekseev

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Karachaevo-Cherkessky branch

Location: Township Pravokubanskiy, Karachai-Cherkess District, Karachay-Cherkess Republic, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Petr Vasilyevich Kravchenchenko

Validity period of the power of attorney: until June 31, 2017

Name: PJSC “RusHydro branch” — Cascade of Verkhnevolzhskiy HPPs

Location: Rybinsk, Yaroslavl Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Andrey Vladimirovich Derezhkov

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Cascade of Kuban HPPs

Location: 360a Vodoprovodnaya Street, Nevinnomyssk, Stavropol Krai, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Gennadiy Evgenyevich Sergeev

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — CorUnH

Location: 49 Arkhitekтора Vlasova Street, Moscow, Russian Federation

Opening date: December 05, 2007

Head of the branch

Full name: Elena Anatolyevna Aksenova

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Nizhegorodskaya HPP

Location: 14 Privokzalnaya St., Zavolzhye, Gorodets District, Nizhniy Novgorod Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Aleksandr Arkadyevich Goyzenband

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Novosibirskaya HPP

Location: 4 Novomorskaya St., Novosibirsk, Novosibirsk Oblast, Russian Federation

Opening date: April 10, 2006

Head of the branch

Full name: Svyatoslav Ivanovich Poltaranin

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Saratovskaya HPP

Location: city of Balakovo, Saratov Oblast, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Lyudmila Viktorovna Odintsova

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Neporozhniy Sayano-Shushenskaya HPP

Location: township Cheremushki, city of Sayanogorsk, Republic of Khakassia, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Valeriy Arturovich Kyari

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Severo-Osetinsky branch

Location: 63 Vaso Abaeva St., Vladikavkaz, Republic of North Ossetia-Alania, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Taymuraz Vladimirovich Balataev

Validity period of the power of attorney: until January 31, 2017

Name: PJSC “RusHydro branch” — Cheboksarskaya HPP

Location: 34 Naberezhnaya St., city of Novocheboksarsk, Chuvash Republic, Russian Federation

Opening date: August 27, 2007

Head of the branch

Full name: Vadim Grigoryevich Bardyukov

Validity period of the power of attorney: until January 31, 2017

3.2. Core Business Activity of the Issuer

3.2.1. The Issuer's Major Economic Sectors

Codes of major economic sectors of the Issuer according to OKVED: 40.10.12

OKVED codes

40.10.14
40.10.42
40.10.44
51.56.4
71.3
74.14
74.20.55
80.22.22

3.2.2. Core Business Activity of the Issuer

Core business activities (types of activity, types of products (works, services)) provided for at least 10 % of the Issuer's sale revenues (sales volume) for each of the reporting periods:

Measurement unit: Russian rubles

Type of business activity — electricity (capacity) generation and sale

Indicator	2014	2015
Sales proceeds (sales volume) from this type of business activity, RUB	107 210 561 568	105 845 050 115
Share of sales proceeds (sales volume) from this type of business activity in the total sales proceeds (sales volume) of the Issuer, %	98.8 %	98.8 %

Revenues following the results of 2015 as compared with 2014 changed inconsiderably (-1.3 %), which was due to a 2.7 % drop in electricity production by the Issuer's hydropower plants.

Indicator	2015, 3 months	2016, 3 months
Sales proceeds (sales volume) from this type of business activity, RUB	23 586 905 505	26 873 352 214
Share of sales proceeds (sales volume) from this type of business activity in the total sales proceeds (sales volume) of the Issuer, %	99.5 %	99.2 %

The increase of revenue following the result of 2016 (3 months) as compared with 2015 (3 months) to 13,9% due to the increase of the Issuer's hydroelectricity power generation by 28.4%.

Changes in the sales revenue (sales volume) of the Issuer from its core business activity by 10 and more per cents as compared with the same reporting period of the previous year and reasons therefor:

Increase in revenues by 13,9% due to the growth of production 2016 (3 months) - 19.8 billion kWh, 2015 (3 months) - 15.4 billion kWh).

The growth in output is due to the following factors:

- increased inflow in most reservoirs of the Volga-Kama cascade;
- water inflow in Novosibirsk and the Sayano-Shushenskaya dam by 15-30% more than the norm;
- medium and increased water content of hydro power plants of the North Caucasus.

General structure of the Issuer's production cost

Name of cost items	2014	2015	2015, 3 months	2016, 3 months
Raw and other materials, %	0.7	0.7	0.5	0.6
Acquired component, semi-finished goods, %	0.0	0.0	0.0	0.0
Outsourced production-related works and services, %	7.49	9.3	46.6	4.5
Fuel, %	0.0	0.0	0.0	0.0
Energy, %	27.5	21.8	22.5	15.7
Labour costs, %	13.6	12.8	11.1	11.1
Interest on loans, %	0.0	0.0	0.0	0.0
Lease payment, %	2.4	1.6	1.7	2.4

Social allocations, %	2.46	3.0	3.2	3.24
Amortization of fixed assets, %	19.4	21.6	24.3	29.3
Taxes included in production cost, %	11.0	12.2	13.6	15.8
Other costs	14.7	16.9	16.5	17.3
Amortization of intangible assets, %	0.48	0.6	0.7	0.5
Remuneration for rationalization proposal, %	-		-	
Mandatory insurance payments, %	1.8	2.3	2.0	2.8
Entertainment allowance, %	0.05	0.05	0.04	0.02
Other (please specify), % *	12.4	13.9	13.8	14.0
Total: Expenses for production and sale of products (works, services) (production costs), %	100.0	100.0	100.0	100.0
For reference: Proceeds from sale of products (works, services), % against production cost	165.7	167.4	171.2	14.0

* Including expenses on electricity and capacity market performance in 2015 — 4.5 %, in 2016 (3 months) — 5.5 %; expenses on protection of facilities in 2015 — 2.7 %, in 2016 (3 months) — 3.2 %.

New types of products (works, services) being of essential importance offered by the Issuer on the market of its core business to the extent it corresponds to public information on such types of products (works, services). The development state of such types of products (works, services) shall be specified. There are no new types of products (works, services) being of essential importance.

Standards (rules) in accordance with which the Issuer's accounting (financial) statements are prepared and calculations specified in this subclause are made.

The Issuer's accounting statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation, provided for by Federal Law On Accounting No. 402-FZ dated December 06, 2011 and Regulation on Accounting and Reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation No. 34n dated July 29, 1998, as well as other regulations included in the system of accounting regulation and preparation of statements by companies in the Russian Federation.

3.2.3. Materials, Goods (Raw Materials) and Suppliers of the Issuer

Name, location, INN (if available), OGRN (if available) of the Issuer's suppliers, accounting for at least 10 per cent of all supplies of materials and goods and their shares in total supply for the last completed financial year, as well as for the last completed reporting period to the securities prospectus approval date.

As of December 31, 2015

Suppliers of the Issuer which account for at least 10 per cent of all deliveries of materials and goods (raw materials)

Full corporate name: **Open Joint-Stock Company Financial Settlement Center**

Abbreviated corporate name: **OJSC FSC**

Location: **12 Krasnopresnenskaya Embankment, entrance 7, floors 7 — 8, Moscow, Russian Federation**

INN: **7705620038**

OGRN: **1047796723534**

Share in the total supplies, %: **94.38**

Information on price adjustments for basic materials and goods (raw materials) by more than 10 per cent within the relevant reporting period as compared with the reporting period for the previous financial year or on the lack of such change.

The price for basic materials and goods (raw materials) was not adjusted by more than 10 % within the relevant reporting period

Share of import in deliveries of materials and goods, forecast for availability of sources of import and possible alternative sources

There are no import deliveries.

As of March 31, 2016

Suppliers of the Issuer which account for at least 10 per cent of all deliveries of materials and goods (raw materials)

Full corporate name: **Open Joint-Stock Company Financial Settlement Center**

Abbreviated corporate name: **OJSC FSC**

Location: **12 Krasnopresnenskaya Embankment, entrance 7, floors 7 — 8, Moscow, Russian Federation**

INN: **7705620038**

OGRN: **1047796723534**

Share in the total supplies, %: **98.26**

Information on price adjustments for basic materials and goods (raw materials) by more than 10 per cent within the relevant reporting period as compared with the reporting period for the previous financial year or on the lack of such change.

The price for basic materials and goods (raw materials) was not adjusted by more than 10 % within the relevant reporting period

Share of import in deliveries of materials and goods, forecast for availability of sources of import and possible alternative sources

There are no import deliveries.

3.2.4. Sales Markets for Products (Works, Services) of the Issuer

Key markets where the Issuer conducts its business:

The Issuer conducts its business within several constituent entities of the Russian Federation. The Issuer's current core business is electricity (capacity) production and sale.

In accordance with Regulation of the Russian Federation Government No. 1172 dated December 27, 2010 “On Approval of Regulations for Wholesale Electricity and Capacity Market and Introduction of Amendments to Certain Acts of the Government of the Russian Federation Regarding Functioning of the Wholesale Electricity and Capacity Market” (hereinafter referred to as the Wholesale Market Regulations), the Issuer carries out its activities connected with sale of electricity (capacity) in the following segments of the wholesale market:

Regulated Contracts (RC):

Electricity (capacity) is traded under terms and conditions of regulated contracts concluded on the wholesale electricity (capacity) market at regulated prices (rates), approved by the FAS Russia

. The cumulative volume of electric energy and the cumulative volume of capacity supplied by the Issuer under RC in the relevant calendar year shall not exceed 35 per cent of the overall electric energy and capacity production specified in the budgeted balance sheet for the Issuer's period of regulation.

Competitive trade in generating capacity, competitive capacity outtake (CCO):

There are several mechanisms for implementing capacity on the wholesale market:

purchase /sale of capacity, selected on the basis of competitive selection of power.

- On the purchase and sale contracts of power, concluded on the basis of competitive selection of power;
- purchase /sale of capacity under free agreements of purchase and sale of power (SDM);
- purchase/sale of capacity under agreements for capacity and contracts for the sale of power of new nuclear power plants and hydropower plants, the same DP;
- purchase/sale of power generating facilities, related to the generation facilities that supply power in forced mode;
- purchase/sale of capacity under regulated contracts (in the scope of supply to the population and equivalent categories);
- purchase/sale of the power produced by qualified generating facilities that operate through the use of renewable energy sources (hereinafter - RES), on contracts for supply of power, concluded as a result of competitive selection of investment projects for the construction of generating facilities operating on the basis of renewable energy sources.

Competitive selection of capacity (CSC), conducted by the system operator, is the basis of the power of the market and determines how much power will be paid on the wholesale market.

By 2015, CSC was conducted only 1 year in advance (for next year). RF Government Decree № 893 of August 27, 2015 approved the new rules of the CSC and the principles of trade improved capacity on the wholesale market. Beginning in 2016 under the PTO power annually selected for the year, coming in three calendar years after the year of the CSC. In 2015 the CSC for 2016-2019 years is held.

CSC is conducted in price zones without separation of free power transfer zones (FTZ). Indexing is made when the CSC was carried out for more than 1 year in advance. The price of CSC indexed for the period from January 1 of the year following the year of the CSC, until January 1 of the year of delivery, in accordance with the CPI, decreased by 1%.

In the long term capacity market demand volume in the competitive selection of power given the dependence of the volume of demand on the price of power: at a lower price buyers are willing to purchase a larger amount of power at a higher price - lower. Graph of the demand function is a straight line segment passing through two points, the values of which are set separately for each price zone, and for each CSC. The first point of the volume of demand is determined by the procedure of the Ministry of Energy on the basis of the forecast peak demand in the price zone and the planned reserve ratio, the price is set at 150 thousand rubles / MWh for the CSC 2016 for the first price zone and 210 rubles / MW for the second price zone. In the second point of the demand volume increased by 12% relative to the value at the first point, the price for the CSC 2016 is set at 110 thousand rubles / MWh for the first price zone and 150 rubles / MW for the second price zone.

The price of CSC corresponds to a maximum of prices in selected applications and the price at which the demand function takes a value equal to the total volume of the selected power (including power, paid regardless of the results of CSC). The CSC price for each zone is the same for all the selected generating facilities. The power which has not passed the competitive selection is not paid.

As we approach the year of delivery in case of exceeding the adjusted demand for power over the amount payable generating capacity possible corrective competitive capacity selection. A mandatory fee that does not depend on the results of CSC, subject to the power introduced by PDM and PDM similar agreements with new nuclear power plants and hydropower plants, as well as generating units, whose work is essential for maintaining the technological modes of operation of the power or thermal energy supply (forced generators).

Payment for power delivered by internally generators, carried out at the price established by the authorized federal agency (or the Government of the Russian Federation) is not higher than the power price in the previous year, the sale as a result of competitive selection of power or forced mode. The decision to classify the generator to internally accepted prior to the CSC. As an exception can only be the generating facilities for which after the CSC has been stated about the intention of decommissioning, while the Ministry of Energy was demanded the postponement of the output due to the threat of attack power deficit. Power generators operating in forced mode, and power introduced by the Democratic Party and similar contracts with new nuclear power plants and hydropower plants, during the CSC is included in the spot price acceptance of the offer.

Payment capacity is distributed as follows: the financial burden to pay for power generating facilities selected CSC and power facilities, receiving payment on the PDM is distributed to all users of the price zone. Power objects related to forced generators to the threat of attack power shortage is paid by consumers the corresponding WSP. Power objects related to forced generators to the threat of attack heat deficit are paid by consumers of the corresponding subject of the Russian Federation.

On April 28, 2014, Regulation of the Government of the Russian Federation No. 374 On Amendment of Regulations for Wholesale Electricity and Capacity Market with Regard to Characteristics of Participation in the Wholesale Market of Electric Power Engineering Entities Owning Hydropower Plants Located in the Second Pricing Zone of the Wholesale Market was signed, concerning partial deregulation of the capacity market in Siberia.

This Regulation stipulates amendments to the Regulations for the Wholesale Electricity and Capacity Market:

From May 1, 2014 till December 31, 2015, the capacity of hydropower plants, located in the second pricing zone of the wholesale market, is sold on the basis of competitive capacity outtake (CCO) at the price of capacity sale under regulated contracts amounting to 35 per cent of capacity volume being sold according to the CCO results; from January 1, 2016 till December 31, 2016—20 per cent. The remaining capacity volume of hydropower plants being sold according to the CCO results in the second pricing zone will be paid at the prices determined according to the CCO results at the relevant free power transfer zones;

The rule on application of prices equal to the prices stated in the regulated contracts for calculation of capacity cost according to the CCO results is not applied to new hydropower plants (generating facilities of hydropower plants in relation to generation DPCs of which electricity and capacity was not traded as at January 1, 2012).

Day-Ahead Market (DAM):

The volume of electricity generated above the RD volumes is sold at free prices on the day-ahead market and shortages are purchased on the DAM so as to provide for RC. The rules of the wholesale market provide for

the possibility of electricity sale/purchase under free bilateral contracts (FBC). Participants in the wholesale market independently determine counteragents under contracts, as well as prices and volumes of deliveries within free bilateral contracts.

Balancing Market (BM):

Deviations of the actual electricity production volume from the planned production volume are traded on the balancing market at prices formed on the basis of competitive selection of price bids of participants.

The Issuer sells a share of electricity produced on the wholesale market at free prices.

Factors that may have a negative impact on sale of the Issuer's products (works, services):

Change in the regulatory and legal framework in the electric power industry associated with liberalization of the electricity and capacity market.

The Issuer's measures on minimization of negative factors:

Formation of a regulatory and legal framework favourable to the Issuer for electricity and capacity market performance. For the purposes thereof the Issuer is fully engaged in processes pertaining to development of laws and regulations in the electric power industry performed by the Ministry of Energy of the Russian Federation, NP Market Council Association and FAS of the Russian Federation.

3.2.5. Information on the Issuer's Authorizations (Licenses) or Permits for Separate Types of Works

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Federal Service for Environmental, Engineering, and Nuclear Supervision**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **VKH-00-015161**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Operation of explosion/fire hazardous and chemically hazardous production facilities of I, II and III hazard classes**

Issue date of the authorization (license) or permit for separate types of works: **December 16, 2014**

Validity period of the authorization (license) or permit for separate types of works: **Unlimited**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Self-Regulating Organisation Non-Commercial Partnership EnergoStroiAllianz Group of Construction Organisations**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **No. C-089- 05-02610**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Certificate of permit for separate type or types of work having influence on the safety of capital construction projects**

Issue date of the authorization (license) or permit for separate types of works: **August 14, 2015**

Validity period of the authorization (license) or permit for separate types of works: **Unlimited**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Yenisey Administration of the Federal Service for Environmental, Engineering, and Nuclear Supervision**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **No. A66-02932**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Certificate of Registration of Hazardous Industrial Facilities**

Issue date of the authorization (license) or permit for separate types of works: **October 08, 2014**

Validity period of the authorization (license) or permit for separate types of works: **Unlimited**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Centre for Licensing, Certification, and Protection of State Secrets of the FSS of Russia**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **GT No. 0085520 Reg. No. 5269**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Works involving use of information classified as state secret**

Issue date of the authorization (license) or permit for separate types of works: **August 10, 2015**

Expiry date: **August 09, 2020**

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works: **Centre for Licensing, Certification, and Protection of State Secrets of the FSS of Russia**

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **GT No. 0085518 Reg. No. 5277**

Type of activity (work), in relation to which the Issuer has received the relevant authorization (license) or permit: **Right to take measures and/or render services related to protection of state secrets**

Issue date of the authorization (license) or permit for separate types of works: **July 28, 2014**

Validity period of the authorization (license) or permit for separate types of works: **September 02, 2015**

Upon expiry of the validity period of the above-mentioned licenses, the Issuer plans to take all possible steps in order to prolong them or to obtain new licenses. The impossibility to prolong licenses or to obtain new ones can have a materially adverse effect on the activities and financial results of the Issuer's operations. The possibility of such risk is low.

3.2.6. Information on Activities of Separate Types of Issuers

The Issuer is not a Joint-Stock investment fund, insurance or credit organisation, mortgage agent, or specialized company.

3.2.7. Additional Information on Issuers, the Primary Line of Business of which is Mining Operation

On 09.01.2015 JSC "LUR" controlled by the issuer whose main business is mining was registered.

a) Mineral reserves

The list of mineral deposits which has significant financial and economic importance for the Issuer, the right to use of which belong to the issuer or is under his control organizations.

1. Field: Bikin brown coal mine, mine "Luchegorsky - 1"

Owner of the field

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, Primorskiy Kray, Russian Federation

INN: 2526006224

BIN: 1152721004963

Type of mineral: brown coal grade B1

Proved reserves: 228 187 000 tons

Production rate for the relevant reporting period (s) for the I quarter 2016 - 378,768 tonnes

2. Field: Bikin brown coal mine, mine "Luchegorsky-2"

Owner of the field

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, , Primorskiy Kray, Russian Federation

INN: 2526006224

BIN: 1152721004963

Type of mineral: brown coal grade B1

Proved reserves: 274 343 000 tons

Production rate for the relevant reporting period (s) for the I quarter 2016 - 652,374 tonnes

3. Field: Luchegorskoye andesitic porphyry deposits (building stone), a quarry "Southern"

Owner of the field

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, Primorskiy Kray, Russian Federation

INN: 2526006224

BIN: 1152721004963

Type of mineral: Andesitic porphyrite

Proved reserves: 2,817,000 m³

Production rate for the relevant reporting period(s) for the I quarter 2016 - 22 357.4 m³. Licenses for subsoil use, obtained by the issuer or its controlled organizations for the use of fields of the issuer's significant financial and economic value

1. License: VLV number 02503 TE

Object subsoil: Cut "Luchegorsky-1"

Legal entity that obtained a license: JSC "LUR"

Date of issue: 14/01/2016

Term of the license: 08.30.2016

In case of execution of conditions of licensing, the license will be extended in the manner prescribed by applicable law, currently the application for extension of license is transferred to Rosnedra.

The basis for licensing of subsoil use: Right to use field section "Luchegorsky-1" Bikin brown coal deposit was granted to JSC "LUR" in accordance with paragraph 7 of Article 10.1, paragraph 5 of Section 17.1. Law of the Russian Federation "On Subsoil" dated 21.02.1992 № 2395-1, in connection with the reorganization of the legal entity - the subsoil user (JSC "Far Eastern Generating Company" (hereinafter - JSC "DGC")) by isolating it from another entity (JSC "LUR"), based on the decision of the Commission of the Federal agency for subsoil Use for consideration of applications for amendments and additions to the license and renewal of licenses for subsoil areas within the competence of the Federal agency for subsoil Use (protocols of 11/19/2015 number 470), in order renewal of the license number 14549 VLV TE (order Dalnedra from 12/01/2016 number 2).

Description of the subsurface allotted for use: The site is located in Pozharsky municipal district urban-type settlement Luchegorsk.

Type of License: For exploration and mining of brown coal on the cut "Luchegorsky-1" Bikin brown coal deposit

Main provisions of the license concerning subsoil user obligations indicating the period of performance of these obligations: (decisive) conditions of subsoil use:

- Not later than 31/12/2015 preparation, coordination and approval in the prescribed manner of design documentation, corresponding to the actual state of the field development, the positive conclusion of state expertise of the project;
- No later than 28/02/2016 to bring into line with the current legislation of documents certifying the specified boundaries of the mining allotment;
- due representation in relevant state bodies of reliable reporting (form 5-GH-2 PM, 70-TP, TP-71, and others.)

Obligatory payments to be made by the user of subsoil under the terms of the license:

Subsoil user is obliged to pay tax on the extraction of minerals - the size of the tax rate is determined in accordance with the Tax Code, as well as other charges and fees, a fee for the land and pay for the negative impact on the environment, in the amount and terms set by the legislation of the Russian Federation.

Implementation of the Issuer, its subsidiaries and affiliates obligations resulting from the licenses, as well as any factors that may adversely affect fulfilment of license obligations with the probability of their occurrence: the obligations resulting from the license are fulfilled. Factors which may have adverse effect on the performance of obligations under the license are not observed.

2. License: VLV number 02502 TE

Object subsoil: plot №4 Bikin brown coal deposit (section "Luchegorsky-2")

Legal entity that obtained a license: JSC "LUR"

Date of issue: 14/01/2016

Validity of the license: 01.07.2019

In case of execution conditions of licensing, the license will be extended in the manner prescribed by applicable law, currently the application for extension of license transferred to Rosnedra.

Grounds for License issue: The right to use subsoil fields in the area №4 Bikin brown coal deposit (box cut "Luchegorsky-2") was given to JSC "LUR" in accordance with paragraph 7 of Article 10.1, paragraph 5 of Section 17.1. Law of the Russian Federation "On Subsoil" dated 21.02.1992 № 2395-1, in connection with the reorganization of the legal entity - the subsoil user (JSC "Far Eastern Generating Company" (hereinafter - JSC "DGC")) by isolating it from another entity (JSC "LUR"), based on the decision of the Commission of the Federal agency for subsoil Use for consideration of applications for amendments and additions to the license and renewal of licenses for subsoil areas within the competence of the Federal agency for subsoil Use (minutes of 11.19.2015 number 470), in order renewal of the license number 14514 VLV TE (order of 12/01/2016 Dalnedra

number 3).

Description of the subsurface allotted for use: The site is located in Pozharsky municipal district urban-type settlement Luchegorsk.

Type of License: For the extraction of lignite.

Main provisions of the License concerning obligations of subsoil user with an indication of the period of performance of the specified obligations: The amount of extracted lignite is set as not less than 1.5 million tons of coal per year.

Obligatory payments to be made by the user of subsoil under the terms of the license: Subsoil user is obliged to pay tax on the extraction of minerals - the size of the tax rate determined in accordance with the Tax Code, as well as other charges and fees, a fee for the land and pay for the negative impact on the environment, in the amount and terms set by the legislation of the Russian Federation.

Implementation of the Issuer, its subsidiaries and affiliates obligations resulting from the licenses, as well as any factors that may adversely affect fulfillment of license obligations with the probability of their occurrence: the obligations resulting from the license are fulfilled. Factors which may adversely affect the performance of obligations under the license are absent.

3. License: POZh 00787 OShch

Object subsoil: Luchegorsk deposit of andesite porphyrite (Southern Section).

Legal entity that obtained a license

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

Location: township Luchegorsk, Pozharsky district, Primorskiy Kray, Russian Federation

TIN: 2526006224

OGRN: 1152721004963

License number: POZh 00787 OShch

Date of issue: 10/07/2015

Term of the license: 09/15/2024

When the license conditions are fulfilled, the license will be extended in accordance with the current legislation.

Grounds for License issue: Order of the Department of Natural Resources and Environmental Protection of the Primorsky Kray from 07/10/2015 No 114

Description of the subsurface allotted for use:

The site is located in Pozharsky municipal area.

Type of License: For extraction

Main provisions of the license concerning subsoil user obligations indicating the period of performance of the specified obligations: Provide annual production of up to 500 m3. Production quota is agreed annually.

Obligatory payments to be made by the user of subsoil under the terms of the license: Subsoil user is obliged to pay tax on the extraction of minerals - the size of the tax rate determined in accordance with the Tax Code, as well as other charges and fees, a fee for the land and pay for the negative impact on the environment, in the amount and terms set by the legislation of the Russian Federation.

Implementation of the Issuer, its subsidiaries and affiliates obligations resulting from the licenses, as well as any factors that may adversely affect fulfillment of license obligations with the probability of their occurrence: the obligations resulting from the license are fulfilled. Factors which may adversely affect the performance of obligations under the license are absent.

b) Mineral processing

Main assets used for processing: JSC "LUR" is not processing coal. Crushing and grading plant JSC "LUR" is designed to produce rumbly products.

The issuer, its subsidiaries or affiliates do not engage any contractors to process mineral resources

c) Product sales

Permits granted by authorized government agencies for the implementation of minerals and their products, quotas, including for export: The need to obtain government approval for the implementation of minerals and their products, quotas, including for export, the federal legislation has not been established.

3.2.8. Additional Information on Issuers, the Primary Line of Business of which is Rendering Services

The primary line of business of the Issuer is not rendering services

3.3. Plans for the Issuer's Future Activities

Brief description of the Issuer's plans in relation to its future activities:

In accordance with the Articles of Association, the purposes of the Issuer's activities are as follows:

- Creating conditions for reliability and safety assurance of generating facilities;
- Implementing the national policy in the field of the hydro power industry;
- Creating adequate conditions for the effective functioning of the wholesale electricity (capacity) market; exercising effective operation and centralized process management of the hydro power facilities; pursuing a uniform investment and capital raising strategy to address system-wide tasks of hydro power development;
- Developing and implementing research and technical policy and introducing new, advanced engineering facilities and technologies, including renewable energy sources development;
- Generating profits.

Sources of future income:

The Issuer plans to gain in future profits from its core business: production and sale of electricity and capacity on the retail and wholesale electricity and capacity markets.

Plans for organising new production, expanding or reducing production, developing new types of products, upgrading and reconstructing fixed assets:

are based on the Company's business plan for the 2016-2020 years of the investment program of the Company for 2016 (Protocol of the Board of Directors from 25/12/2015 No 229).

The investment program project provides in 2016:

Introduction of additional capacity in the volume of 395.5 MW and 469.6 Gcal/h.

Financing of the Company investment projects in the amount of 65,649.8 million Russian rubles, including:

- Technical reconstruction and modernization projects — 34,975.2 million Russian rubles;
- Complex reconstruction of Sayano-Shushenskaya HPP — 632.6 million Russian rubles;
- Priority projects in the Far East (TPP in Sovetskaya Gavan, Sakhalin SDPP-2

(1st stage), Yakutsk SDPP-2 (1st stage), 2nd stage of Blagoveshchenskaya TPP), implemented in execution of Decree of the President of the Russian Federation No. 1564 dated November 22, 2012 On Further Development of Joint-Stock Company Federal Hydrogeneration Company — RusHydro — 26,570.9 million Russian rubles;

- Construction of Zelenchukskaya HPP-PSPP – 1,620.6million Russian rubles.
- a feasibility study of flood control projects HPP in the Far East (Lower Zeya HPP Seleindzinski HPP) – 300.0 million Russian rubles.
- Other projects — 550.5 million Russian rubles.

Also in 2016, the Company plans to finance investment projects implemented by subsidiaries, as well as R&D in the amount of 34,124.92 million Russian rubles.

The Issuer does not lead the development of new products.

Information on a possible change in the primary activity:

The Issuer does not plan to change its primary activity.

3.4. The Issuer's Participation in Banking Groups, Banking Holdings, Holdings, and Associations

The Issuer is not involved in banking groups and bank holding companies and holding companies.

The Issuer is involved in associations and non-profit partnerships, and is also attributable to the civil law associations.

A summary of the non-commercial partnerships and associations PJSC "RusHydro"				
No	Name of the non-profit organization/association	Role (place) and functions of the Issuer in the organization	NP sphere of activity/ functions of the Issuer in the organization	Term of Issuer's participation
Non-residents of RF				

1	International Hydropower Association	associate	Maintaining and disseminating of knowledge on hydropower issues under the auspices of the UNESCO International Hydrological Program	from 2006
2	Global Sustainable Energy Partnership (GSEP)	associate	Development of political platforms and implementation of appropriate initiatives both at the domestic markets and international scale	from 2008
Residents of RF				
3	NPO "Market Council"	associate	Organization of the sale of electricity on the wholesale electricity market	from 2008
4	NPO "Association of owners and land investors and real estate" (NPO "Asin")	associate	Dialogue with the public authorities on the improvement of land and property legislation.	from 2012
5	NPO "Hydropower of Russia"	associate	Improving of the efficiency of functioning of hydropower facilities and the use of hydropower resources in Russia	from 2008
6	All-Russian Association of Employers "Russian Union of Industrialists and Entrepreneurs" (RUIE)	associate	Protection for members of the general economic and social interests and the legitimate rights that are essential for the sustainable development of companies and the market economy as a whole	from 2006
7	NPO "Board of Veterans of Energy"	associate	Activities aimed at providing comprehensive assistance to veterans of energy	from 2008
8	NPO "Russian-Chinese Business Council" (NPO "RCBC")	associate	Promotion of joint economic projects in Russia and China, the protection of mutual investments and settlement of corporate disputes, as well as to promote cooperation between the Russian and Chinese business communities.	from 2015
9	NPO "Directors Club for Science and Innovation"	associate	Research, development and innovation	from 2013
10	NPO "Energostroyalliance"	associate	Fostering an enabling of environment for enterprises engaged in the field of construction, reconstruction, repair of capital construction projects, protection of the energy industry from unfair foreign and domestic organizations and enterprises	from 2010

11	NPO "Scientific-Technical Council of UES"	associate	Assistance in the formation of scientific, technical and economic policies in the Unified Energy System of Russia	from 2008
12	NPO "RAEL"	Associate	Promotion of business in the power industry by representing and protecting the interests of employers in social and employment, economic and other spheres, relations with trade unions, public authorities, local governments, and developing a coordinated policy of socially responsible organizations - members of the Association	from 2006
13	NPO «KONC AES»	Associate	Promoting of learning and improving of business and professional skills of personnel engaged in the power industry, as well as professionals engaged in the industry, ensuring the proper functioning of energy companies (educational activities); development and improvement of personnel training system electricity	from 2008

3.5. Companies Controlled by the Issuer and Having Substantial Significance for it

1. Full corporate name: **Joint-Stock Company "Zagorskaya PSHP-2"**

Abbreviated corporate name: **JSC Zagorskaya PSPP-2**

Location: worker's settlement **Bogorodskoe, Sergievo-Posadsky District, Moscow Oblast, Russian Federation**

INN: 5042086312

OGRN: 1065042071137

Type of control over the organisation in relation to which the Issuer is a controlling entity (direct control, indirect control): **direct control**

Nature of the control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: 100 %

Portion of the controlled company's equity shares held by the Issuer: 100 %

Share of the controlled company in the authorized capital of the Issuer: 0 %

Portion of the Issuer's equity shares held by the controlled company: 0 %

Description of the controlled company's core business: **performance of building owner's functions in reconstruction projects of electric power facilities and new construction of power industry facilities, as well as of other industrial and civilian facilities**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital	Portion of the Issuer's equity shares held by the person, %

	of the Issuer, %	
Maxim Vladimirovich Polyakov (Chairman)	0	0
Yanina Eduardovna Stanyulenayte	0	0
Vladimir Ivanovich Magruk	0.000040	0.000040
Vadim Vladislavovich Nedotko	0	0
Tatyana Petrovna Lobacheva	0	0

Members of the Collective Executive Body

The collective executive body is not provided for by the Charter

The powers of the sole executive body of the company was delegated to the managing organization

Full name: Joint Stock Company "RusHydro Management company"

Abbreviated name: JSC "RusHydro MC"

Location: city of MoskvaOtkrytoe

INN: 5260096381

BIN: 1025203040136

The issuer's share in the authorized capital of the managing entity, %: 100

Percentage of ordinary shares of the management company owned by the Issuer: 100%

Share of the managing organization (manager) in the authorized (share) capital (mutual fund) of the issuer: 0

Ownership of the managing entity of the issuer's ordinary shares: 0%

2. Full corporate name: **Public Open Joint- Stock Company RAO Energy Systems of East**

Abbreviated corporate name: **PJSC RAO Energy Systems of East**

Location: **Khabarovsk Kray, Khabarovsk**

INN: 2801133630

OGRN: 1087760000052

Type of control over the organisation in relation to which the Issuer is a controlling entity (direct control, indirect control): **direct control**

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: 84.39 %

Portion of the controlled company's equity shares held by the Issuer: 85.163759 %

Share of the controlled company in the authorized capital of the Issuer: 0.012584 %

Portion of the Issuer's equity shares held by the controlled company: 0.012584 %

Description of the controlled company's core business: **management of generating companies to satisfy demand for electrical and thermal power in the Far-Eastern Federal District and in the neighboring territories effectively and with quality; agency activities; investment activities.**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Nikolay Grigoryevich Shulginov (Chairman)	0	0
Sergey Nikolaevich Tolstoguzov	0.0004180	0.0004180
Oleg Nikolaevich Kozhemyako	0	0
Andrei Valentinovich Kazachenkov	0	0
Bairta Nikolaevna Perveeva	0	0
Sergey Arkadyevich Plastinin	0	0
Yanina Eduardovna Stanyulenayte	0	0
Sergei Sergeevich Terebulin	0	0
Viktor Viktorovich Khmarin	0	0

Members of the controlled company's collective executive body

Full name	Share of the person in	Portion of the Issuer's
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	the authorized capital of the Issuer, %:	equity shares held by the person, %
Sergey Nikolaevich Tolstoguzov (Chairman)	0.0004180	0.0004180
Aleksey Aleksandrovich Kaplun	0	0
Nina Lipatovna Zapryagaeva	0	0
Viktor Nikolaevich Borodin	0	0
Evgeniy Mikhaylovich Zhadovets	0	0

Sole executive body of the controlled company

Full name	Share of the person in the authorized capital of the Issuer, %	Portion of the Issuer's equity shares held by the person, %
Sergey Nikolaevich Tolstoguzov	0.0004180	0.0004180

3. Full corporate name: **Public Joint-Stock Company Far East Energy Company**

Abbreviated corporate name: **PJSC FEEC**

Location: **Vladivostok, Russian Federation**

INN: 2723088770

OGRN: 1072721001660

Type of control over the organisation in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: **1.037643 %**

Portion of the controlled company's equity shares held by the Issuer: **1.037643 %**

In case of indirect control—successively all the Issuer's controlled companies (chain of companies under direct or indirect control of the Issuer), through which the Issuer controls the company, in relation to which it is a controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Public Joint-Stock Company RAO Energy Systems of East, Khabarovsk Krai, Khabarovsk, INN 2801133630, OGRN 1087760000052

Public Joint-Stock Company RAO Energy Systems of East is a controlled company of the Issuer (direct control). Public Joint-Stock Company Far East Energy Company is a controlled company of Public Joint-Stock Company RAO Energy Systems of East (direct control).

Share of Public Joint-Stock Company RAO Energy Systems of East in the authorized capital of the controlled company PJSC FEEC: **51.03 %**

Portion of equity shares of PJSC FEEC held by RAO Energy Systems of East: **51.03 %**

Share of the controlled company in the authorized capital of the Issuer: **0.018923 %**

Portion of the Issuer's equity shares held by the controlled company: **0.018923 %**

Description of the controlled company's core business:

- **Acquisition of electric energy on wholesale and retail electricity (capacity) markets;**
- **Sale of electric energy on wholesale and retail electricity (capacity) markets to consumers (including civilians);**
- **Rendering services to third parties, including on collection of payments for sold goods and rendered services;**
- **Diagnostics, operation, repair, replacement, and check of electricity and heat measuring devices.**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Ilya Yurievich Lishanskyi (Chairman)	0	0
Vladimir Grigoryevich Akulshin	0	0
Aleksey Valeryevich Vlasov	0	0

Valentin Genadyevich Kudryashov	0	0
Viktor Yuryevich Zaborovskiy	0	0
Mikhail Varfolomeevich Kuznetsov	0	0
Aleksandr Vladimirovich Redkin	0	0
Stanislav Sergeevich Koptyakov	0	0
Sergey Anatolyevich Tverdokhlebov	0	0
Kirill Andreevich Trubitsyn	0	0
Svetlana Viktorovna Suvorova	0	0
Alexey Alexandrovich Kovalenko	0	0
Aleksey Anatolyevich Udalov	0	0
Vladimir Petrovich Fedorov	0	0
Aleksey Dmitrievich Yakovlev	0.0000105	0.0000105

Members of the controlled company's collective executive body

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Viktor Vladimirovich Milush (Chairman)	0.0000699	0.0000699
Aleksandr Sergeevich Efremov	0	0
Elena Yuryevna Tyurina	0	0
Sergey Andreevich Khitun	0.0000125	0.0000125
Vitaliy Ivanovich Pravilo	0	0

Sole executive body of the controlled company

Full name	Share of the person in the authorized capital of the Issuer, %	Portion of the Issuer's equity shares held by the person, %
Viktor Vladimirovich Milush	0.0000699	0.0000699

4. Full corporate name: **Joint-Stock Company Far East Generating Company**

Abbreviated corporate name: **JSC FEGC**

Location: **Khabarovsk, Russian Federation**

INN: 1434031363

OGRN: 1051401746769

Type of control over the organisation in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: **0 %**

Portion of the controlled company's equity shares held by the Issuer: **0 %**

In case of indirect control—successively all the Issuer's controlled companies (chain of companies under direct or indirect control of the Issuer), through which the Issuer controls the company, in relation to which it is a controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Public Joint-Stock Company RAO Energy Systems of East, Khabarovsk Krai, Khabarovsk, INN 2801133630, OGRN 1087760000052.

Public Joint-Stock Company Far East Energy Company, Vladivostok, Russian Federation, INN 2723088770, OGRN 1072721001660

Public Joint-Stock Company RAO Energy Systems of East is a controlled company of the Issuer (direct control).

Public Joint-Stock Company Far East Energy Company is a controlled company of the Issuer (indirect control). Information on OJSC Far East Energy Company is given above in this section.

Share of Public Joint-Stock Company Far East Energy Company in the authorized capital of the controlled company JSC FEGC: **100 % - 1 share**

Portion of equity shares of JSC FEGC held by OJSC Far East Energy Company: **100% - 1 share**

Share of the controlled company in the authorized capital of the Issuer: **0 %**

Portion of the Issuer's equity shares held by the controlled company: **0 %**

Description of the controlled company's core business:

- **Supply (sale) of electric and heat power under the set rates and in accordance with electrical and heat load dispatch schedules;**

- **Electric and heat energy generation;**

- **Arrangement of power-saving mode of equipment operation at power plants, and energy delivery according to agreements;**

- **Sale of heat energy at retail heat markets to consumers (including citizens).**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Aleksey Dmitrievich Yakovlev (Chairman)	0.00000105	0.00000105
Vitaliy Sergeevich Ponurovskiy	0	0
Nadezhda Valeryevna Rukina	0	0
Yuriy Alexandrovich Andreychenko	0	0
Stanislav Sergeevich Koptyakov	0	0
Nikolay Valeryevich Savostikov	0,0000002	0,0000002
Andriyan Valeryevich Shamayko	0	0
Sergey Vasilyevich Sinyavskiy	0	0
Sergey Konstantinovich Storozhuk	0	0
Elena Vladimirovna Kolmogorova	0	0
Viktor Vladimirovich Milush	0,0000699	0,0000699
Eduard Yuryevich Orlov	0	0
Dmitriy Sergeevich Trefilov	0	0

Members of the controlled company's collective executive body

The collective executive body is not provided for by the Charter

Sole executive body of the controlled company

Full name	Share of the person in the authorized capital of the Issuer, %	Portion of the Issuer's equity shares held by the person, %
Mikhail Innokentyevich Shukaylov	0.0000018	0.0000018

5. Full corporate name: **Public Joint-Stock Company Krasnoyarskenergosbyt**

Abbreviated corporate name: **PJSC Krasnoyarskenergosbyt**

Location

Krasnoyarsk

INN: 2466132221

OGRN: 1052460078692

Type of control over the organisation in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: **0 %**

Portion of the controlled company's equity shares held by the Issuer: **0 %**

In case of indirect control—successively all the Issuer's controlled companies (chain of companies under direct or indirect control of the Issuer), through which the Issuer controls the company, in relation to which it is a controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Joint-Stock Company ESC RusHydro, Moscow, INN 7804403972, OGRN 1089848039973

Joint-Stock Company ESC RusHydro is a subsidiary of the Issuer.

Share of Joint-Stock Company ESC RusHydro in the authorized capital of the controlled company PJSC Krasnoyarskenergosbyt, %: **51.75**

Portion of equity shares of OJSC Krasnoyarskenergosbyt held by JSC ESC RusHydro, %: **66.33**

Share of the controlled company in the authorized capital of the Issuer: **0 %**

Portion of the Issuer's equity shares held by the controlled company: **0 %**

Description of the controlled company's core business:

- **Sale of electric energy in Krasnoyarsk Krai;**
- **Acquisition and/or sale (supply) of electric energy on the wholesale electricity and capacity market;**
- **Acquisition and/or sale (supply) of capacity on the wholesale electricity and capacity market;**
- **Sale (supply) of electric energy (capacity) on the retail electricity and capacity market to electric energy (capacity) consumers, including energy services to electrical (capacity) users, including conclusion of a services agreement for power transfer to consumers with network organisations on behalf of electrical (capacity) users or on its own behalf, but in the interests of electrical (capacity) users;**
- **Acquisition of electric energy (capacity) on retail electricity (capacity) markets.**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Bislan Isanovich Gayrabekov (Chairman)	0	0
Aleksandr Yuryevich Arkhipchenko	0	0
Maxim Valentinovich Zavalco	0,000071	0,000071
Aleksey Aleksandrovich Zotov	0	0
Oleg Vladimirovich Kozlov	0	0
Vadim Vladislavovich Nedotko	0	0
Vladimir Viktorovich Potyekhin	0	0
Yulia Vladimirovna Smirnova	0	0
Stanislav Vladimirovich Legenza	0	0

Members of the controlled company's collective executive body

The collective executive body is not provided for by the Charter

Authorities of the Company's sole executive body are transferred to the management company

Full corporate name: **Joint-Stock Company ESC RusHydro**

Abbreviated corporate name: **JSC ESC RusHydro**

Location: Moscow

INN: 7804403972

OGRN: 1089848039973

Share of the Issuer in the authorized capital of the management company, %: **99.99**

Portion of the management company's equity shares held by the Issuer, %: **99.99**

Share of the management company (manager) in the Issuer's authorized (reserve) capital (unit fund): **0**

Portion of the Issuer's equity shares held by the management company, %: **0**

6. Full corporate name: **Limited Liability Company Energy Sales Company of Bashkortostan**

Abbreviated corporate name: **LLC ESCB**

Location: **city of Ufa, Republic of Bashkortostan, Russian Federation**

INN: 0275038496

OGRN: 1020202770642

Type of control over the organisation in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: **0 %**

Portion of the controlled company's equity shares held by the Issuer: **is not a joint-stock company**

In case of indirect control—successively all the Issuer's controlled companies (chain of companies under direct or indirect control of the Issuer), through which the Issuer controls the company, in relation to which it is a controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Joint-Stock Company ESC RusHydro, Moscow, Russian Federation, INN 7804403972, OGRN 1089848039973

Joint-Stock Company ESC RusHydro is a subsidiary of the Issuer.

Share of Joint-Stock Company ESC RusHydro in the authorized capital of the controlled company LLC ESCB, %: **100 %**

Portion of equity shares of LLC ESCB held by JSC ESC RusHydro, %: **is not a joint-stock company**

Share of the controlled company in the authorized capital of the Issuer: **0 %**

Portion of the Issuer's equity shares held by the controlled company: **0 %**

Description of the controlled company's core business:

- Sale of electric energy in the Republic of Bashkortan;

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Islan Isanovich Guyrabekov (Chairman)	0	0
Vadim Vladislavovich Nedotko	0	0
Roman Yuryevich Sorokin	0	0

Members of the controlled company's collective executive body

The collective executive body is not provided for by the Charter

Authorities of the Company's sole executive body are transferred to the management company

Full corporate name: **Joint-Stock Company ESC RusHydro**

Abbreviated corporate name: **JSC ESC RusHydro**

Location: **Moscow**

INN: 7804403972

OGRN: 1089848039973

Share of the Issuer in the authorized capital of the management company, %: 99.99

Portion of the management company's equity shares held by the Issuer, %: 99.99

Share of the management company (manager) in the Issuer's authorized (reserve) capital (unit fund): 0

Portion of the Issuer's equity shares held by the management company, %: 0

7. Full corporate name: **Public Joint-Stock Company Joint-Stock Company Yakutskenergo**

Abbreviated corporate name: **PJSC JSC Yakutskenergo**

Location

Yakutsk, Russian Federation

INN: 1435028701

OGRN: 1021401047260

Type of control over the organisation in relation to which the Issuer is a controlling entity (direct control, indirect control): **indirect control**

Nature of control over the organisation in relation to which it is a controlling entity (the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per

cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent of votes in the supreme management body of the Issuer's controlled company**

Share of the Issuer in the authorized capital of the controlled company: **29.795104 %**

Portion of the controlled company's equity shares held by the Issuer: **29.002941 %**

In case of indirect control—successively all the Issuer's controlled companies (chain of companies under direct or indirect control of the Issuer), through which the Issuer controls the company, in relation to which it is a controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

Public Joint-Stock Company RAO Energy Systems of East, Khabarovsk, Khabarovsk Krai, INN 2801133630, OGRN 1087760000052.

Public Joint-Stock Company RAO Energy Systems of East is a company controlled by the Issuer (direct control).

Share of Public Joint-Stock Company RAO Energy Systems of East in the authorized capital of the controlled company PJSC JSC Yakutskenergo, %: **49.37**

Portion of equity shares of OJSC JSC Yakutskenergo held by PJSC RAO Energy Systems of East, %: **57.63**

Share of the controlled company in the authorized capital of the Issuer: 0.000014 %

Portion of the Issuer's equity shares held by the controlled company: 0.000014 %

Description of the controlled company's core business:

Electric and heat energy generation, transportation and sale

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Alexey Anatolyevich Udalov (Chairman)	0	0
Yuriy Aleksandrovich Andreychenko	0	0
Anton Nikolayevich Burkov	0	0
Aleksey Valeryevich Vlasov	0	0
Nikolay Nikiforovich Duraev	0	0
Evgeniy Viktorovich Kurin	0	0
German Viktorovich Tyutyukov	0.0000013	0.0000013
Stanislav Vladimirovich Linetskiy	0	0
Lada Alexandrovna Linker	0	0

Members of the controlled company's collective executive body

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Oleg Vladimirovich Tarasov (Chairman)	0	0
Sergey Yuryevich Gavrilov	0	0
Aleksandr Stepanovich Sloik	0	0
Irina Petrovna Sysolyatina	0.0000036	0.0000036
Yuriy Stepanovich Savchuk	0	0
Oksana Leonidovna Sologub	0	0
Petr Mikhaylovich Dyakonov	0	0
Andrey Fedorovich Sanachev	0	0

Sole executive body of the controlled company

Full name	Share of the person in the authorized capital of the Issuer, %	Portion of the Issuer's equity shares held by the person, %
Oleg Vladimirovich Tarasov	0	0

3.6. Composition, Structure and Value of the Issuer's Fixed Assets, Information on Plans for Acquisition, Replacement, and Retirement of Fixed Assets, as well as on All Encumbrances on the Issuer's Fixed Assets

Measurement unit: **Russian rubles**

Group of fixed asset items	Initial (replacement) cost	Amortization accrued
Accounting date 31/12/2015		
Buildings	39,234,324,057.57	4,960,601,133.69
Structures	226,948,950,936.80	30,065,019,104.61
Equipment	168,407,444,230.22	48,156,846,772.94
Others	501,362,880.75	58,884,959.16
TOTAL	436 092,082,105.34	84,041,351,970.40

Group of fixed asset items	Initial (replacement) cost	Amortization accrued
Accounting date 31/03/2016		
Buildings	39,239,894,359.52	5,148,532,716.30
Structures	170,677,533,573.10	31 171 938 480,51
Equipment	170,677,533,573.10	50,651,377,029.99
Others	1,479,404,483.48	874,843,830.93
TOTAL	438,473,273,185.64	87,846,692,057.73

Information on depreciation accrual methods by groups of fixed asset items: Groups of fixed asset items are depreciated using a straight-line method on the basis of the useful service life of such items.

Results of the last fixed assets and long-term leased fixed assets reassessment performed within the last complete financial year, with specification of the reassessment date, total and residual (net of depreciation) balance value of fixed asset before reassessment, and total and depreciated replacement value (net of depreciation) of fixed asset taking into account reassessment. The specified information is given by groups of fixed asset items. Information on depreciation accrual methods by groups of fixed asset items is specified.

Fixed assets for the above mentioned period were not reassessed

Information is specified about plans for acquisition, replacement, and retirement of fixed assets, the value of which amounts to 10 per cent and more of the Issuer's fixed assets, and other fixed assets at the Issuer's discretion, as well as information about all encumbrances on the Issuer's fixed assets (with specification of the nature of encumbrance, date of its occurrence, its validity period and other conditions at the Issuer's discretion):

Acquisition, replacement, and retirement of fixed assets, the value of which amounts to 10 per cent and more of the value of the Issuer's fixed assets, is not planned.

IV. Information on Financial and Economic Activities of the Issuer

4.1. Financial and Economic Performance of the Issuer

Dynamics of indicators characterizing financial and economic performance of the Issuer, including profits and losses, calculated on the basis of accounting (financial) statements.

Standard (rule), in accordance with which the accounting (financial) statements are prepared, on the basis

of which indicators are calculated: RAS

Measurement unit for the uncovered loss: the Russian rubles

Indicator	2014	2015	3 months 2015	3 months 2016
Net profit margin, %	28.3	28.0	36.9	57.1
Asset turnover ratio, times	0.13	0.12	0.03	0.03
Return on assets, %	3.59	3.36	1.01	1.71
Return on equity, %	4.28	4.04	1.20	2.04
Amount of uncovered losses as of the reporting date, Russian rubles	0	0	0	0
Ratio between uncovered losses as of the reporting date and the balance sheet assets, %	0	0	0	0

In order to calculate given indices, methodology was used recommended by the Regulation on Information Disclosure by Issuers of Equity Securities approved by the Bank of Russia (No. 454-II dated December 30, 2014).

Economic analysis of the Issuer's profitability/unprofitability on the basis of the dynamics of the given indexes.

The net profit margin characterizes the rate of return from business activities of the company. That index in 2014 amounted to 28.3 %, in 2015 – 28,0%, in 2015 (3 months) to 36.9 %, in 2016 (3 months) to 57.1 %.

The asset turnover ratio shows how often over a period, usually within one year, there is a complete production cycle and circulation which brings effect in the form of profit. The utilization efficiency by the Issuer of all available resources, irrespective of from where they are sourced, is characterized. This index changed little, if at all for the comparable periods in 2014 and 2015 and correspondingly amounting to 0.13 times and to 0,12 times in 2015 (3 months) and to 0.03 times in 2016 (3 months). The index by years and quarters changes due to a lack of comparability between annual and quarterly net profit.

Profitability ratios, that is the relation between profit (net income) and profit earning means, are characterized by the operating efficiency of the company—productivity or return on financial resources.

The return on assets is the effectiveness of using funds belonging to owners of an enterprise. It serves as the key criterion when assessing the share level on the stock exchange. The return on assets according to net profit shall guarantee the payback of funds invested in the enterprise by its shareholders. This ratio shows what profit the company receives from every Russian rubles invested in assets. The return on assets defining the effectiveness of using the company's property amounted to 3.59 % in 2014 and to 3.36 % 2015 correspondingly, to 1.01 % in 2015 (3 months) and to 1.71 % in 2016 (3 months) correspondingly. The index by years and quarters changes due to a lack of comparability between annual and quarterly net profit

The return on equity shows the utilization efficiency of the Issuer's equity. The return on equity in 2014 and 2015 amounted to 4.28 % and 4,04 % correspondingly, in 2015 (3 months) and 2016 (3 months) to 1.20 % and to 2.04 %. That index by years and quarters changes due to a lack of comparability between annual and quarterly net profit.

4.2. Liquidity of the Issuer, Capital and Fixed Asset Adequacy

Dynamics of indicators characterizing liquidity of the Issuer, calculated on the basis of accounting (financial) statements

Standard (rule), in accordance with which the accounting (financial) statements are prepared, on the basis of which indicators are calculated: **RAS**

Measurement unit for Net Working Capital: million Russian rubles

Indicator	2014	2015	2015, 3 months	2016, 3 months

Net working capital	105 482	74 502	103 707	84 443
Current liquidity ratio	4,22	3,45	3,83	3,56
Quick liquidity ratio	4.11	3,31	3,71	3,41

For the calculation of these indexes, it was used the method recommended by the "Regulations on Disclosure of Information by Issuers of Equity Securities" approved by the Bank of Russia from December 30, 2014 No 454-P.

Economic analysis of liquidity and financial solvency of the Issuer, capital adequacy of the Issuer for performance of short-term obligation and coverage of current operating expenditure on the basis of economic analysis of dynamics of the given indicators, with a description of factors, which, according to the management entities of the Issuer, have the most significant impact on liquidity and financial solvency of the Issuer:

Net working capital shows the amount of current assets financed at the company's own expense, and the amount financed at the expense of bank loans. Net working capital is needed to maintain financial stability of the company, because excess of current assets over short-term liabilities means that the company may not only redeem its short-term liabilities, but has reserves for business expansion. The change at the end of Q1 2016 is inconsiderable.

The current liquidity ratio enables assessment of the current assets per one Russian rouble of current liabilities. This ratio exceeded the standard value for the period under analysis (1.5); as at March 31, 2016 it amounted to 3,56.

The quick liquidity ratio is similar to the current liquidity ratio. It assesses the liquidity of assets. But it is calculated on the basis of a narrower range of current assets when inventories, the least liquid part, are excluded from calculations. This ratio exceeded the standard value for the period under analysis (0.95); as at March 31, 2016 it amounted to 3.41.

On the whole, liquidity ratios show that the company's position is stable.

4.3. Financial Investments of the Issuer

The list of the Issuer's financial investments making up 5 per cent and more of its all financial investments as of the expiry date of the reporting period

Investments of Issuer in equity securities that make up 5 percent or more of all its financial investments at December 31, 2015:

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Zagorskaya PSHP-2**

Abbreviated corporate name of the Issuer: **JSC Zagorskaya PSHP-2**

Location of the Issuer: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

state registration numbers of the securities issues: **1-01-11397-A,**

state registration date: **January 18, 2007**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **53 681 508 646 un.**

total par value of securities owned by the Issuer: **53 681 508 646 Russian rubles**

maturity for bonds and other debt equity securities, as well as to the issuer's options: not applicable to shares

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **60 690 958 886,76 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **There are no preferred shares.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares, preferred shares**

Full corporate name of the Issuer: **Public Joint-Stock Company RAO Energy Systems of East**

Abbreviated corporate name of the Issuer: **PJSC RAO Energy Systems of East**

Location of the Issuer: **46 Leningradskaya St., Khabarovsk, 680021**

INN: **2801133630**

OGRN: **1087760000052**

state registration numbers of the securities issues: **1-01-55384-E from July 29, 2008; 2-02-55384-E from December 08, 2009;**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **equity shares — 36,926,003,431 un., preferred shares — 1 416 245 040 un.**

total par value of securities owned by the Issuer: **equity shares — 18 463 001 716 rubles, preferred shares — 708 122 520 rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **18 495 246 562 rubles.**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Ust-Srednekamskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Ust-Srednekamskaya HPP**

Location of the Issuer: **84 Proletarskaya St., bld. 2, Magadan, 685030**

INN: **4909095293**

OGRN: **1074910002310**

state registration numbers of the securities issues: **1-01-56315-E, 1-01-55315-E**

state registration date: **September 11, 2007,**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia, Bank of Russia**

number of securities owned by the Issuer: **18 809 586 927**

total par value of securities owned by the Issuer: **18 809 586 927,00 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **23 111 468 131,08 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period **In 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Zaramagskiye HPPs**

Abbreviated corporate name of the Issuer: **JSC Zaramagskiye HPPs**
Location of the Issuer: **7A, bldg. 5, Stroitelny passage, Moscow, Russian Federation**
INN: **1505008701**
OGRN: **151301001**
state registration numbers of the securities issues: **1-01-32047-E**
state registration date: **February 27, 2013**
registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**
number of securities owned by the Issuer: **17 933 142**
total par value of securities owned by the Issuer: **17 933 142 Russian rubles**
total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **17 216 207 775,52 Russian rubles**
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **ordinary equity shares in trust management of PJSC RAO Energy Systems of East (rights attached to shares hand in trust management of PJSC Energy Systems)**

Full corporate name of the Issuer: **Joint-Stock Company RHEPP-2 of Yakut**
Abbreviated corporate name of the Issuer: **JSC RHEPP-2 of Yakutsk**
Location of the Issuer: **602office, 23 Dzerzhinskogo, Yakutsk, Yakutia, Republic of Sakha**
INN: **1435269489**
OGRN: **1131447010640**
state registration numbers of the securities issues: **1-01-58921-N from July 29, 2008; 2-02-55384-E from December 08, 2009;**
state registration date: **June 21, 2013**
registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **16 861 500 000 un.,**
total par value of securities owned by the Issuer **16 861 500 000 rubles**
total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **16 861 500 000 rubles.**
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

Information on provisions for impairment of securities.

Provision for impairment of specified financial investments was not created

Details of the provision for impairment of financial investments refer to the annual accounting (financial) statements of the Issuer for 2015, attached to this quarterly report (pp. 30-32).

There are no investments in non-equity securities, amounting to 5 per cent and more of all financial investments at December 31, 2015.

There are no other investments, amounting to 5 per cent and more of all financial investments at December 31, 2015

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Zaramagskiye HPPs**

Abbreviated corporate name of the Issuer: **JSC Zaramagskiye HPPs**
Location of the Issuer: **34 Pervomayskaya Str., Vladikavkaz, the Republic of North Ossetia-Alania, 362003**
INN: **1505008701**
OGRN: **151301001**
state registration numbers of the securities issues: **1-01-32047-E**
state registration date: **February 27, 2013**
registering authorities which carried out state registration of the securities issues: **Federal Financial**

Markets Service of Russia

number of securities owned by the Issuer: **17 933 142**
total par value of securities owned by the Issuer: **17 933 142 Russian rubles**
total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **17 216 207 775,52 Russian rubles**
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2015 and 2016 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **ordinary equity shares, preferred shares**

Full corporate name of the Issuer: **Public Joint-Stock Company RAO Energy Systems of East**

Abbreviated corporate name of the Issuer: **PJSC RAO Energy Systems of East**

Location of the Issuer: **46 Leningradskaya St., Khabarovsk, 680021**

INN: **2801133630**

OGRN: **1087760000052**

state registration numbers of the securities issues: **1-01-55384-E from July 29, 2008; 2-02-55384-E from December 08, 2009;**

registering authorities which carried out state registration of the securities issues: **Federal Financial**

Markets Service of Russia

number of securities owned by the Issuer: **equity shares — 36 926 003 431 rubles, preferred shares — 1 416 245 040 rubles.**
total par value of securities owned by the Issuer: **equity shares — 18 463 001 716,5 rubles, preferred shares — 708 122 520 rubles**
total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **18 495 246 562,12 rubles.**
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Zagorskaya PSHPP-2**

Abbreviated corporate name of the Issuer: **JSC Zagorskaya PSHPP-2**

Location of the Issuer: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

state registration numbers of the securities issues: **1-01-11397-A,**
state registration date: **January 18, 2007**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **53 681 508 646 un.**

total par value of securities owned by the Issuer: **53 681 508 646 Russian rubles**

maturity for bonds and other debt equity securities, as well as to the issuer's options: not applicable to shares

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **60 690 958 886,76 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary share**

Full corporate name of the Issuer: **Joint-Stock Company Ust-Srednekamskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Ust-Srednekamskaya HPP**

Location of the Issuer: **84 Proletarskaya St., bld. 2, Magadan, 685030**

INN: **4909095293**

OGRN: **1074910002310**

state registration numbers of the securities issues: 1-01-56315-E, **1-01-55315-E**

state registration date: **September 11, 2007,**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia, Bank of Russia**

number of securities owned by the Issuer: **18 809 586 927 un.**

total par value of securities owned by the Issuer: **18 809 586 927,00 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **23 111 468 131,08 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company ESC RusHydro**

Abbreviated corporate name of the Issuer: **JSC ESC RusHydro**

Location of the Issuer: **51 Arkhitekora Vlasova St., Moscow, the Russian Federation**

INN: **7804403972**

OGRN: **772801001**

state registration numbers of the securities issues: **1-01-11305-E,**

state registration date: **April 08, 2008**

registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**

number of securities owned by the Issuer: **11 981 227 367 un.**

total par value of securities owned by the Issuer: **11 981 227 367 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **11 832 369367,00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Nizhne-Bureyskaya HPP**

Location of the Issuer: 49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, the Russian Federation

INN: 2813006299

OGRN: 1062813007817

state registration numbers of the securities issues: **1-01-32629-F1-01-55459-E**

state registration date: **January 29, 2013**

registering authorities which carried out state registration of the securities issues: **Federal Financial**

Markets Service of Russia

number of securities owned by the Issuer: **14 610 989 509 un.**

total par value of securities owned by the Issuer: 14 610 989 509.00 Russian rubles

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **14 610 989 509.00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares**

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: 4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:

INN 7814382859

OGRN: 1077847558381

state registration numbers of the securities issues: **1-01-04339-D**

state registration date: **August 24, 2013**

registering authorities which carried out state registration of the securities issues: **Federal Financial**

Markets Service of Russia

number of securities owned by the Issuer: **9 550 150 000,00 un.**

total par value of securities owned by the Issuer: **9 550 150 000,00 00** Russian rubles

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **9 550 150 000,00 00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none.**

Information on created provisions for impairment of securities.

Provision for impairment of these financial investments was not created.

There are no investments of the Issuer in non-equity securities, amounting to 5 per cent and more of all financial investments at March 31, 2016.

There are no other investments, amounting to 5 per cent and more of all financial investments at March 31, 2016.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Open Joint-Stock Company Zagorskaya PSHPP-2**

Abbreviated corporate name: **JSC Zagorskaya PSHPP-2**

Location: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

Investment in terms of money: **2 302 440 757.14**

Unit of measurement: Russian rubles

Income from financial investment facility or procedure for its determination, and repayment period:

Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018.

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Open Joint-Stock Company Zagorskaya PSHPP-2**

Abbreviated corporate name: **JSC Zagorskaya PSHPP-2**

Location: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

Investment in terms of money: **2 859 140270.37**

Unit of measurement **Russian rubles**

Income from financial investment facility or procedure for its determination, and repayment period:

Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018.

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Open Joint-Stock Company Zagorskaya PSHPP-2**

Abbreviated corporate name: **JSC Zagorskaya PSHPP-2**

Location: **101 Bogorodskoye industrial community, Bogorodskoye urban settlement, Sergievo-Posadskiy municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

Investment in terms of money: **400 000 000.00**

Unit of measurement: **Russian rubles**

Income from financial investment facility or procedure for its determination, and repayment period:

Interest rate within the interest period is 9.513 % per annum. Interest is paid according to the payment schedule. Loan repayment term: June 29, 2018.

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, Russian Federation**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **1 197 707 973.06**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 8.242 % per annum. Interest is paid according to the payment schedule. Loan repayment term: December 25, 2019

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, Russian Federation**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **461 542 915.66**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 9.703 % per annum. Interest is paid according to the payment schedule. Loan repayment term: June 29, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **49 Sovetskaya St., Novobureyskiy settlement, Bureyskiy District, Amur Oblast, 676720, Russian Federation**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **2 018 467 041.15**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 9.513 % per annum. Interest is paid according to the payment schedule. Loan repayment term: June 29, 2019

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

Full corporate name of the Issuer: **Joint Stock Company Ust-Srednekamskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Ust-Srednekamskaya HPP**

Location of the Issuer: **84 Proletarskaya St., bldg. 2, Magadan, 685030**

INN: **4909095293**

OGRN: **1074910002310**

Investment in monetary terms: **1 099 143 907.49**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Joint-Stock Company Energy Service Company RusHydro**

Abbreviated corporate name: **OJSC ESC RusHydro**

Location: **51 Arkhitektora Vlasova St., Moscow, 117393, Russia.**

INN: **7804403972**

OGRN: **772801001**

Investment in monetary terms: **2 885 000 000.00**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 9.703 % per annum. Interest is paid according to the payment schedule. Loan repayment term: December 01, 2025

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: **4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:**

INN **7814382859**

OGRN: **1077847558381**

Investment in monetary terms: **11 300 667 870.30**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 0.10 % per annum. Interest is paid according to the payment schedule.

Loan repayment term: April 28, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: **4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:**

INN **7814382859**

OGRN: **1077847558381**

Investment in monetary terms: **9 723 638 661.64**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 9.703 % per annum. Interest is paid according to the payment schedule.

Loan repayment term: June 29, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name of the Issuer: **Joint-Stock Company Hidroinvest**

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: 4/3 Oktyabrya Avenue, Sovetskiy region, Ufa, Republic Bashkortostan:
 INN 7814382859
 OGRN: 1077847558381
 Investment in monetary terms: **1 067 827 100.72**
 Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period:
Interest rate within the interest period is 0.10 % per annum. Interest is paid according to the payment schedule.

Loan repayment term: April 28, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Information on the amount of potential losses connected with bankruptcy of organisations (enterprises), into which investments have been made, by every type of the specified investments: **The amount of potential losses connected with bankruptcy of organisations (enterprises), into which investments have been made, by every type of the specified investments, is limited by the amount of invested funds.**

If the Issuer's funds are placed on deposit or other accounts with banks and other credit organisations, the licenses of which have been suspended or withdrawn, as well as if the decision on reorganisation, liquidation of such credit organisations, initiation of bankruptcy proceedings or recognition of such organisations as insolvent (bankrupt), information on losses (potential losses) connected with such events shall be specified: *none*

Accounting standards (rules), in accordance with which calculations have been made by the Issuer, are specified in this clause of the Quarterly Report: **Prospectus: FD-19/02 "Accounting Regulations "Investment Account" approved by Order of the Ministry of Finance of the Russian Federation from December 10, 2002. No126n.**

4.4. Intangible Assets of the Issuer

As at December 31, 2015

Measurement unit: Russian rubles

Group of intangible asset items	Initial (replacement) cost	Amortization accrued
Intangible assets of the Company	1 415 489 891.43	930 717 366.19
Expenses for research, development, and engineering work	162 468 051.04	-
Patents	48 040 875.29	5 049 252.37
TOTAL	1 625 998 817.76	935 766 618.56

As of March 31, 2016

Measurement unit: Russian rubles

Group of intangible asset items	Initial (replacement) cost	Amortization accrued
Intangible assets of the Company	1 415 489 891.43	997 714 934.91
Expenses for research, development, and engineering work	142 649 209.09	-
Patents	48 040 875.29	5 649 208.13
TOTAL	1 606 179 975.81	1 003 364 143.04

Accounting standards (rules) in accordance with which the Issuer submits information on its intangible assets: RAS 4/99 Financial Statements of the Company (approved by Order of the Ministry of Finance of Russia)

No. 43n dated July 06, 1999); Regulations for Financial Accounting “Intangible Asset Accounting” RAS 14/2000 (approved by order of the Ministry of Finance of Russia No. 91n dated October 16, 2000).

4.5. Information on the Issuer's Policy and Expenses in the Area of Scientific and Technical Development, in relation to Licenses and Patents, New Developments, and Research

The Issuer regularly carries out research and development in order to improve technological processes (to examine properties of materials, condition of equipment, test, etc.) in order to enhance the reliability, safety and effectiveness of HPP operation.

Information on the Issuer's policy in scientific and technical development for the corresponding reporting period preceding the expiry date of the last reporting quarter, including disclosure of expenses on research and development activity financed using the Issuer's own funds in the said reporting period:

For 2015, Tenders concerning the following research and development works were announced by the Issuer:

1. Detailing of hydraulic working modes and capacity discharge of spillway tunnels of PJSC RusHydro's HPPs to mitigate risks when discharging disastrous floods.

1. Testing of prototype mini HPPs with orthographic hydraulic units.

1. Development of design of watertight element (WTE) made of clay cement concrete (CCC) secant piles for an earth dam.

1. Comprehensive assessment of the actual strength of the hydroturbine's elements, operated by HEPS, using of numerical analysis of stress-strain state.

2. Research of new technologies on repair and restore of elements of the GTS with the increase in durability and reliability, development of implementation guide.

1. Research of hydroelectric potential of the Eastern Region of the Russian Federation with preparation of draft area planning scheme for construction of hydro power facilities in the Eastern Region of Russia.

1. Development of technology for the use of the orthogonal turbines in hydropower engineering.

2. Development and test of a pilot prototype phase-chronometric diagnostic suit of HPP hydropower units.

For 3 months of 2016, tenders concerning research and development of following works were announced by the Issuer:

1. Research and development of remote monitoring methods of structures state and operation mode of HPP. Development of assessment method of hydraulic structures state and hydraulic units of HPP, based on the results of monitoring of the amplitude-frequency response characteristics of their oscillations in combination with earth foundation

2. Research of opportunities and development of recommendations for energy efficiency improvement of the main technological cycle of HPP in order to increase power generation.

In 2015 the Issuer received the final results on research and development works.

1. Experimental implementation of complex protection against corrosion and scaling GeoPP contour, based on surfactant species additives.

2. The reliability improvement of Francis turbines due to expansion of the recommended areas of work: a study of the causes of elevated vibrations during the operation of hydraulic units of Sayano-Shushenskaya hydroelectric power station; life tests of mounting studs, covers of hydraulic units of Sayano-Shushenskaya HPP.

3. Research and grounding of HPSPPP with gallery in the Central Federal District of RF.

4. Development of implementation references of the optical measuring current transformers and voltage transformers.

5. Development and testing of a prototype of asynchronized generator GEPS / HPSPP with variable speed. Step 1: Adaptation of the constructions, operating and building HSPP of PJSC "RusHydro" for the introduction of the technology of asynchronized motor generators (ASDG).

6. Research and development of the project of hydropower resources integration of Russia into the global power markets.

7. Research scientific work in the field of technical regulation, including the development of the CS 2012-2017, according to the list.

8. Russian hydropower development program up to 2030 and up to 2050 for further extension.

In 1st quarter of 2016 the Issuer received the final results on scientific research work "Development of repair procedures and new constructions of keys of interblock joints of HPP.

Costs associated with scientific and technological activities at the Issuer's own expense in 2015 amounted to 11.40 million Russian rubles with VAT, for 3 months of 2016 amounted to 18.904 million Russian rubles with VAT.

Information on creation of major intellectual property and its legal protection obtained by the Issuer (including information on the date of issue and the validity periods of patents for invention, a utility model and an industrial design, state registration of trade and service marks, name of the place of origin of commodities), guidelines for and results of the use of the Issuer's major intellectual property.

In 2015 and the 1st quarter of 2016 the Issuer did not create and did not receive the documents on the protection of basic objects of intellectual property.

Principal directions and results of the use of the Issuer's major intellectual property:

Intellectual property items are used to increase the effectiveness of principal processes at all life cycle stages of PJSC RusHydro engineering system.

Due to the uniqueness of items and sector-specific research, development, and engineering works, intellectual property items are not commercially applied currently.

Risk factors connected with the possible expiration of the validity period of patents and licenses to use trademarks essential for the Issuer:

There are no risk factors connected with the possible expiration of the validity period of patents and licenses to use trademarks essential for the Issuer.

4.6. Analysis of Development Trends in the Area of the Issuer's Core Business

Basic development trends of the branch of the economy where the Issuer carries out its core activities:

1. Strategic developments of the sector

Regulation of the Government of the Russian Federation No. 1715-p dated November 13, 2009 approved the Energy Strategy of the Russian Federation until 2030. The main objective of the document is creation of priority growth area of the power industry for the long term until 2030

Currently, the Ministry of Energy of the Russian Federation prepared Energy Strategy project of the Russian Federation, which is being at approval stage for the period until 2035. The strategy project was developed in accordance with the Federal Law No 172-FZ "On the strategic planning in the Russian Federation" of June 28, 2014 and is being an inter-industry document for the power-generating sector (oil, gas, coal, electric power and heat power industry) and for energy as a sphere of government control.

Decree of the Government of the Russian Federation No. 215-P dated February 22, 2008 approved the Master Plan of Power Industry Facilities Allocation until 2020. The key purpose of the Master Plan is the formation, based on current potential and the established sector development priority, of reliable, cost effective and rational generating mix and power supply network facilities, effectively using the country's fuel resources and creating conditions for the prevention of the forecasted deficit of electrical power and capacity most effectively.

Decree of the Government of the Russian Federation No. 2084-p dated November 11, 2013 approves the Area Planning Scheme of the Russian Federation applicable to the power industry.

The document includes new power engineering facilities, planned to be constructed by 2030, as well as expanding power engineering facilities, in respect of which the need for additional land allotment was not determined as along with maps of the scheduled allocation of objects of federal significance for the period until 2030.

It was approved the Development Program of the Unified Energy System of Russia for 2015–2011 (Order of the Ministry of Energy of the Russian Federation No. 627 dated August 09, 2015 "On layout and development program of Unified Energy System for 2015-2016 approval) within implementation of medium term planning tools.

The main objective of the plan and program is assistance in development of networked infrastructure and generating capacities as well as ensuring the satisfaction of long-term and medium-term demand for electric energy and capacity.

A number of regulatory legal documents for supporting the Russian economy was accepted, including the energy industry. The Issuer was included in the list of the country's strategic enterprises, which means it can count on implementation of measures of state support.

Federal Law dated November 24, 2014 No. 366-FZ On Amending Part Two of the Tax Code of the Russian Federation and Certain Legislative Acts of the Russian Federation has indexed since January 1, 2015 the rates of water tax and charge for the use of bodies of water. Indexing is provided annually.

2. Electricity and capacity consumption and production.

According to the report of SO UPS, JSC on operation of Russian UES, consumption of electrical energy in the Russian UES in 2015 amounted to 1008.25 bln kWh (0.55% less than the volume of consumption in 2014), the electricity production of Russian UES in 2015 - is 1 026.8 bln kW • h (0.2% more than in 2014).

According to operation data of SO UPS, JSC for 1st quarter of 2016:

Consumption of electrical energy in the Russian UES amounted to 279.4 bln kWh that is on 1.3% more than in January-March of 2015. Exclusively of the extra day impact of leap year, electricity consumption augmentation was 0.2%.

Electricity production in the Russian UES amounted to 284.6 bln kWh, that is on 1.2% more than in the same period of the previous year. Exclusively of the extra day impact of leap year, electricity consumption augmentation was 0.1%.

8. Innovation development of the power industry and energy efficiency

In accordance with the instructions of the President of the Russian Federation (list of instructions based on the results of work of the Committee under the President of the Russian Federation with respect to modernization and technological development of the economy in June — December 2009 No. IIP-2 dated January 4, 2010) and Government Commission for Advanced Technology and Innovation (Minutes No. 4 dated August 3, 2010), RusHydro PJSC developed and approved (Minutes of the Board of Directors No. 130 dated August 2, 2012) the Innovation Development Program of RusHydro PJSC for 2011–2015 with an outlook until 2021.

According to the appointment of the Prime Minister of the Russian Federation D.A. Medvedev (a list of appointments No DM-P36-6057 from July 25, 2014), actualized innovation development program on 2016-2020 with an outlook for 2025 is developed by the Company.

The program will be formed in accordance with the procedural guidelines and guidance materials accepted at 2015, based on the results of the independent technology audit on RusHydro Group companies, including PJSC RAO Energy Systems of East.

Basic factors influencing the sector:

- GDP growth rates determining demand for electrical power and setting requirements to the quality of electrical power and schedules of its consumption, the level of investment in new capacities;
- Legislative base determining the payback period for projects in the electrical power sector, sources and structure of the investment portfolio of energy companies, the level of competition, etc.;
- Level of state stimulation concerning development of specific types of electrical power generation;
- Condition of fixed production assets used by enterprises in the sector;
- The social and economic situation in the country;
- Accessibility of capital markets, including credit resources;
- Level of payment discipline of electrical power consumers

Assessment of results of the Issuer's activities:

General assessment of the Issuer's results in such sector is positive.

Results of the Issuer's activities correspond to the trends of the sector's development.

The main reasons for the obtained results are effective performance of the Issuer on the wholesale electricity and capacity market, efficient management of expenses and appropriate job management.

RusHydro PJSC was the six among all generating companies participating in the wholesale market as regards Efficiency on the Market in the Final Annual Rating of Association of Non-Profit Partnership Market Council for 2015 (Company had same rating in 2014). As regards Economic Efficiency the Company was also the six.

4.7. Analysis of Factors and Conditions Influencing the Issuer's Activities

Factors and conditions influencing the Issuer's activities and results of its activities:

1. Reliability and safety of equipment and hydropower facilities

Physical wear and technological ageing of fixed assets, enhanced requirements to the reliable and accident-free operation of the Russian Unified Energy System, the growing need for regulating capacity of daily electricity consumption in the European part of the Russian Unified Energy System, the increasing threat of man-made accidents with grave consequences as a result of disintegration of hydropower facilities and generating equipment, and the increased standards of seismic safety at the location of the Issuer's HPPs require special attention to the reliability and safety of assets and funds.

2. Seasons

The Issuer's core business activity has no seasonal nature.

The volume of electrical power generation by the Issuer depends considerably on the available water inflow in the basins of rivers, where its generating capacities are located, and is distributed non-uniformly on an annual basis depending on the season. Additionally, possibilities of forecasting, as well as decisions by authorities regulating water economy relations in the Russian Federation, influence the volume generated.

3. Tariff-making mechanisms

Some of the Issuer's capacities are located in the Far East, where electricity and capacity markets are not expected to be liberalized in the foreseeable future. Prices (tariffs) for electricity and capacity are still subject to state regulation within the Far East. All volumes of electrical energy and capacity in the given territory are sold at adjustable prices (rates) through one buyer in the East UPS and through the guaranteeing supplier in the territory of isolation zones. Tariff settlement for generation is possible only on the basis of the cost plus method. According to this method, inclusion of investments in the tariff is almost impossible. Taking into account the governmental policy aimed at the accelerated social and economic development of the Far East, the tariff-making mechanisms for the region may fail to ensure the profitable operation of the Issuer's generating capacities in the region. The tariff situation applied in the region also does not create economic motivation for improvement of the effectiveness and construction of new generating facilities. At the same time, liberalization of the wholesale market in other regions may fail to guarantee the Issuer's profits sufficiently for cross-subsidy of the Far Eastern region.

4. Russian hydro potential development pace

Russia's undeveloped hydro potential is concentrated in the areas where there are currently no large consumers or the required infrastructure, while the tariff-making model does not provide for the required rate of return on investment. At the same time, development of these territories is a key direction of the Russian regional policy.

5. State support of the Issuer

The specific nature of the Issuer's activity is defined and will be defined subsequently through availability of two basic vectors: the need to resolve state problems while ensuring the Issuer's business value increase.

6. Forming a new model of markets

The forming market model will define in the long term the efficiency and reliability of operation of electrical power plants using renewable energy sources, the development rates of their use, and the degree of compensation for the unique contribution by HPPs to system reliability. Currently, regulatory documents defining the rules of markets (capacity market, system services market, retail markets) are being updated.

7. Participation in securities market grouping

Inclusion of the Issuer's securities in the listing of leading markets imposes strict requirements in terms of information disclosure in accordance with requirements of stock exchanges and market regulators, both Russian and international.

8. Development of electrical power generation based on other renewable energy sources (wind, warmth of the earth, small hydro power, and other energy). The focus on development of electrical power generation based on renewable energy sources in the world, the need to diversify energy sources and reduce load on the environment along with the availability of considerable undeveloped potential of renewable energy sources under the conditions of adopted legislation supporting generation in pricing zones of the wholesale market in the Russian Federation open up fresh opportunities for development of electrical power generation based on the renewable energy sources both at the wholesale and retail markets. The Issuer prepares projects for participation

in competitive selection at the wholesale market, implements pilot projects on construction of RES generation facilities in isolation zones of the Far East for subsequent transition to implementation of the full-scale programs.

9. Possibilities of related sectors

Research and development, design and survey, engineering and construction sectors have sustained considerable losses in the past few decades due to the low demand for their products and services. Limitations caused by the shortage of goods and services in these markets may considerably affect the rate of the Issuer's development.

10. Staff assistance

One of the most acute problems of large-scale hydro power development is the shortage of engineering and technical personnel.

11. Global climate change

The problem of climate change has increasingly greater direct influence on the Issuer's activities, which is represented in complication of forecasting water regimes due to the growth in deviations of hydrographs and weather records.

12. Inflation influence

It should be noted a significant inflation rate influence on the financial results of the Issuer. It can lead to an increase in the Issuer's expenses and, as a consequence, to the slump of profit and efficiency of the Issuer's activities. In addition, inflation rate is associated with cost increase of loan funds for the Issuer that is characterized by a risk of shortage of working assets of the Company.

Forecast concerning duration of the specified factors and conditions

The given factors and conditions may have a great impact on the Issuer's activity within the next several years.

Steps taken or planned to be taken by the Issuer in the future for the effective use of these factors and conditions:

- Overcoming the trends of growing obsolescence and physical deterioration of equipment, raising reliability and safety of hydro power plants at the expense of the Complex Modernization Program for Generating Facilities.
- Balanced development meeting the interests of all groups of shareholders, new schemes of financing and property distribution, including efforts to determine forms of and procedure for the state's participation in the Issuer's projects;
- Opening opportunities and submitting projects to the state and regions concerning industrial, infrastructural, and social development requiring operation of hydro power plants and constant demand for their output;
- Assistance in forming a model of markets ensuring efficiency of RES construction and ensuring adequate compensation for the Issuer's contribution to system reliability;
- Development of competencies with regard to work in publicity conditions, meeting the requirements of the investment community and minority shareholders, and also using the best corporate management practices;
- Developing an effective system of interaction with key participants of resource markets, reduction of risks through businesses diversification, support for sectoral science and innovation technologies;
- Creating an effective system of engineering personnel training, including the system of interaction with specialized educational institutions, and also mechanisms stimulating an inflow of personnel into the sector, as well as development of professional knowledge and skills;
- Creation of the water regimes forecasting and observation system. Methods used and planned to be used by the Issuer to reduce the negative effect of factors and conditions affecting the Issuer's activities:
 - Strategic planning;
 - Investment planning;
 - Business planning;
 - Budget planning;
 - Tax planning;
 - Corporate management;
 - Applying modern motivation systems;
 - Enhancing financial control and introducing a cost-cutting program;

- improvement in turnover of working assets due to changes of contractual relationships with consumers.

Material events/factors that may have the largest negative effect on the possibility for the Issuer to achieve the same or higher results in the future, as compared with the results achieved in the latest accounting period:

Material events/factors that may have the largest negative effect on the possibility for the Issuer to achieve high results in the future are as follows:

- Unfavourable tariff decisions, including establishing tariff levels insufficient for the financing of necessary expenditures on technical reconstruction, modernization, and further construction of the Issuer's facilities;

- High capital intensity and long implementation periods for projects on HPP construction. The projects for hydro power plant construction form the basis for the Issuer's development. However, they are capital-intensive and are characterized by the long periods of their implementation; in addition, expenses on construction of electricity grids for the supply of electrical power generated by HPPs are in many cases also extremely large. Therefore, these projects, as a rule, are characterized by low economic efficiency;

- Uncertainty of the demand for electrical power, both due to decrease in investment in construction of new production facilities, and due to closure of ineffective operating hydro power facilities, to which the functional generating capacities were oriented;

- Failure to adopt the required regulatory acts in the field of electricity and capacity markets. Hydro power engineering can currently be viewed as one of the means of controlling the growth of electricity tariffs and prices in the crisis conditions;

The Issuer assesses the probability of occurrence of these factors as average.

Material events/factors that may improve the results of the Issuer's activities, the probability of their occurrence and their duration:

Material events/factors that may improve the Issuer's activities include factors influencing the sector as a whole. In order to function more effectively in new conditions, the Issuer is required to:

- Implement the developed long-term Program for Complex Modernization of the Issuer, including programs providing for the increase in the installed capacity, manoeuvrability and control of equipment operational modes, technological process automation, and the use of new technologies, allowing avoidance of dangers connected with the wear and ageing of equipment, reducing the threat of accidents, and raising the efficiency of operation of existing facilities;

- Address the tasks faced by the Issuer's management: on increasing operating performance, quality of corporate management in view of the necessity to meet the requirements of the investment community to public companies;

- Stimulate the demand of large consumers for electrical power generated by HPPs, joining strategic alliances with federal companies interested in the implementation of cluster development projects;

- Assist in development of the organisational chart of regional development management — corporations for regional development;

- Apply long-term tariff regulation using the return on investment approach in non-price zones and isolated power districts, and to that effect be fully engaged in the FAS of Russia's development of additional methodology instructions concerning price (tariff) formation in technologically isolated territorial energy systems according to the return on investment method within the implementation of the Regulation of the Government of the Russian Federation No. 1178 dated December 29, 2011.

- Assist in practical application of the procedure for conclusion of bilateral agreements between new generating facilities and consumers at a price not exceeding the threshold level of adjustable prices/tariffs within the approved Rules for Retail Electricity and Capacity Markets.

- Assist in adopting the rules for capacity markets and system services, ensuring adequate compensation for the contribution of PSHPPs to system reliability and safety;

- Assist in adoption of enactments focused on ensuring state support of RES use and RES projects payback in non-price and isolation zones of the electricity and capacity market.

The likelihood of the first two events/factors is assessed by the Issuer as high, and that of the remaining as medium.

4.8. Competitors of the Issuer

Apart from RusHydro PJSC, the major part of generating assets of the country is concentrated in several large holding companies

No.	Holding company	Generating companies that are members of the holding
1	State Corporation «Rosatom»	SC «Rosenergoatom Concern» PJSC «PPIM CU» SC «SCC» CJSC Vetro OGK
2	PJSC «INTER RAO»	SC «INTER RAO — Electric Power Plants» OJSC (includes assets of the former JSC «OGK-1» and JSC «OGK-3») SC «TGC-11» LLC «Bashkir Generation Company»
3	SC «EuroSibEnerg»	PJSC «Irkutskenergo» PJSC «Krasnoyarskaya HPP» LLC «Avtozavodskaya TPP GAZ» SC «EnSer» LLC «Novokondrovskaya TPP»
4	LLC «Gazprom Energoholding»	JSC «TGC-1» PJSC «Mosenergo» PJSC OGK-2 (includes assets of the former JSC «OGK-2» and JSC «OGK-6») PJSC «MIPC» (Moscow Integrated Power Company)
5	PJSC «T Pluse»	JSC «TGC-5» JSC «TGC-6» JSC «TGC-7» (JSC «Volga TGC») JSC «TGC-9»
6	JSC «E.ON Russia»	JSC «OGK-4»
7	PJSC «Enel Russia»	JSC «OGK-5»
8	LLC «SGC»	JSC «Kuzbassenergo» (JSC «TGC 12») SC «Yenisei TGC» (JSC «TGC 13») SC «Krasnoyarsk TPP-1 Kansk TPP» SC «Nazarovo GRES» SC «Kemerovo generation» SC «Barnaul TPP-3» SC «Barnaul generation» SC «Kuznetsk TPP» SC «Novo-Kemerovo TPP»
9	PJSC «LUKOIL»	LLC «LUKOIL-Kubanenergo» LLC «LUKOIL-Rostovenergo» LLC «LUKOIL-Astrakhanenergo» LLC «LUKOIL-Volgogradenergo» LLC «LUKOIL-Ecoenergo (TGC 8)» LLC «LUKOIL-Stavropolenergo»
10	LLC «RU-COM»	SC «SIBECO» (former CSC «Novosibirskenergo») SC «Biyskenergo»
11	Sintez Group	JSC «TGC-2»
12	Onexim Group	PJSC «Kvadra» (TGC-4) LLC «Shekinskaya GRES» Kursk TPP-4
13	JSC «Fortum»	JSC «Fortum» (TGC-10)
14	JSC «RZHD» (Russian Railways)	P JSC «TGC-14»
15	JSC «TAIF»	JSC «TGC-16»

The list of the Issuer's competitiveness factors with a description of their degree of influence, in the Issuer's opinion, on the competitiveness of products (works, services):

1. Environmental friendliness. Hydro resources are renewable and the most ecological source of energy, the use of which makes it possible to cut discharges into the atmosphere by thermal electrical power plants and to preserve hydrocarbon reserves.

2. A high degree of manoeuvrability because it is HPPs that are the most manoeuvrable and capable, if necessary, of substantially increasing the volumes produced in just a few minutes covering peak loads.

3. Absence of a fuel component in production cost, independence from changes in prices for energy sources and, as a consequence, the possibility of long-term price guarantees for consumers.

The Issuer's analogue company abroad:

No.	Company	Installed capacity, MW
1	China Three Gorges Corporation (China)	64 540
2	Eletrobras (Brazil)	44 156
3	Hydro-Québec (Canada)	36 912
4	United States Corps of Engineers (USCE) (USA)	20 475
5	Statkraft (Norway)	18 471
6	Edelca (Venezuela)	15 420
7	US Bureau of Reclamation	14 722
8	BC Hydro (Canada)	12 568

There are a number of generation companies in the world of which capacities are based on hydro power plants.

1. China Three Gorges Corporation (China) – 64 540 MW is the largest hydro generation company in the world. The largest HPP are Three Gorges 22 500 MW, Xiluodu 13 860MW, Xiangjiaba 6400 MW, Gezhouba (2 735 MW)... The company is in 100 % state property.

2. Brazilian Eletrobras (44 156 MW) is the second largest hydro generation company in the world. At the same time, it is the largest generation company of Brazil and Latin America. Its assets include a number of large HPPs, including Itaipu HPP at the Parana River 14 000 MW, the second in terms of capacity in the world. The company is controlled by the state, which holds 54 % of its shares.

3. Canadian Hydro-Québec (36,912 MW), the largest generation company of Canada, which played a great role in the economic development of the Province of Quebec. The company's assets include a great number of HPPs, including large cascades at the Manicouagan and La Grande rivers. The company is held by authorities of the Province of Quebec.

4. The United States Corps of Engineers (USCE) - 20 475 MW. It is not an energy company in the truest sense of the word, but a state office engaged in construction and operation of HPPs (electricity is sold by other state structures).

5. Norwegian Statkraft — 18 471 MW. It is the largest energy producer in Norway and the third in Scandinavia. About 150 HPPs are held by the company, the majority with storage reservoirs for multi-annual regulation. The company is a 100 % state company.

6. Venezuela Edelca - 15 420 MW. The main asset of the company is Guri HPP on the Caroni River, with a capacity of 10.2 GW, which is third in the world in terms of capacity. The company ensures the majority of the power supply of Venezuela and is fully controlled by the state.

7. The US Bureau of Reclamation - 14 722 MW. Again, it is not an energy company in traditional sense, but it operates a variety of HPPs, including the famous Hoover Dam.

8. Canadian BC Hydro - 12 568 MW, the largest electricity producer in the province of British Columbia. The company holds 30 HPPs, and the company is held by authorities of the province.

Issuer's competitors on the Electrical Power Market of Armenia

In 2011, PJSC RusHydro acquired 90 % of the shares of Sevano-Razdanskiy Cascade of HPPs with a total capacity of 562 MW of installed capacity in the Republic of Armenia. Thereby, in entering the electrical power market of Armenia, PJSC RusHydro has occupied a substantial share of that market.

The Issuer's competitors in Armenia.

Generation object	Type	Installed capacity, MW	Generating companies	Parent company
Vorotanskiy Cascade of HPPs	HPP	404	CJSC Vorotanskiy Cascade of HPPs	Contour Global (USA)

Dzoragetskaya HPP	HPP	25	CJSC Dzora HPP	Offshore company Global-Contact
Small HPPs	HPP	66	SHPPs	Private Investors
Armenian NPP	NPP	440	CJSC Armenian NPP	Government of Armenia
Razdanskaya TPP	TPP	1,110	LLC RazTES	PJSC Inter RAO UES
Erevanskaya TPP	TPP	271	CJSC Erevanskaya TPP	Government of Armenia

V. Detailed Information on Members of the Issuer's Management Entities, the Issuer's Bodies, Monitoring Financial and Economic Activities, and Backgrounds of the Issuer's Employees (Workers)

5.1. Information on Structure and Terms of Reference of the Issuer's Management Entities

Charter of the Company in the new edition (Protocol No 13 of June 27, 2014) was approved by General Meeting of Shareholders of the Company in June 26, 2015

Full description of the structure and competence of the Issuer's management entities pursuant to the Issuer's Charter (constituent documents):

The management entities of the Issuer:

General Meeting of Shareholders;

Board of Directors.

The executive bodies of the Issuer:

Management Board, the collective executive body;

Chairman of the Management Board, CEO, the sole executive body.

The competence of the General Meeting of Shareholders is specified in Article 10 of the Issuer's Charter:

"10.2. The General Meeting of Shareholders shall have the competence to:

- 1) Amend the Charter or approve a restated version of the Charter;
 - 2) Reorganize the Company.
 - 3) Liquidate the Company, appoint the Liquidation Commission, and approve the interim and final liquidation balance sheets.
 - 4) Determine the quantity, par value, and category (class) of the declared shares and the rights provided by the said shares.
 - 5) Increase the Company's authorized capital by way of raising the par value of shares or by placing additional shares as specified in the Federal Law On Joint-Stock Companies;
 - 6) Reduce the Company's authorized capital by reducing the par value of shares, by acquiring a part of the shares for the Company to reduce their total quantity, as well as by cancelling shares acquired or redeemed by the Company;
 - 7) Split and consolidate shares in the Company;
 - 8) Pass a resolution on placement by the Company of bonds convertible into shares and other equity securities convertible into shares;
 - 9) Elect members of the Company's Board of Directors and terminate their powers;
 - 10) Elect members of the Company's Internal Audit Commission and terminate their powers;
 - 11) Approve the Company's Auditor;
 - 12) Approve annual reports, annual accounting (financial) statements, including profit and loss statement of the Company, as well as distribute profits (including pay (declare) dividends, with the exception of profits distributed as dividends for the first three, six or nine months of the financial year) and losses incurred by the Company in the financial year;
 - 13) Pay (declare) dividends for the first three, six or nine months of the financial year;
 - 14) Decide on approval of major transactions in cases provided in the Federal Law On Joint-Stock Companies;
 - 15) Decide on approval of transactions in cases provided in the Federal Law On Joint-Stock Companies;
 - 16) Decide on participation in financial and industrial groups, associations and other groups of commercial organisations;
 - 17) Approve internal documents governing the activities of the Company's management and supervisory bodies;
 - 18) Decide on payment of remuneration and/or compensation to members of the Internal Audit Commission;
 - 19) Decide on payment of remuneration and/or compensation to the members of the Company's Board of Directors;
 - 20) Decide on handling the application for delisting the Company's shares and/or the Company's equity securities convertible into its shares;
 - 21) Resolve other matters as provided for by the Federal Law on Joint-Stock Companies.
- 10.3. Matters falling under the competence of the General Meeting of Shareholders shall not be transferred to the Board of Directors, Management Board and sole executive body of the Company.

The General Meeting of Shareholders may not discuss or decide on any issues outside its competence pursuant to the Federal Law On Joint-Stock Companies.

The competence of the Issuer's Board of Directors is specified in Article 12 of the Issuer's Charter:

"12.1. The Board of Directors shall exercise general management of the Company's activities, except for the matters that fall under the competence of the General Meeting of Shareholders pursuant to the Federal Law On Joint-Stock Companies and the Charter.

Competence of the Board of Directors shall include the following issues:

1) Determine priority areas of the Company's activities and approve long-term development programs of the Company (including the Company's investment program, the Company's development strategy, and examining reports on implementation of the Company's development strategy);

2) Convene annual and extraordinary General Meetings of Shareholders and pass resolutions on issues related to the calling, preparing, and holding General Meetings of Shareholders;

3) Place the Company's bonds and other equity securities, unless otherwise stipulated under the Federal Law On Joint-Stock Companies and this Charter;

4) Approve resolutions on the issue (additional issues) of securities, prospectus of securities, reports on acquisition of shares from the Company's shareholders, reports on redemption of shares, reports on the results of requests by the Company's shareholders concerning buyout of shares held by them;

5) Determine the price (monetary value) of property, the price of placement or the procedure for determining the price of equity securities placement and the price of repurchase of the Company's equity securities, as stipulated under the Federal Law On Joint-Stock Companies and when resolving the issues stated in Subclauses 7, 20, and 21 of Clause 12.1 of this Charter;

6) Acquire shares, bonds, and other securities issued by the Company as stipulated under the Federal Law On Joint-Stock Companies or other federal laws;

7) Dispose of (sell) the Company's shares acquired by the Company as a result of purchase or buyout of shares from the Company's shareholders or otherwise in accordance with laws and regulations of the Russian Federation;

8) Determine the number of members in the Company's Management Board, elect the Management Board's members, determine remuneration and compensation payable to them, terminate their powers, including decisions on termination of their contracts;

9) Elect the Chairman of the Management Board, CEO and terminate his/her powers, including passing a resolution terminating his/her labour contract, apply disciplinary penalties and incentives to the Chairman of the Management Board in accordance with labour laws of the Russian Federation, and pass resolutions on nominating the Chairman of the Management Board for national and industry awards;

10) Authorise an individual acting as the sole executive body and members of the Management Board to hold posts in management bodies of other companies, as well as other paid positions in other companies;

11) Elect the Chairman and Deputy Chairman of the Board of Directors and terminate their powers;

12) Form committees of the Company's Board of Directors, elect members of committees of the Board of Directors, and approve regulations for the committees of the Company's Board of Directors;

13) Elect the Corporate Secretary of the Company and terminate his/her powers;

14) Approve (adjust) the Company's key performance indicators, business plan of the Company, and review reports on their implementation;

15) Determine remuneration payable to the Auditor;

16) Give recommendations to the General Meeting of Shareholders for dividend on shares, payment term and date at which persons entitled to dividends are determined;

17) Approve internal documents of the Company establishing the procedure for formation and use of the Company's funds, and pass decisions on the use of the Company's funds;

18) Approve internal documents of the Company, other than internal documents to be approved by the General Meeting of Shareholders or delegated to the executive bodies of the Company, and approve internal documents drafted for the purpose of compliance with the requirements of laws and regulations of the Russian Federation and securities market organiser's regulations for issuers, the shares of which are traded on the stock market;

19) Establish affiliates and open representative offices of the Company, liquidate them and locations of affiliates and representative offices;

20) Adopt resolutions on participation and termination of participation of the Company in other companies (except for the companies specified in Subclause 16 of Clause 10.2 of Article 10 of the Charter);

21) Give prior approval of decisions on the Company's entering into:

a) Transactions with non-current assets of the Company in excess of ten (10) per cent of the balance sheet value of such assets of the Company as at the date of the decision to enter into such transaction;

b) Transactions (several associated transactions) involving disposal or potential disposal of the Company's property making fixed assets, intangible assets, and construction in progress in cases (amounts) and in a manner subject to individual resolutions to be passed by the Company's Board of Directors;

c) Transactions with shares and interest of companies, where the Company has a share, in cases (amounts) and in a manner specified by the Company's Board of Directors, or in other cases when the procedure for making such decisions by the Company's Board of Directors is not established.

22) Determine the Company's lending policy in respect of the issue of loans by the Company, entering into credit agreements and loan agreements, issue of guarantees, assumption of liabilities under a bill (issue of promissory notes or bills of exchange), and passing decisions on the Company's effecting the said transactions, where the procedure for making decisions thereon is not defined in the lending policy of the Company, and passing decisions in accordance with the accepted lending policy;

23) Take decisions on the Company's transactions associated with transfer of the Company's property without compensation or property right (claims) to itself or to third parties; transactions associated with release from property obligation before itself or before third parties; transactions associated with rendering services (performing works) by the Company to third parties without compensation, in cases (amounts) determined by separate decision of the Board of Directors;

24) Approve major transactions, provided by the Federal Law On Joint-Stock Companies;

25) Approve transactions, provided by the Federal Law On Joint-Stock Companies;

26) Approve the Company's registrar and terms and conditions of his/her contract;

terminate contract with the registrar;

27) Give recommendations for a voluntary or obligatory proposal received by the Company for the purchase of the Company's shares as well as other equity securities convertible into Company shares;

28) Define the attitude of the Company (representatives of the Company), including instructions to participate or not to participate in voting on items on the agenda, vote for or against or abstain from voting with respect to the following items on the agenda of the management bodies of subsidiaries and affiliates unless otherwise determined by individual decision of the Directors Board of the Company:

a) Concerning reorganisation or liquidation of affiliate;

b) Concerning determination of the quantity, par value, and category (class) of the declared shares of the affiliate and the rights provided by the said shares;

c) Concerning an increase in the authorized capital of the affiliate through an increase in the par value of shares or placement of additional shares;

d) Concerning placement of the affiliate securities convertible into equity shares;

e) Concerning splitting or consolidation of the affiliate shares;

f) Concerning acquisition by the affiliate of shares (interest in the authorized capital) of other business companies, including in case of incorporation of companies, if the price of such transaction is 15 per cent and more of the balance value of the affiliate's assets, determined based on the affiliate's accounting (financial) statements as at the last reporting date;

g) Concerning approval of major transactions to be entered into by the affiliate;

h) Concerning entering into transactions by the affiliate (including several associated transactions) that involve disposal or potential disposal of the affiliate's property comprising fixed assets, intangible assets, and construction in progress, designated for production, transmission, dispatching, and distribution of electricity and heat in cases (amounts) determined by individual decision of the Company's Board of Directors;

i) Concerning transactions made by the affiliate for disposal, pledge or other encumbrance (by making one or more related transactions) of shares and interest of secondary subsidiaries and affiliates producing, transferring, dispatching, distributing, and selling electric and heat power.

29) Determine the policy of the Company in the area of insurance coverage for the Company and approve the Insurer for the Company;

30) Determine the procurement policy of the Company, including Regulations for the Procedure for the Regular Procurement of Goods, Works, and Services, and take decisions in accordance with the approved Regulations;

31) Approve the procedure for the selection of the appraisers and/or candidate appraiser(s) to estimate the value of shares, property, and other assets of the Company as provided for by the Federal Law On Joint-Stock Companies, this Charter, and individual resolutions of the Company's Board of Directors;

32) Examine the Company's corporate structure;

33) Approve the collective agreement;

34) Increase the Company's authorized capital through placement of additional shares within the number of authorized shares taking into account limitations established by the Federal Law On Joint-Stock Companies and this Charter;

35) Make a decision on filling an application for listing the Company's shares and/or the Company's equity securities convertible into its shares in cases set forth in the Federal Law On Joint-Stock Companies and other regulations of the Russian Federation;

36) Approve general risk management and internal control policy;

37) Give recommendations to executive bodies of the Company for any issues relating to the Company's activities;

38) Take decisions on other matters related to the competence of the Board of Directors by the Federal Law On Joint-Stock Companies and this Charter.

12.2. Matters related to the competence of the Company's Board of Directors may not be transferred to the sole executive body and the Management Board for resolution.

The Issuer's executive bodies:

Under Clause 17.1 of Article 17 of the Issuer's Charter, control over the Company's current activities shall be undertaken by the sole executive body: Chairman of the Management Board—CEO of the Company and the collegial executive body—Management Board of the Company.

The competence of the Issuer's Management Board is specified in Article 18 of the Issuer's Charter:

"18.2. The Management Board of the Company shall be competent to:

1) Develop and submit to the Board of Directors priority areas of the Company's activities and long-term implementation plans;

2) Prepare reports on the implementation of decisions passed by the General Meeting of Shareholders and the Company's Board of Directors;

3) Submit to the Company's Board of Directors reports on reaching basic performance indicators by the Company and implementation of the Company's business plan;

4) Approve (adjust) the Company's budget;

5) Define the attitude of the Company (representatives of the Company), including instructions to participate or not to participate in voting on items on the agenda, vote for or against or abstain from voting with respect to the items on the agenda of the management bodies of subsidiaries and affiliates:

a) Concerning approval (adjustment) of the key performance indicators (KPI) of the affiliate and consideration of reports on their fulfilment;

b) Concerning participation of the affiliate in other entities (joining an existing entity or establishing a new one), and acquisition, disposal or encumbering of shares and interests in the authorized capital of entities, in which the affiliate participates, changing of interests in the authorized capital of the relevant entity, except for issues attributed to the exclusive competence of the Company's Board of Directors;

c) Concerning determination of the attitude of the affiliate representatives on items on the agenda of management bodies of the affiliate's subsidiaries and affiliates with respect to entering into (approval of) transactions (including several associated transactions) involving disposal or potential disposal of property comprising fixed assets, intangible assets, or construction in progress designated for production, transmission, dispatching, and distribution of electricity and heat;

d) Concerning determination of the attitude of the affiliate representatives on items on the agenda of management bodies of the affiliate's subsidiaries and affiliates engaged in production, transmission, dispatching, distribution, and sale of electricity and heat, relating to reorganisation, liquidation, increase of the authorized capital through an increase in the par value of shares, placement of additional shares or issue of securities convertible into equity shares;

6) The Company's nomination of persons to be elected to the sole executive bodies, other management bodies, control bodies, and nomination of the auditor for organisations, in which the Company participates;

7) Functions performing of the supreme management bodies of business companies, in which one hundred (100) per cent of the authorized capital is held by the Company;

8) Address the Board of Directors for recommendations in relation to the adoption of resolutions on any aspect of the Company's activity;

9) Decide on other issues of management of the Company's day-to-day operations pursuant to resolutions of the General Meeting of Shareholders and the Board of Directors and issues referred to the Management Board by the sole executive body of the Company.

The competence of the Issuer's Chairman of the Management Board is specified in Article 19 of the Issuer's Charter:

"19.1. All matters related to the management of the Company's day-to-day operations, except for any issues falling within the competence of the General Meeting of Shareholders, the Board of Directors, or the Management Board of the Company, shall fall under the competence of the sole executive body.

The sole executive body shall act on behalf of the Company without a power of attorney, including as follows:

1) Conduct transactions on behalf of the Company, issue powers of attorney, open current and other accounts for the Company;

2) Dispose of the Company's property at its discretion subject to restrictions stipulated by the effective laws and regulations and the Company's Charter;

3) Hire and dismiss employees of the Company and apply incentives and disciplinary penalties to them;

4) Arrange the work of the Company's Management Board and preside over its meetings;

5) Submit proposals for appointment and dismissal of the Management Board's members to the Board of Directors for consideration;

6) Approve the Company's staffing table and official salaries;

7) Ensure implementation of the Company's business plans necessary to attain the Company's objectives;

8) Approve Regulations on the Company's branches and representative offices, appoint directors of the Company's branches and representative offices;

9) Arrange maintenance of accounting records and accounting (financial) statements in the Company;

10) Issue orders, approve directives and other internal documents of the Company related to matters falling under the competence of the sole executive body, and give instructions binding upon all employees of the Company;

11) Address other matters in the day-to-day operations of the Company with the exception of issues falling under the competence of the General Meeting of Shareholders, the Board of Directors, and the Management Board of the Company."

Information on the Issuer's code of corporate management or other similar document.

The Code of Corporate Governance of PJSC RusHydro is approved by the Issuer's Board of Directors (Minutes No. 94 dated April 02, 2010).

Information on changes in the Issuer's Charter as well as internal documents governing activities of its management bodies for the last reporting period:

In June 26, 2015, by General Meeting of Shareholders of the Company it were approved the Charter of the Company in the new edition, the Regulation on the procedure of convening and holding of the General Meeting of Shareholders in the new edition, the Regulation on the procedure of convening and holding of the Board of Directors meetings in the new edition, the Regulation on the Auditing Committee of the Company in the new edition, the Regulation on the Board of directors of the Company in the new edition (protocol No13 of 06.27.2014).

The public registration of the Company's Charter in the new edition was in June 07, 2015.

5.2. Information on Members of the Issuer's Management Entities

5.2.1. Composition of the Board of Directors (Supervisory Board) of the Issuer

(approved by resolution of the General Meeting of Shareholders on June 26, 2015)

Full name: *Avetisyan Artem Davidovich*

Born in: *1957*

Education: *Higher education, Finance Academy under the Government of the Russian Federation, specialty - "Electric power plant valuation a activity" Finance and Credit ", year of graduation - 1979- 1998.*

Positions held by this person in the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2008	To 2011	SC «NEO Centre»	President
2004	present	JSC Regional credit Commercial Bank	Chairman of the Board of Directors
2011	2015	Agency of Strategic Initiatives for new projects promotion, Autonomous Nonprofit Organization	Department Director of "New Business"
2012	present	MSP Bank JSC FGC UES	Member of Supervisory board
2012	2015	JSC Rosselkhozbank	Member of the Board of Directors
2013	2014	JSC Russian racetracks	Member of the Board of Directors
2003	2014	JSC RZD	Chairman
2013	2015	JSC Rosagroleasing	Member of the Supervisory Board
2014	present	LLC NEO Centre	Vice-President
2015	present	PJSC RusHydro	Member of the Board of Directors
2015	present	LLC Uniastum Commercial Bank	President

Share of the person in the authorized capital of the Issuer, %: has no

Share of the Issuer's equity shares held by the person, %: has no

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Strategy and Investment Committees under the Board of Directors of PJSC RusHydro.**

Full name: ***Maksim Sergeevich Bystrov***

Born in: ***1964***

Education: ***Higher education, Moscow Institute of Civil Engineering named after V.V. Kuybyshev, Hydraulic Engineering of River Installations and Hydro Power Plants, graduation year: 1986; Russian Academy for Foreign Trade, Global Economics, graduation year: 1998.***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2010	2013	Administration of the President of the Russian Federation	Deputy Plenipotentiary of the President of the Russian Federation in North Caucasian Federal District
2012	present	LLC Managing Company Airport Mineralnye Vody	Chairman of the Board of Directors, member of the Board of Directors
2013	present	SC Northern Caucasus Resorts	Chairman of the Board of Directors, member of the Board of Directors
2013	present	PJSC RusHydro	Member of the Board of Directors
2013	present	NP Market Council	Acting Chairman of the Management Board, Chairman of the Management Board
2013	present	JSC ATS	Chairman of the Management Board
2014	present	FGC UES, PJSC	Member of the Board of Directors
2014	present	JSC SO UES	Chairman of the Board of Directors, Member of the

		Board of Directors
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Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:
- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Investments Committees under the Board of Directors of PJSC RusHydro as well as a member of the Audit Committee and Human Resources and Compensation Committee under the Board of Directors of RusHydro JSC.**

Full name: ***Evgeniy Vyacheslavovich Dod***

Born in: ***1973***

Education: ***Higher education, Moscow Aeronautical Institute (State Technical University), major — economics and management in machine building, graduation year: 1995***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2008	2012	PJSC INTER RAO	Member of the Board of Directors
2008	present	All-Russia Association of Employers Russian Union of Industrialists and Entrepreneurs	Member of the Management Board
2008	present	LLC Russian Union of Industrialists and Entrepreneurs	Member of the Management Board
2009	2012	PJSC Irkutskenergo	Member of the Board of Directors
2009	2015	PJSC RusHydro	Chairman of the Management Board, Chairman of the Management Board — General Director
2010	present	PJSC RusHydro	Member of the Board of Directors
2009	2010	JSC SO UPS	Member of the Board of Directors
2011	2014		
2010	2011	JSC FSC	Member of the Board of Directors
2010	2013	Russian Regional Development Bank (SC)	Member of the Supervisory Board

2010	present	NP Hydraulic Power of Russia	Member of the Supervisory Board
2011	2013	JSC ATS	Member of the Board of Directors
2011	present	ANO International Sustainable Energy Development Centre	Member of the Board of Governors
2012	present	RNC WEC	Member of the Presidium
2013	present	Not-for-profit Charitable Fund Soprichastnost	Member of the Board of Guardians and of the Board of the Fund
2014	2015	RusHydro International B.V.	Member of the Supervisory Board
03.2016	present	PJSC Kwadra	Member of the Board of Directors Chairman of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **0.118435**

Share of the Issuer's equity shares held by the person, %: **0.118435**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Not a member of the Committees under the Board of Directors of PJSC RusHydro.**

Full name: ***Viktor Mikhaylovich Zimin***

Born in: ***1962***

Education: ***Higher education, Tomsk State Architectural and Construction University, major — Cars and Vehicle Fleet, Engineer, graduation year: 2007***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	present	Government of the Republic of Khakassia	Chairman of the Government of the Republic of Khakassia, Head of the Republic of Khakassia — Chairman of the Government of the Republic of Khakassia

2010	present	PJSC RusHydro	Member of the Board of Directors
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Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specific action of the committee(s); **Is a Member of the Investment Committee under the Board of Directors of PJSC RusHydro.**

Full name: **Sergey Nikolaevich Ivanov**

Year of birth: **1961**

Education: **Higher**, Moscow Engineering Physics Institute, faculty - Theoretical Nuclear Physics, year of graduation - 1984; Doctor of Science, Economic - 2007; Professor - 2010; Corresponding Member of the Russian Academy of Natural Sciences - 1999.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
1992	present	JSC ERC	Member of the Board of Directors
2003	present	ANO National Energy Security Institute	Chairman of the Board
2007	2013	OJSC Small Energy	Member of the Board of Directors
2010	present	JSC ERC	Acting of Director General, Director General
2012	2015	LLC LENSENT	Director General of the managing company
2013	2014	PJSC RusHydro	Member of the Board of Directors
2002	2015	JSC INVESTMENT RESEARCH AND PC RUSSIAN ENERGY TECHNOLOGIES	Member of the Board of Directors
2012	2013	OJSC Exhibition pavilion "Electrification"	Member of the Board of Directors
2012	2013	CJSC Sberkred Bank	Member of the Board of Directors
2013	present	LLC Lisiteya	Director General of the

			managing company
2013	present	LLC Pasiphe	Director General of the managing company
2013	present	LLC Metida	Director General of the managing company
2013	present	LLC Amalteya	Director General of the managing company
2013	present	LLC Oberon	Director General of the managing company
2014	2015	CJSC Wood chemical complex of Novoyeniseysk	Member of the Board of Directors
2011	present	JSC Corporation Nechernozemagropromstroy	Member of the Board of Directors, Director General
2015	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is Chairman of the Audit Committee under the Board of Directors of PJSC RusHydro as well as a member of the Committee on the reliability, energy efficiency and innovations and Human Resources and Compensation Committee under the Board of Directors of PJSC RusHydro.**

Full name: **Larisa Vyacheslavovna Kalanda**

Year of birth: **1964**

Education: **Higher**, Sverdlovsk Law Institute, majoring in Legal Studies, graduation year: 1985; Graduate Centre at Philosophy and Law Institute of the Academy of Sciences of the Republic of Belarus, graduation year: 1994.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2009	2012	OJSC JSC Transneft	Member of the Board of Directors
2010	2012	OJSC Zarubezhneft	Member of the Board of Directors

2009	2013	Russian Regional Development Bank (SC)	Member of the Supervisory Board
2011	2013	LLC Arctic Scientific Centre	Member of the Board of Directors
2013	2014	Rosneft Limited	Member of the Board of Directors
2013	2014	OJSC RN Holding	Member of the Board of Directors
2015	present		President
2013	2014	Taihu Limited	Member of the Board of Directors
2006	present	OJSC Rosneft Oil Company	Vice President, State Secretary — Vice President
2008	present		Deputy Chairman of the Management Board, Member of the Management Board
2007	present	OJSC ROSNEFTEGAZ	Acting General Director
2010	present		Member of the Board of Directors
2013	2014	OJSC RN-Management	Senior Vice-President for Cooperation with Russian Authorities
2014	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is Member of the Investment Committee under the Board of Directors of PJSC RusHydro.**

Full name: **Vyacheslav Mikhailovich Kravchenko**

Year of birth: **1967**

Education: **Higher**, Lomonosov Moscow State University, majoring in legal studies, graduation year: 1995.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period	Name of entity	Position
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from	by		
2008	2011	PJSC Irkutskenergo	Member of the Board of Directors
2008	2011	LLC RN-Energo	General Director
2009	2011	PJSC Tomskenergosbyt	Member of the Board of Directors
2009	2011	PJSC Kubanenergo	Member of the Board of Directors
2009	2011	OJSC Kuban Transmission Networks	Member of the Board of Directors
2009	2011	OJSC Kubanenergosbyt	Member of the Board of Directors
2009	2011	OJSC Kuban Generating Company	Member of the Board of Directors
2009	2011	OJSC Tomsk Distribution Company	Member of the Board of Directors
2009	2011	OJSC Tomsk Transmission Networks	Member of the Board of Directors
2010	2012	OJSC United Energy Retailing Company	General Director
2011	2012		Member of the Board of Directors
2011	2012	OJSC Altayenergosbyt	Member of the Board of Directors
2011	2012	OJSC Petersburg Sales Company	Member of the Board of Directors
2011	2012	PJSC Saratovenergo	Member of the Board of Directors
2011	2012	PJSC Mosenergosbyt	Member of the Board of Directors
2011	2012	PJSC Tambov Energy Retailing Company	Member of the Board of Directors
2012	2013	NP Market Council	Chairman of the Management Board
2013	2014	Russian Regional Development Bank (SC)	Member of the Supervisory Board
2012	2014	OJSC ATS	Chairman of the Management Board, Member of the Board of Directors
2008	present	PJSC INTER RAO	Member of the Board of Directors
2011	present	Closed Joint-Stock Company Financial Settlement Center	Member of the Board of Directors, Chairman of the Board
2011	present	JSC Russian Grids	Member of the Board of Directors
2011	present	Non-Profit Partnership Market Council	Representative of the state in the Supervisory Board
2012	present	FGC UES, PJSC	Member of the Board of Directors
2012	present	SO UPS, JSC	Member of the Board of Directors

2013	present	Ministry of Energy of the Russian Federation	Deputy Minister of Energy of the Russian Federation
2014	present	OJSC MOESK	Member of the Board of Directors
2014	present	PJSC RusHydro	Member of the Board of Directors
2015	present	PJSC Interregional Distribution Grid Company of Siberia,	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Committee on the reliability, energy efficiency and innovations under the Board of Directors of PJSC RusHydro.**

Full name: *Denis Stanislavovich Morozov*

Born in: *1973*

Education: *Higher education, M.V. Lomonosov Moscow State University: Political Economics, graduation year: 1993; Legal Science, graduation year: 1996.*

Swiss Banking School, graduation year: 2000.

Postgraduate school of the Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation, International Economic Relations, Ph.D. in Economics, graduation year: 2000.

Harvard Business School, advanced management training, graduation year: 2009.

International Relations and Government Management School of Columbia University, Master of Sciences in Government Management, economic policy management program, graduation year: 2011.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2011	present	European Bank for Reconstruction and Development	Representative of the Russian Federation in the Board of Directors, Managing Director from Russia, Belarus, and Tadjikistan
2011	2014	(JSC EKSAR)	Member of the Board of Directors

2012	2015	SC ALROSA (PJSC)	Member of the Supervisory Board
2013	present	PJSC Russian Grids	Member of the Board of Directors
2013	present	PJSC RusHydro	Member of the Board of Directors
2014	present	JSC RosSelKhozBank	Chairman of the Supervisory Board

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s): **Not a member of the Committees under the Board of Directors of PJSC RusHydro.**

Full name: ***Aleksandr Mihaylovich Osipov***

Born in: ***1969***

Education: ***Higher education, Rostov-on-Don Institute of National Economy, specialty - Economic informatics and ACS, year of graduation - 1993; State University of Stavropol, specialty - jurisprudence, graduation year - 2000; Academy of National Economy under the Government of RF, MVA, specialty - professional specialization – corporate financial management, year of graduation - 2005.***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	2013	LLC Evaluation and Audit Centre	Director General
2013	2013	Ministry for Development of Russian Far East	Under-secretary
2013	present	Ministry for Development of Russian Far East	First deputy of Minister
2014	present	JSC Far East Energy Management Company	Member of Board of Directors
2015	present	JSC "Fund for Development of the Far East and the Baikal region"	Member of the Board of Directors
2015	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Investments and Strategy Committees under the Board of Directors of PJSC RusHydro.**

Full name: ***Vyacheslav Viktorovich Pivovarov***

Born in: ***1972***

Education: ***Higher education, Sergo Ordzhonikidze State Management Academy, graduation year: 1995; American University in Paris, Applied Economics, graduation year: 1995; Stanford School of Business, MBA, graduation year: 2002.***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	2011	Ministry for Economic Development of the Russian Federation	Freelance counsel to the Minister
2011	present	Altera Capital LLC	President, CEO
2012	2013	PJSC Kvadra	Member of the Board of Directors
2013	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the

bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **is a Chairman of the Committee on Human Resources and Compensation Committee under the Board of Directors and a member of the Investment Committee and the Audit Committee under the Board of Directors of PJSC RusHydro**

Full name: *Yuri Petrovich Trutnev*

Born in: *1966*

Education: **Permian Polytechnic Institute, major — mining engineer, graduation year: 1978.**

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2004	2012	Ministry of Natural Resources and Ecology of the Russian Federation	Minister of Natural Resources and Ecology of the Russian Federation
2012	2013	Administration of the President of the Russian Federation	Assistant to the President of the Russian Federation
2012	present	State Atomic Energy Corporation Rosatom	Supervisory director
2013	present	Government of the Russian Federation	Deputy Prime Minister - Plenipotentiary Representative of RF President in the Far Eastern Federal District
2015	present	PJSC RusHydro	Member of the Board of Directors Chairman of board of directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none.**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none.**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Not a member of the Committees under the Board of Directors of PJSC RusHydro.**

Full name: *Sergey Vladimirovich Shishin*

Born in: **1963**

Education: **Higher education, Higher Border Guards Academy of the Committee for State Security of the USSR, graduation year: 1984; Institution of Higher Education of the Committee for State Security of the USSR, graduation year: 1990; Russian Academy of Public Administration under the President of the Russian Federation, State and Municipal Management, graduation year — 1999**

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2007	present	VTB Bank PJSC	Senior Vice-President
2011	2013	JSC Rosneft Oil Company	Member of the Board of Directors Deputy Chairman of the Board of Directors
2011	present	PJSC RusHydro	Member of the Board of Directors
2011	present	Russian Regional Development Bank (SC)	Member of the Supervisory Board

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Strategy Committees under the Board of Directors.**

Full name: **Andrey Nikolaevich Shishkin**

Year of birth: **1959**

Education: **Higher**, I. M. Gubkin Moscow Institute of the Petrochemical and Gas Industry, major: industrial heat-and-power engineer, graduation year: 1985.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2006	present	JSC Tyumen Energy Selling Company	Member of the Board of

			Directors
2012	2015	Rusenergo Fund	Member of the Board of Directors
2010	2012	Ministry of Energy of Russia	Deputy Minister
2012	present	OJSC Rosneft Oil Company	Board member Vice-President for Energy, OHS, and Ecology
2013	present	PJSC Russian Grids	Member of the Board of Directors
2013	present	OJSC United Shipbuilding Corporation	Member of the Board of Directors
2013	present	NP Market Council	Member of the Supervisory Board
2014	present	JSC Okhinskaya TPP	Member of the Board of Directors Chairman of the Board of Directors
2014	present	PJSC RusHydro	Member of the Board of Directors, Chairman of the Board of Directors
2014	present	RIG Research Pte Ltd	Member of the Board of Directors
2014	present	LLC National Oil Consortium	Member of the Board of Directors
2014	present	LLC RN-CIR	Member of the Board of Directors
2015	present	JSC FESSRC	Member of the Board of Directors Chairman of the Board of Directors
2015	present	LLC RN-Active	Director General
2016	present	JSC CKB Lazurit	Member of the Board of Directors Chairman of the Board of Directors
2016	present	Saras S.p.A.	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

Member of the Strategy Committee under the Board of Directors of PJSC RusHydro.

Information on members of the Board of Directors (Supervisory Board), who are deemed independent by the Issuer:

1. Sergej Nikolaevich Ivanov - General Director of JSC REC.
2. Maxim Sergeevich Bystrov - Chairman of the Board of NP Market Council, OJSC ATS
3. Vyacheslav Viktorovich Pivovarov, President of Altera Capital LLC.

5.2.2. Information on the Issuer's Sole Executive Body

Full name: *Nikolay Hryhorievych Shulginov*

Born in: **1951**

Education: *Higher education, Novocheerkassk Labor Red Banner Order Sergo Ordzhonikidze Polytechnic Institute named after , power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences*

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2004	2015	Joint Stock Company "System Operator of Unified Energy System "	Deputy Chairman First Deputy Chairman of the Board
2008	2011	Joint Stock Company "First Generation Company of the Wholesale Electricity Market"	Member of the Board of Directors
2008	2011	Public Joint Stock Company "Moscow United Electric Grid Company"	Member of the Board of Directors
2008	2012	Public Joint-Stock Company for Energy and Electrification "Mosenergo"	Member of the Board of Directors
2008	present	Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System"	Member of the Supervisory Board
2009	2011	Public Joint-Stock Company for Energy and Electrification "Lenenergo"	Member of the Board of Directors
2013	present	FGC UES, PJSC	Member of the Board of Directors
2015	present	JSC RusHydro	Chairman of the Board - CEO

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising

options owned by him: *none*.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Committees under the Board of Directors of JSC RusHydro**

5.2.3. Composition of the Issuer's Collective Executive Body

Full name: *Nikolay Hryhorievych Shulginov*

Born in: *1951*

Education: *Higher education, Novochoerkassk Labor Red Banner Order Sergo Ordzhonikidze Polytechnic Institute named after , power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences*

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2004	2015	Joint Stock Company "System Operator of Unified Energy System "	Deputy Chairman First Deputy Chairman of the Board
2008	2011	Joint Stock Company "First Generation Company of the Wholesale Electricity Market"	Member of the Board of Directors
2008	2011	Public Joint Stock Company "Moscow United Electric Grid Company"	Member of the Board of Directors
2008	2012	Public Joint-Stock Company for Energy and Electrification "Mosenergo"	Member of the Board of Directors
2008	present	Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System"	Member of the Supervisory Board
2009	2011	Public Joint-Stock Company for Energy and Electrification "Lenenergo"	Member of the Board of Directors
2013	present	FGC UES, PJSC	Member of the Board of Directors
2015	present	JSC RusHydro	Chairman of the Board -

			CEO
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Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising options owned by him: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Is a member of the Committees under the Board of Directors of JSC RusHydro**

Full name: ***Boris Borisovich Bogush***

Born in: ***1952***

Education: ***Higher education***, Saratov Polytechnic Institute, graduation year: 1975, Mechanic Engineer, Academy of National Economy of the Russian Federation Government, graduation year: 2004

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2007	present	JSC RusHydro	Managing Director, Head of the Production Business Unit, Member of the Management Board — Chief Engineer; member of the Management Board, First Deputy Director General — Chief Engineer
2013	present	Not-for-profit Charitable Fund Soprichastnost	Member of the Board of Guardians
2013	present	LLC VolgaHydro	Member of the Board of Directors
2014	present	NP Hydraulic Power of Russia	Member of the Supervisory Board

Share of the person in the authorized capital of the Issuer, %: **0.004241**

Share of the Issuer's equity shares held by the person, %: **0.004241**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: **none**

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Member of the Reliability, Energy Efficiency and Innovation Committee and Investment Committee under the Board of Directors of JSC RusHydro.**

Full name: ***Sergey Anatoliyovich Kirov***

Born in: ***1976***

Education: **Higher education**, D.N Pryanishnikov Perm State Agricultural Academy, economics and management of agricultural production, year of graduation - 1998, the Regional Centre for Interdisciplinary retraining "Economics and Management" program of the Perm Technical University (2004).

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2010	present	PJSC "RusHydro"	Executive Director of Economics, director of economics and the economy CEO and procurement Deputy General Director for Economics, Investment and procurement activities, member of the Board, First Deputy General Director
2010	2014	Ltd. "RusHydro IT service"	CEO, Member of the Board of Directors
2010	2011	SC "Leningrad GAES"	Member of the Board of Directors
2010	2012	SC "Ust-SrednekanGESstroy"	Member of the Board of Directors

2010	2015	SC "UK HidroOGK"	Member of the Board of Directors
2010	2012	SC "ESC RusHydro"	Member of the Board of Directors
2013	2015		
2010	2011	SC "ESCO UES"	Member of the Board of Directors
2015	2015		
2011	2012	SC "Hydroinvest"	Member of the Board of Directors
2011	2012	LLC "EZOP"	Member of the Board of Directors
2011	2012	JSC "YUYATEK"	Member of the Board of Directors
2011	2012	SC "Zagorsk GAES-2"	Member of the Board of Directors
2013	2014		
2011	2012	LLC "SNRG"	Member of the Board of Directors
2013	2014		
2011	2014	SC "Nizhne-Bureya HPP"	Member of the Board of Directors
2011	2015	SC "NIIES"	Member of the Board of Directors
2011	2012	PJSC "Kolymaenergo"	Member of the Board of Directors
2013	2015		
2011	2015	PJSC "Krasnoyarskenergosbyt"	Member of the Board of Directors
2011	2015	JSC "MEK"	Member of the Board of Directors
2011	2012	SC "Mosoblgidroproekt"	Member of the Board of Directors
2014	2015		
2011	2015	PJSC "RESK"	Member of the Board of Directors
2011	2012	JSC "CSO SSHHPP"	Member of the Board of Directors
2013	2015		
2011	2015	LLC "ESKB"	Member of the Board of Directors
2012	2014	JSC "Ust-Srednekanskaya HPP"	Member of the Board of Directors
2012	2014	JSC "RusHydro Bashkortostan Efficiency"	Member of the Board of Directors
2012	2015	CJSC "Upper-Naryn HPP"	Member of the Board of Directors
2012	2015	OJSC "RAO Energy Systems of East"	Member of the Board of Directors
2013	2014	CJSC «Boguchany Aluminium Plant"	Member of the Board of Directors
2013	2014	LLC "ENEX"	Member of the Board of Directors
2013	2015	SC " B.E Vedeneyev VNIIG "	Member of the Board of Directors

2013	2015	SC "Gidroremont-VKK"	Member of the Board of Directors
2013	2015	SC "Geoterm"	Member of the Board of Directors
2014	2015	SC "Malaya Dmitrovka"	Member of the Board of Directors
2014	2015	SC "Institute Hydroproject"	Member of the Board of Directors
2014	2015	SC "Chuvash Energy Retail Company"	Member of the Board of Directors
2015	2015	SC "Zaramagsk HPP"	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Member of the Committees under the Board of Directors of JSC RusHydro**

Full name: ***George Ilyich Rizhinashvili***

Born in: ***1981***

Education: **Higher education**, master course at M.V. Lomonosov Moscow State University, major — Economics, graduation year: 2004, Ph.D. in Economics: 2011

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	present	JSC RusHydro	Member of the Management Board, Deputy Chairman of the Management Board, member of the Management Board, First Deputy Director General

2010	2014	NP KONTs UES	Member of the Supervisory Board
2013	present	Not-for-profit Charitable Fund Soprichastnost	Member of the Board of Guardians

Share of the person in the authorized capital of the Issuer, %: **0.014193**

Share of the Issuer's equity shares held by the person, %: **0.014193**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s); **Member of the Reliability, Energy Efficiency and Innovation Committee, Strategy Committee and Investment Committee under the Board of Directors of JSC RusHydro.**

Full name: ***Andrey Valentinovich Kazachenkov***

Born in: ***1980***

Education: ***Higher education***, St. Petersburg State Engineering and Economic University, Economics and management at machine-building enterprises, "Management"; University MBA degree Wisconsin (Madison, USA).

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	2015	FGC UES, PJSC	Advisor to Chairman of the Board; Deputy Chairman of the Board, First Deputy Chairman of the Board
2015	present	PJSC "RusHydro"	Advisor to the Chairman of the Board - Director General; First Deputy General Director; Member of the

			Board, First Deputy General Director;
2015	present	NP "Market Council"	Member of the Supervisory Board
2016	present	PJSC "RAO ES of the East	" Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s): **Member of the Committee on Development of the Far East Energy of the Board of Directors of PJSC "RusHydro"**.

5.3. Information on Remuneration and/or Compensation as to the Issuer's Management Entities

Information on remuneration of each management entity (excluding the individual performing the functions of the Issuer's sole executive body). All types of remuneration, including salaries, bonuses, commission remuneration, benefits and/or compensation, as well as other types of remuneration:

Board of Directors

Unit of measure: **RUB**

Indicator	As of December 31, 2014	As of March 31, 2015
Remuneration for participation in the management entities' activities	7 861 990,94	0
Salary	0	0
Bonuses	0	0
Commission	0	0
Compensation of expenses	0	0
Other types of remuneration	0	0
TOTAL	7 861 990,94	0

Expenses connected with performance of functions of a member of the management entity compensated by the Issuer	336 214,43	0
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Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated.

Remuneration is paid to the members of the Board of Directors pursuant to the Regulations "On Payment of Remuneration to Members of the Board of Directors of RusHydro".

26 of July, 2015 by the annual General Meeting of Shareholders of JSC RusHydro is approved a new edition "On Payment of Remuneration to Members of the Board of Directors of RusHydro" (Protocol No. 13 26.06.2015).

The Regulations with regard to remuneration shall not apply to the members of the Board of Directors being (for the full or partial term of office of a Board member) members of the collegial executive body or the sole executive body of the Company.

Remuneration to the Chairman and members of the Board of Directors, which are (for the full or partial terms of office of the Board of Directors member) persons in respect of which the legislation of the Russian Federation provided by the restriction or prohibition on the receipt of any payments from commercial organizations are not charged and paid.

To a Member of the Board of Directors of the Company:

- Remuneration shall be paid within 60 days after the Annual General Meeting of Shareholders, at which the decision on the election of a new Board of Directors;
- Basic remuneration for every member of the Board of Directors amounts to RUB 900,000;
- Remuneration depends upon the number of meetings, in which the Board of Directors' member has participated;
- Remuneration is increased, if the member of the Board of Directors is the Chairman of the Board of Directors (by 30 %), Chairman of the Board of Directors' committee (by 20 %), or member of the Board of Directors' committee (by 10 %).

Total remuneration, taking into account additional premiums, specified by the Regulations, shall not exceed one million (1,000,000) RUB.

http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Polozhenie_o_vyplate_chlenam_SD_Obschestva_voznagrazhdenij_-_2010.pdf

Management Board

Unit of measure: **RUB**

Indicator	As of December 31, 2015	As of March 31, 2016
Remuneration for participation in the management entities' activities		
Salary	97 827 885,72	12 676 141,19
Bonuses	625 844 823,00	4 000 000,00
Commission		0
Compensation of expenses		0
Other types of remuneration		0
TOTAL	723 672 708,72*	16 676 141,19
Expenses connected with performance of functions of a member of the management entity compensated by the Issuer	7 788 019,40	725 632,23

*The specified amount includes the consideration paid in the 1-4 quarters of 2015. The amount of

remuneration of the Board members in 2015 includes interest on the results of the 2014 Board members employed by the company in 2014. The quantitative composition of the Management Board members in 2015 decreased compared to 2014 year (14 members of the Management Board until 10.28.2014, 5 members of the Board to 16.03 in 2015; 6 members of the Management Board until 10.07.2015, 5 at the moment).

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated. Remuneration and compensation are paid to the members of the Management Board of the Issuer subject to the conditions of labour agreements and Regulations "On Payment of Remuneration and Compensation to Members of the Management Board of JSC RusHydro", approved by the resolution of the Company's Board of Directors dated November 16, 2010 (Minutes No. 111 dated November 19, 2010).

During the current financial year, the Issuer has concluded no additional agreements with the members of the Management Board as to payment of remuneration or other financial rewards and incentives.

5.4. Information on Structure and Terms of Reference of the Issuer's Bodies, Monitoring Financial and Economic Activities as well as Arrangement of Risk Management and Internal Control Systems

Full description of the structure of the Issuer's bodies monitoring financial and economic activities and their terms of reference pursuant to the Issuer's Charter (constituent documents) and internal documents:

In accordance with Clause 20.1 of Article 20 of the Company's Charter, the General Meeting of Shareholders shall elect the Internal Audit Commission of the Company annually in order to control financial and economic activities of the Company.

The Internal Audit Commission of the Company is elected at the General Meeting of Shareholders of the Company on an annual basis in the amount of five (5) persons. The Internal Audit Commission of the Company takes decisions by a majority vote of its members.

The Internal Audit Commission of the Company acts within its terms of reference established by the Federal Law "On Joint-Stock Companies", Charter of the Company, as well as Regulations "On the Internal Audit Commission of the Company," approved by the decision of the Management Board of JSC RAO UES of Russia, acting as the General Meeting of Shareholders of the Company (Minutes No. 13r/3 dated April 26, 2015)

The Company's Internal Audit Commission shall be empowered to:

1) Confirm the reliability of information contained in the annual report, balance sheet, and the income statement of the Company;

2) Analyze the financial condition of the Company, identify existing reserves for improving the financial condition of the Company, and develop recommendations for the management entities of the Company;

3) Organize and conduct audits of the financial and economic activities of the Company, in particular:

- Audits of financial, accounting, payment-and-settlement and other documents of the Company related to its financial and economic activities in respect of its compliance with the laws of the Russian Federation, Charter and internal documents of the Company;

- Control over the preservation and use of fixed assets;

- Control over compliance with the established procedure for charging insolvent debtors' liabilities to the losses of the Company;
- Control over the Company's expenditures in accordance with the approved financial documents of the Company;
- Control over formation and use of the reserve fund and other specialized funds of the Company;
- Checking if dividends on the Company's shares, interest on bonds, and return on other securities are correctly and timely calculated and paid;
- Checking if earlier prescriptions to remedy violations or defects revealed by previous audits have been satisfied;
- Other actions (measures) related to the audits of financial and economic activities of the Company.

In accordance with Clause 20.9. of Article 20 of the Company's Charter, the auditor shall audit the Company's financial and economic activities in accordance with the legislation of the Russian Federation and pursuant to an agreement entered into with it.

The General Meeting of Shareholders shall approve the Company's auditor with no financial interest in the Company or its shareholders on an annual basis. The remuneration for the auditor's services shall be determined by the Company's Board of Directors.

Information on the auditor of JSC RusHydro is given in Clause 1.3 of the Quarterly Report.

In accordance with Article 16 of the RusHydro Charter, committees of the Board of Directors are formed under the decision of the Board of Directors and created in order to examine issues within the terms of reference of the Board of Directors or examined by the Board of Directors in order to control activity of executive bodies of the Company, and to develop necessary recommendations for the Board of Directors and executive bodies of the Company.

Information on arrangement of risk management and internal control systems in relation to financial and economic activities of the Issuer, including:

Information on the Audit Committee of the Board of Directors (Supervisory Board) of the Issuer, its functions, personal and numerical composition:

The Audit Committee under the Board of Directors of the Company was elected by the Board of Directors of the Company on July 17, 2015 (Protocol dated 20.07.2015 No. 220).

There are 3 members in the Audit Committee under the Company's Board of Directors:

Ivanov Sergey Nikolaevich (Chairman)

Bystrov Maksim Sergeevych

Pyvovarov Vyacheslav Viktorovich

The Audit Committee acts on the basis of the Regulations on the Audit Committee under the Board of Directors (approved by the Board of Directors of RusHydro on October 15, 2013, Minutes No. 188).

Functions of the Audit Committee:

The main purpose of the Audit Committee is to ensure the effective implementation of the Board of Directors of the functions of the preliminary consideration of issues related to the control of financial and economic activities of the Company.

The competence of the Audit Committee includes: supervising the formation of the accounting (financial) reporting, internal control and risk management, ensuring compliance with regulatory requirements and to inform the executive body of the violations synergies between external and internal auditors, as well as other issues by Board of Directors.

Information on availability of separate structural subdivision(s) for risk management and

internal control (other body (structural subdivision) different from the Internal Audit Commission (Internal Auditor) performing internal control over financial and business activity of the Issuer), its tasks and functions, information on availability at the Issuer of separate structural subdivision (service) of internal audit, its tasks and functions:

Control and Risk Management Department

The Department is a structural subdivision of the Company subordinate to the Company's Chairman of the Management Board—CEO.

The Head of the Internal Audit, Control and Risk Management Department is Posevina Irina Olegovna, Director of the Department.

The main tasks and functions of the Department concerning internal audit are as follows:

- the organization of an effective enterprise risk management, internal controls, anti-corruption system in the Company;
- Development and monitoring of the execution of plans and programs for improving corporate risk management and internal control of the Company and the companies with his participation (indirect participation) (hereinafter - S&A).
- Interaction with the territorial bodies of the Russian Federation, the executive, the Accounts Chamber of the Russian Federation, the Company's Audit Commission and other supervisory authorities on internal control, as well as in the course of their audit of the Company and S&A;
- Control over the disclosure of information on Company and S&A;
- Cooperating with the Audit Committee under the Company's Board of Directors.

Information on the Issuer's separate structural unit (service) internal audit, its tasks and functions:

The Company has an Internal Audit Service. Service is a structural division of the Company and functionally subordinated to the Audit Committee of the Board of Directors, administrative - Director of Internal Control and Risk Management – head of Department.

The tasks and functions of the Internal Audit Service are:

- Organizing and conducting internal audits of the Company and S&A.
- Assessment of the effectiveness of internal control systems, risk management, corporate governance and S&A.
- Organization of methodological support and control over the activities of the representatives of the Company Auditing Committee of S&A.
- Interaction with the Audit Committee of the Board of Directors.

Information about the issuer's policy in the field of risk management and internal controls, as well as the presence of the issuer's internal document establishing the rules to prevent the misuse of confidential and insider information:

Systems of internal control and risk management, internal audit in the Company correspond to international standards, common principles and approaches that are fixed in the Policy in the field of internal control and risk management and policy in the field of internal audit:

1. Policy on Internal Control and Risk Management PJSC "RusHydro"

URL to its full contents:

http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/

2. Regulations on the Internal Audit PJSC "RusHydro"

URL to its full contents:

http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/

3. Order of interactions of the Audit Committee of the Board of Directors with executive bodies of the Issuer's management is set out in the Regulations on the Board of Directors on the Audit Committee of PJSC "RusHydro".

URL to its full contents:

http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/

4. Regulations on insider information approved by the Board of Directors of JSC "RusHydro"

URL to its full contents:

<http://www.rushydro.ru/investors/disclosure/inside/>

The Regulation governs the practice of the Company meeting the requirements of Russian legislation with regard to the prevention of unlawful use of insider information and market manipulation. During preparation of the Regulation international corporate governance practice was taken into account, including the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority.

The Regulation established categories of persons, who/which are included into the list of insiders by JSC RusHydro, access procedure and rules for confidentiality protection of the insider information as well as restrictions for use of the information by insiders for making transactions with financial instruments of the Company and for transfer of the relevant information to third parties. This list also includes employees of JSC RusHydro who have access to information and documents containing insider information to perform their employment functions.

The list of insider information is prepared in Russian and English and is published on the corporate website of JSC RusHydro (www.rushydro.ru and www.eng.rushydro.ru). The Company publishes the insider information in Russian in the newswire of the authorized news agency Interfax (www.e-disclosure.ru) and in English—on RNS newswire (<http://www.londonstockexchange.com/exchange/prices-andnews/news/market-news/market-news-home.html>).

5.5. Information on Members of the Issuer's Bodies, Monitoring Financial and Economic Activities

Name of the Issuer's financial and economic activities monitoring body: ***Internal Audit Commission*** (approved by resolution of the General Meeting of Shareholders on June 26, 2015)

Full name: ***Annikova Naliia Nikolaevna***

Born in: ***1955***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2010	2010	JSC "BetElTrans"	CEO's counselor
2010	2013	JSC "RZDstroy"	CEO's counselor
2013	present	ОАО "Construction Management № 308"	First Deputy General Director for Economics and Finance

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: ***none***

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Full name: ***Mandal Denis Ryshyevych Kant***

Year of birth: ***1987***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2008	2011	Renaissance Capital	Customer Service Manager
2012	Present	Federal Property Management Agency	Head of the Department

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: ***none***

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Full name: ***Igor Nikolaevich Repin***

Year of birth: ***1966***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
	present	Investment Rights Association	Deputy Executive Director
2012	present	OJSC MRSK Yuga	Member of the Board of Directors

2012	present	OJSC Magadanenergo	Member of the Board of Directors
2012	present	OJSC Novgorodoblenergo	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Full name: ***Andrey Nikolaevych Kharyn***

Year of birth: ***1979***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2010	2012	OJSC "Interregional Distribution Grid Company of the North Caucasus"	Corporate Governance Director, Deputy General Director for Corporate Governance
2013	2014	AO "Far Eastern Energy Management Company"	CEO's counselor
2014	present	The Russian Ministry of Energy	Deputy Director of the Department

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Full name: ***Khvorov Vladymyr Vasylievych***

Year of birth: ***1947***

Education: **Higher education**

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2009	present	Ministry of Economic Development of the Russian Federation	Referent Department, Senior Expert

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: ***none***

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Body exercising control of financial and economic activities of the issuer: the **Audit Committee of the Board of Directors**

Full name: ***Sergey Nikilaievych Ivanov (Chairman)***

Born in: ***1961***

Education: ***Higher education***, Moscow Engineering Physics Institute, Department - Theoretical Nuclear Physics, year of graduation - 1984; Doctor of Economic Sciences - 2007; Professor - 2010; Corresponding Member of the Russian Academy of Natural Sciences - 1999.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
1992	present	JSC ERC	Member of the Board of Directors
2003	present	ANO National Energy Security Institute	Chairman of the Board
2007	2013	OJSC Small Energy	Member of the Board of Directors

2010	present	JSC ERC	Acting of Director General, Director General
2012	2015	LLC LENSENT	Director General of the managing company
2013	2014	PJSC RusHydro	Member of the Board of Directors
2002	2015	JSC INVESTMENT RESEARCH AND PC RUSSIAN ENERGY TECHNOLOGIES	Member of the Board of Directors
2012	2013	OJSC Exhibition pavilion "Electrification"	Member of the Board of Directors
2012	2013	CJSC Sberkred Bank	Member of the Board of Directors
2013	present	LLC Lisiteya	Director General of the managing company
2013	present	LLC Pasiphe	Director General of the managing company
2013	present	LLC Metida	Director General of the managing company
2013	present	LLC Amalteya	Director General of the managing company
2013	present	LLC Oberon	Director General of the managing company
2014	2015	CJSC Wood chemical complex of Novoyeniseysk	Member of the Board of Directors
2011	present	JSC Corporation Nechernozemagropromstroy	Member of the Board of Directors, Director General
2015	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Full name: **Maksym Sergiyoych Bystrov**

Born in: **1964**

Education: **Higher education**, Moscow Civil Engineering Institute. VV Kuibyshev hydraulic engineering structures and river hydropower plants, year of graduation - 1986; All-Russian Academy

of Foreign Trade, the global economy, the end of the year - 1998.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2010	2013	Administration of the President of the Russian Federation	Deputy Plenipotentiary of the President of the Russian Federation in North Caucasian Federal District
2012	present	LLC Managing Company Airport Mineralnye Vody	Chairman of the Board of Directors, member of the Board of Directors
2013	present	SC Northern Caucasus Resorts	Chairman of the Board of Directors, member of the Board of Directors
2013	present	PJSC RusHydro	Member of the Board of Directors
2013	present	NP Market Council	Acting Chairman of the Management Board, Chairman of the Management Board
2013	present	JSC ATS	Chairman of the Management Board
2014	present	FGC UES, PJSC	Member of the Board of Directors
2014	present	JSC SO UES	Chairman of the Board of Directors, Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Full name: **Viacheslav Viktorovich Pyvovarov**

Born in: **1972**

Education: **Higher education**, State Academy of Management Sergo Ordzhonikidze, the world economy, the year of graduation: 1995; American University in Paris, applied economics, year of graduation: 1995; Stanford Business School, MBA, graduated in 2002.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	2011	Ministry of Economic Development of the Russian Federation	Freelance Advisor to the Minister
2011	present	LLC "Altera Capital"	President, CEO
2012	2013	JSC "Quadra"	Member of the Board of Directors
2013	present	PJSC "RusHydro"	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Internal Audit, Control and Risk Management Department

Full name: ***Irina Olegovna Posevina — Director of the Department***

Born in: ***1970***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2008	2010	PJSC INTER RAO	Deputy Director for Internal Control, Head of the Internal Audit, Controlling and Risk Management Block

2010	present	PJSC RusHydro	Director for Internal Control and Risk Management; Director of the Internal Audit, Control and Risk Management Department
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Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer:

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Head of the Internal Audit Department

Full name: ***Oleg Evginiyovich Adzhymov***

Born in: ***1977***

Education: Higher education

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2008	2010	JSC "IDGC of Urals"	Head of Internal Control and Audit Department
2010	present	PJSC RusHydro	Head of the Internal Audit / Deputy Director of the Audit Department of Internal Audit, Control and Risk Management / Head of Internal Audit Department

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the

rights of options of subsidiaries and dependent companies of the issuer: none

A share of participation in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer.

Percentage of ordinary shares of subsidiaries and dependent companies of the issuer and the number of shares of each category (type) that may be purchased by this individual through exercising options owned by him subsidiaries and dependent companies of the issuer: none

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

5.6. Information on Remuneration, Benefits, and/or Compensation as to the Issuer's Bodies, Monitoring Financial and Economic Activities

Information on remuneration as to the Issuer's financial and economic monitoring bodies. All types of remuneration, including salaries, bonuses, commission remunerations, benefits and/or compensation, as well as other types of remuneration paid by the Issuer for the last completed calendar year and for the first quarter, shall be specified:

Internal Audit Commission

Unit of measure: ***RUB***

Indicator	December 31, 2015	March 31, 2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	342,200.00	0
Salary	0	0
Bonuses	0	0
Commission	0	0
Compensation of expenses	0	0
Other types of remuneration	0	0
TOTAL	342,200.00	0
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	0	0

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

Remuneration shall be paid to the members of the Internal Audit Commission in accordance with the Regulations on Payment of Remuneration to Members of Internal Audit Commission of PJSC RusHydro of June 26, 2015 (Minutes No. 13 of June 26, 2015).

No agreements concerning the amount of remuneration have been concluded with the members of the Internal Audit Commission.

Audit Committee under the Board of DirectorsUnit of measure: **RUB**

Indicator	December 31, 2015	As of March 31, 2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0	0
Salary	0	0
Bonuses	0	0
Commission	0	0
Compensation of expenses	0	0
Other types of remuneration	0	0
TOTAL	0	0
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	0	0

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

Remuneration shall be paid to the members of the Audit Committee under the Board of Directors in accordance with the Regulations on Payment of Remuneration to Members of PJSC RusHydro Board of Directors of June 26, 2015 (Minutes No. 13 of June 26, 2015). The amount of remuneration to be paid to a member of the Board of Directors shall increase in relation to his/her remuneration as a member of the Board of Directors, if a member of the Board of Directors is the Chairman of the Board of Directors' Committee (20 per cent), a member of the Board of Directors' Committee (10 per cent). The total amount of remuneration taking into account bonuses established by the Regulations may not exceed RUB 1,000,000 (one million).

Remuneration shall not be accrued and paid to the Chairman and members of the Board of Directors being (during the full or partial term of powers of a member of the Board of Directors) persons in respect of whom the restriction or prohibition on the receipt of any payments from commercial organizations is imposed by the legislation of the Russian Federation.

http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Polozhenie_o_vyplate_chlenam_SD_Obschestva_voznagrazhdenij_-_2010.pdf

No agreements concerning the amount of remuneration have been concluded with the members of the Audit Committee under the Board of Directors.

Internal Audit, Control and Risk Management Department (existed until December 1, 2015)Unit of measure: **RUB**

Indicator	December 31, 2015	As of March 31, 2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0	did not exist in Q1 2016
Salary	45,335,974.11	
Bonuses	27,544,003.00	
Commission	0	
Compensation of expenses	0	
Other types of remuneration	0	
TOTAL	72,879,977.11	
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	3,260,894.10	

Control and Risk Management Department (exists since December 1, 2015)Unit of measure: **RUB**

Indicator	December 31, 2015	March 31, 2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0	0
Salary	3,375,209.41	8,111,490.81
Bonuses	12,767,226.00	0
Commission	0	0
Compensation of expenses	0	0
Other types of remuneration	0	0
TOTAL	16,142,435.41	8,111,490.81
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	65,200.50	0

Internal Audit Department (exists since December 1, 2015)Unit of measure: **RUB**

Indicator	December 31, 2015	March 31, 2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0	0
Salary	414,426.12	2,165,806.12
Bonuses	3,217,653.00	0
Commission	0	0
Compensation of expenses	0	0
Other types of remuneration	0	0
TOTAL	3,632,079.12	2,165,806.12
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	0	0

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

Remuneration is paid to the employees in accordance with the terms and conditions of their labour agreements.

5.7. Information on the Number, General Information on Content of the Issuer's Employees (Workers), and Alterations of the Number of the Issuer's Employees (Workers)

Average number of employees (workers) of the Issuer, including employees (workers) working at its branches and representative offices as well as accrued salary and social payments

Indicator	2015	3 months of 2016
Average number of employees, persons	709,6	5 529,9

Total payroll for the reporting period, RUB	8 033 710 500,57	347 793 098
Social payments to the employees for the reporting period, RUB	448 366 470,92	58 666 787

Employees (workers) of the Issuer include employees having significant impact on financial and economic activities of the Issuer (key employees). Information on such key employees of the Issuer:

- Nicolai Shulginov, Chairman of the Management Board — General Director, member of the Board of Directors (personal information shall be given in clause 5.2. of the quarterly report);
- Dmitriy Finkel, Director of Corporate Accounting and Reporting Department – Chief Accountant (personal information shall be given in clause 1.5 of the quarterly report);
- Members of the Board (personal information shall be given in clause 5.2. of the quarterly report).

Employees of the Issuer did not create a trade union committee. As a result of affiliation of S&A to the Company during the Issuer's reorganisation, employees of the affiliated S&A, which currently are members of various trade unions created in S&A before affiliation with the Issuer, were included in the Issuer's staff.

5.8. Information on Any Liabilities of the Issuer to its Employees (Workers) Concerning their Possible Participation in the Issuer's Authorized Capital

The Issuer has no liabilities to its employees (workers) as to the possibility of their participation in its authorized capital.

VI. Information on the Issuer's Participants (Shareholders) and Non-arm's length transactions Made by the Issuer

6.1. Information on Total Number of the Issuer's Participants (Shareholders)

Total number of persons with non-zero balances on their personal accounts recorded in the Issuer's register of shareholders as at the end of the reporting quarter: **304, 394**

Total number of the Issuer's nominee shareholders: **18**

Total number of persons included in the final list of persons which had (have) the right to participate in the General Meeting of Shareholders of the Issuer (other list of persons composed for purposes of execution of rights attached to the Issuer's shares and for composition of which the Issuer's nominee shareholders presented data on persons, in the interests of which they hold the Issuer's shares): **347, 603**

Preparation date of the final list of persons which had (have) the right to participate in the General Meeting of Shareholders of the Issuer: **November 23, 2015**

Equity shareholders of the Issuer which had to be included in such list: **347, 603**

Information on quantity of own shares on the balance sheet of the Issuer as at the end of the reporting quarter, separately by each category (type) of shares: **0**

Information on quantity of the Issuer's shares owned by the entities controlled by the Issuer, separately by each category (type) of shares: **18,852,353,167**

6.2. Information on the Issuer's Participants (Shareholders) Holding at least Five Per Cent of the Authorized Capital or at least Five Per Cent of its Equity Shares, as well as Information on Persons Controlling such Participants (Shareholders) and, in the Absence thereof, on such Participants (Shareholders) Holding at least 20 Per Cent of the Authorized (Reserve) Capital (Unit Fund) or at least 20 Per Cent of their Equity Shares

The Issuer's participants (shareholders), holding at least five per cent of its authorized capital or at least five per cent of its equity shares

Full corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Abbreviated corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location

9 Nikolskiy Pereulok, Moscow, Russia, 109012

INN: 7710723134

PSRN: 1087746829994

Share of the person in the authorized capital of the Issuer, %: **66.836992**

Share of the Issuer's equity shares held by the person, %: **66.836992**

Persons controlling the Issuer's participant (shareholder)

None

Participants (shareholders) of such person, holding at least 20 per cent of its authorized (reserve) capital (unit fund) or at least 20 per cent of its equity shares:

None

Nominee holder

Information on the nominee holder:

Full corporate name: **Non-bank Credit Institution National Settlement Depository Closed Joint-**

Stock Company

Abbreviated corporate name: **NCO CJSC NSD**

Location

1/13 Sredny Kislovsky Pereulok, Bldg. 8, Moscow, Russian Federation, 129009

INN: **7702165310**

PSRN: **1027739132563**

Tel.: **(495) 234-4827**

Fax: **(495) 956-0938**

E-mail: info@ndc.ru

Information of the license of the securities market professional

Number: **177-03431-000100**

Date of issue: **February 19, 2009**

Expiry date:

Unlimited

Name of the issuing authority: **Federal Financial Markets Service of Russia**

Number of the Issuer's equity shares, registered in the Issuer's register of shareholders in favour of the nominee holder: **115,501,930,069**

Number of the Issuer's preferred shares, registered in the Issuer's register of shareholders in favour of the nominee holder: **0 (the Issuer hasn't issued the preferred shares)**

December 30, 2015 The Issuer received a notification from Gazprombank (Joint Stock Company) (Moscow, INN 7744001497, PSRN 1027700167110) on the right to dispose of a certain number of votes of the Issuer. According to the present notice, the Issuer disclosed the information that on the December 24, 2015 Gazprombank (JSC) has acquired the right to dispose of 6.367% of the votes attached to the voting shares of the Issuer.

As of March 31, 2016, apart from the stated notification, the Issuer has no information about the ownership and the accurate share owned by Gazprombank (JSC) in the authorized capital and ordinary shares of the Issuer.

6.3. Information on the Share of the State or Municipal Entity in the Authorized Capital of the Issuer, and Availability of the Special Right (Golden Share)

Information on the share of the state (municipal entity) is specified in the authorized capital of the Company and special right:

share of the Issuer's authorized capital in state (federal, Russian Federation constituent entities), municipal ownership: **66.930510%**;

Information on managers of state, municipal blocks of shares: **None**;

Information on persons acting as the Issuer's participant (shareholder) on behalf of the Russian Federation, constituent entity of the Russian Federation or municipal entity

1) State property (federal):

1. Name: ***Federal Agency for State Property Management***

Location: ***9 Nikolsky Per., Moscow, 109012***

Share of the Issuer's authorized capital in state (federal) ownership: ***66,836992***

2. Full corporate name: ***ITAR-TASS News Agency, Federal State Unitary Enterprise***

Location: ***10-12 Tverskoi Blvd., Moscow, 125993***

Share of the Issuer's authorized capital in state (federal) ownership: ***0.000064 %***

2) State property (Russian Federation constituent entities)

1. Name: ***Rostov Oblast in the face of state budget institutions of Rostov Oblast Property Fund of Rostov Oblast***

Location: ***112 Sotsialisticheskaya St., Rostov-on-Don, Rostov Oblast, 344050***

Share of the Issuer's authorized capital in state (Russian Federation subjects) ownership: ***0.000021***

2. Name: **Financial Department of Administration for Orenburg Oblast**
Location: **54 Sovetskaya St., Orenburg, 460311**
Share of the Issuer's authorized capital in state (Russian Federation subjects) ownership: **0.00000009**

3) Municipal property

1. Name: **Bureysky District Administration for Amur Oblast**
Location: **49 Sovetskaya St., Novobureysk, Amur Oblast, 676701**
Share of the Issuer's authorized (reserve) capital (unit fund) in municipal ownership: **0.000394 %**

2. Name: **Administration of municipal entity Selsovet Zubutli-Miatlinsky of Kizilyurtovsky District of the Republic of Dagestan**
Location: **Lenina St., Zubutli-Miatli, Kizilyurtovsky District, Republic of Dagestan, Russia**
Share of the Issuer's authorized (reserve) capital (unit fund) in municipal ownership: **0, 015897**

3. Name: **Administration of Ashilta**
Location: **Ashilta, Untsukulsky District, Republic of Dagestan, 368240**
Share of the Issuer's authorized capital in municipal ownership: **0.001704 %**

4. Name: **Administration of Verkhny Chiryurt-Gelbakh**
Location: **2-11-38 Verkhny Chiryurt, Kizilyurtovsky District, Republic of Dagestan, 368100**
Share of the Issuer's authorized capital in municipal ownership: **0.010122 %**

5. Name: **Administration of Gergebil**
Location: **Gergebil, Gergebil District, Republic of Dagestan, 368250**
Share of the Issuer's authorized capital in municipal ownership: **0.005552 %**

6. Name: **Administration of Untsukul**
Location: **Untsukul, Untsukul District, Republic of Dagestan, 368240**
Share of the Issuer's authorized capital in municipal ownership: **0.002901 %**

7. Name: **Municipal entity of rural settlement Chirkata rural community of Gumbetovsky District of the Republic of Dagestan**
Location: **Chirkata, Gumbetovsky District, Republic of Dagestan, 368933**
Share of the Issuer's authorized capital in municipal ownership: **0.011710 %**

8. Name: **Municipal entity of Chirkey represented by the municipal entity administration of Chirkey**
Location: **Chirkey, Buynaksky District, Republic of Dagestan, 368114**
Share of the Issuer's authorized capital in s municipal ownership: **0.050897 %**

9. Name: **Administration of rural settlement Selsovet Khvartikuninsky**
Location: **Khvartikuni, Gergebil District, Republic of Dagestan, 368258**
Share of the Issuer's authorized capital in municipal ownership: **0.005552 %**

10. Name: **Municipal Property Management Committee of Zeya**
Location: **217 Mukhina St., Zeya, Amur Oblast, 676246**
Share of the Issuer's authorized capital in state municipal ownership: **0.000356 %**

11. Name: **MUNICIPAL EDUCATIONAL INSTITUTION OF MIXED TYPE BOARDING SCHOOL**
Location: **32 Chkalova St., Partizansk, Primorsky Krai**
Share of the Issuer's authorized capital in municipal ownership: **0.00000002 %**

Information on the availability of the special right of the Russian Federation, constituent entity of the Russian Federation, municipal entity to participate in management of the Issuer — joint-stock company (golden share) and the validity of the special right (golden share): **There is no such right.**

6.4. Information on Restriction to Participate in the Issuer's Authorized Capital

There are no restrictions to participate in the Issuer's authorized capital (unit fund).

6.5. Information on Changes in the Structure and Interests of the Issuer's Participants (Shareholders), Holding at least Five Per Cent of its Authorized Capital or at least Five Per Cent of its Equity Shares

Structure of the Issuer's participants (shareholders) holding at least five per cent of the Issuer's authorized capital and being joint-stock companies for the Issuer, as well as at least five per cent of the Issuer's equity shares specified as of the date of the list of persons which had right to participate in each General Meeting of Shareholders (Participants) of the Issuer held for the last complete reporting year preceding the end date of the reporting quarter, as well as for the period after the start date of the current year and up to the end date of the reporting quarter, according to the list of persons which had right to participate in every such meeting.

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: **May 25, 2015**

List of shareholders (participants)

Name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **9 Nikolsky Per., Moscow 109012**

INN: **7710723134**

PSRN: **1087746829994**

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: **66.836992**

Portion of the Issuer's equity shares held by the person, %: **66.836992**

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: **November 23, 2015**

List of shareholders (participants)

Name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **9 Nikolsky Per., Moscow 109012**

INN: **7710723134**

PSRN: **1087746829994**

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: **66.836992**

Portion of the Issuer's equity shares held by the person, %: **66.836992**

6.6. Information on Non-arm's length transactions Made by the Issuer

Information on the number and volume of transactions in monetary terms made by the Issuer, which in accordance with the laws of the Russian Federation are considered as non-arm's length transactions requiring approval of the authorized management entities of the Issuer, according to the results of the last reporting quarter

Unit of measure: **Russian rubles.**

Indicator	Total number	Total volume in monetary terms, RUB
Non-arm's length transactions made by the Issuer for the reporting period, requiring approval of the authorized management entity of the Issuer	3	372, 233, 892.77*
Non-arm's length transactions made by the Issuer for the reporting period, which have been approved by the General Meeting of Shareholders (Participants) of the Issuer	0	0
Non-arm's length transactions made by the Issuer for the reporting period, which have been approved by the Board of Directors (the Supervisory Board) of the Issuer	3	372, 233, 892.77*

Non-arm's length transactions made by the Issuer for the reporting period, requiring approval of, but have not been approved by, the authorized management entity of the Issuer	0	0
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* 1 transactions of the total amount is an additional agreement to previously concluded contract, it does not stipulate arising of new obligations, it amends the number of material provisions of the previously concluded contract. Moreover, price of the specified contract is recognized in the Total Volume in Monetary Terms column.

Transactions (groups of related transactions), which price is 5 or more per cents of the Issuer's assets balance value, defined according to its financial statements as of the last reporting date before the transaction made by the issuer for the last reporting quarter: *None*

Transactions (groups of related transactions) of current interest and the decision on approval of which has not been taken by the Board of Directors (Supervisory Board) or the General Meeting of Shareholders (Participants) of the Issuer, if such approval is mandatory according to the laws of the Russian Federation: *None*

6.7. Information on Accounts Receivable

As at December 31, 2015

Measurement unit: *Russian rubles*.

Indicator	Indicator value
Accounts receivable of buyers and customers	7,719,490,581.42
including overdue	257,946,822.94
Accounts receivable for bills receivable	9,387,590,881.30
including overdue	0
Accounts receivable of members (founders) as to contributions to the authorized capital	0
including overdue	0
Other accounts receivable	72,183,437,931.92
including overdue	1,129,005,358.99
Total accounts receivable	129,290,519,394.64
including total overdue accounts receivable	1,386,952,181.93

Debtors owning less than 10 per cent of the total accounts receivable for the specified reporting period

Full corporate name: *Open Joint-Stock Company Boguchanskaya Hydro Power Plant*

Abbreviated corporate name: *JSC Boguchanskaya HPP*

Location: *1 Unified Base No. 1, Left Bank Construction Base, Kodinsk, Kezhemskiy District, Krasnoyarsk Krai, Russian Federation*

INN: *2420002597*

PSRN: *1022400828119*

Accounts receivable: *21,027,454,985.67 Russian rubles*

Amount and terms and conditions of the overdue accounts receivable (interest rate, fine sanctions, penalties): *No*

The debtor is an affiliate of the Issuer: *no*

The Issuer's share in the authorized capital of the company, %: *2,9*

Portion of the company's equity shares held by the Issuer, %: *3,06*

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

As at December 31, 2015

Measurement unit: *Russian rubles*.

Indicator	Indicator value
Accounts receivable of buyers and customers	7 073 997 058,71
including overdue	185 932 255,32
Accounts receivable for bills receivable	49 198 990 950,19
including overdue	13,621,000,000,00
Accounts receivable of members (founders) as to contributions to the authorized capital	0
including overdue	0
Other accounts receivable	71 806 013 743,87
including overdue	3 312 900 423,25
Total accounts receivable	128 079 001 752,77
including total overdue accounts receivable	17 119 832 678,57

Debtors owning less than 10 per cent of the total accounts receivable for the specified reporting period

Full corporate name: **Open Joint-Stock Company Power machines — ZTL, LMZ, Electrosila, Energomachexport**

Abbreviated corporate name: **JSC Power Machines**

Location: **3, Lit. A, Vatutina St., St. Petersburg, 190000 Russia**

INN: **7702080289**

PSRN: **1027700004012**

Accounts receivable: **20 260 396 686,34 Russian rubles**

Amount and terms and conditions of the overdue accounts receivable (interest rate, fine sanctions, penalties): **No**

The debtor is an affiliate of the Issuer: **no**

The Issuer's share in the authorized capital of the company, %: **0**

Portion of the company's equity shares held by the Issuer, %: **0**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Full corporate name: **Joint-Stock Company Boguchanskaya HPP**

Abbreviated corporate name: **JSC Boguchanskaya HPP**

Location: **1 Unified Base No. 1, Left Bank Construction Base, Kodinsk, Kezhemskiy District, Krasnoyarsk Krai, Russian Federation**

INN: **2420002597**

PSRN: **1022400828119**

Accounts receivable: **21,027, 454 895.67 Russian rubles**

Amount and terms and conditions of the overdue accounts receivable (interest rate, fine sanctions, penalties): **No**

The debtor is an affiliate of the Issuer: ***no***

The Issuer's share in the authorized capital of the company, %: **2.9**

Portion of the company's equity shares held by the Issuer, %: **3,06**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

VII. Accounting (Financial) Statements of the Issuer and other Financial Information

7.1. Annual Accounting (Financial) Statements of the Issuer

Annual accounting (financial) statements of the Issuer for 2015 (Appendix No. 1) include:

- Balance sheet as of December 31, 2015;
- Profit and loss statement for 2015;
- Statement of changes in equity for 2015;
- Statement of cash flows for 2015;
- Notes to the balance sheet and the profit and loss statement for 2015;
- Auditor's report.

The Issuer does not prepare annual financial statements in accordance with IFRS or other internationally accepted rules different from IFRS.

The Issuer prepares consolidated financial statements of PJSC RusHydro and subsidiaries in accordance with IFRS.

7.2. Interim Accounting (Financial) Statements of the Issuer

Interim accounting (financial) statements for three months of 2016 attached to this quarterly report (Appendix No. 2) include:

- Balance sheet as of March 31, 2016;
- Profit and loss statement for the period from January 01, 2016 to March 31, 2016;

The Auditor did not perform any procedures in relation to and did not give its opinion on reliability of interim accounting statements of the Issuer for 3 months of 2015 attached to this quarterly report and prepared in accordance with RAS.

The Issuer does not prepare separate interim financial statements in accordance with IFRS or other internationally accepted rules different from IFRS.

7.3. Consolidated Financial Statements of the Issuer

The Issuer prepares consolidated financial statements in accordance with IFRS which complies with Article 22 of Federal Law No. 208-FZ On Consolidated Financial Statements, dated July 27, 2010.

Consolidated financial statements are prepared in accordance with IFRS and the auditor's report for the year ended on December 31, 2015 and as at that date (Appendix No. 3):

- Auditor's report;
- Consolidated statement of financial position;
- Consolidated profit and loss statement;
- Consolidated statement of comprehensive income;
- Consolidated statement of cash flows;
- Consolidated statement of changes in equity;
- Notes to the consolidated financial statements.

7.4. Information on the Accounting Policy of the Issuer

The main provisions of the issuer's accounting policy accepted by the issuer in the current year, self-defined by the issuer in accordance with the legislation of the Russian Federation on accounting and approved by orders or instructions of the person responsible for the organization and the state accounting of the Issuer.

Accounting statements of the Company have been prepared on the basis of the following accounting policy:

1.1 Basis of presentation

The Company's statutory financial statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation, provided for by the Federal Law On Accounting and Regulation on Accounting and Reporting in the Russian Federation as well as other accounting regulations approved by the Ministry of Finance of the Russian Federation.

Assets are stated at actual cost, except for property, plant and equipment and investments for which the current market value can be determined, and assets against which impairment provisions have been duly formed.

1.2 Assets and liabilities denominated in foreign currency

Business transactions in foreign currencies were recorded using the official ruble exchange rate as of the date of the relevant transaction. Cash in hand and in bank accounts (bank deposits), cash and payment documents, accounts receivable (except for advances received and issued and prepayments) including loans receivable and payable, denominated in foreign currencies are recorded in the accounting statements in the amounts calculated on the basis of the official currency exchange rates effective as of the reporting date.

Exchange differences arising during the year from translation (including those as of the reporting date) of foreign currency-denominated assets and liabilities payable in foreign currencies or Russian rubles were reported in the profit and loss statement as other income or expenses.

1.3 Accounting for assets and liabilities

In the balance sheet, investments, accounts receivable and accounts payable, including bank credits and loan liabilities, are treated as short-term if the term of their circulation (maturity) does not exceed 12 months after the reporting date. Other assets and liabilities are recognized as long-term.

Interest on loans issued and other investments are recorded in the balance sheet line 1230 "Accounts receivable"; interest on bank credits and loans received are recorded in the balance sheet line 1510 "Borrowings".

Advances issued to the suppliers of equipment and capital construction contractors are recognized in line 1230 "Accounts receivable".

Received and issued advances are recorded on the balance sheet inclusive of VAT. VAT on advances received to be paid to the budget and VAT accepted for deduction from advances issued is recognized on a gross basis in line 1260 "Other current assets", 1450 "Other liabilities" and 1550 "Other liabilities", respectively.

Deferred tax asset and deferred tax liability are recognized on the balance sheet on a net basis.

1.4 Property, plant and equipment, construction-in-progress and income-bearing investments in tangible assets

Property, plant and equipment are accounted for in accordance with the Russian Accounting Standard "Accounting for Property, Plant and Equipment" (RAS 6/01).

Property, plant and equipment include land, buildings, facilities, machinery, equipment, transport vehicles and other assets whose useful lives are over 12 months.

Property, plant and equipment are recognized at their historical cost equal to actual acquisition (construction, production) cost.

The acquired property, plant and equipment with historical cost of below 40 thousand Russian rubles per unit which were initially recognized after January 01, 2011 are recognized in inventories; property, plant and equipment which were initially recognized before January 01, 2011 were recognized in inventories, if their historical cost did not exceed 20 thousand Russian rubles per unit.

Real property assets which have been constructed, put into operation and are actually used but the title to which was not registered according to the procedure established by the effective legislation are recognized within property, plant and equipment in a separate line.

Property, plant and equipment are recognized on the balance sheet at cost less amortization accumulated from the date of their independent valuation for merging subsidiaries and affiliates (hereinafter the S&A) into the Company in 2008 or over the whole period of their operation, if they were put into operation after merging the S&A into the Company.

The Company does not perform the revaluation of property, plant and equipment items.

Useful lives of the acquired property, plant and equipment, including that which had been in operation before the acquisition, received as a contribution to the authorized capital or under legal succession in connection with restructuring, are established by the review committee for commissioning of a facility based on the Classification of the Company's property, plant and equipment when PP&E item is initially recognized. In relation to items,

which had been in operation, useful life is established taking into account the number of years (months) of operation of this property by the previous owner.

The adopted standard useful lives by groups of property, plant and equipment in accordance with the Classification of the Company's property, plant and equipment are presented below.

Property, plant and equipment group	Useful lives of property, plant and equipment (years) on the balance sheet
Structures and transmitting equipment	3 to 100
Machines and equipment	1 to 40
Buildings	7 to 75
Other	1 to 20

Amortization of property, plant and equipment is accrued on a straight-line basis proceeding from their historical values and amortization rates calculated based on their useful lives.

Amortization is not accrued on:

- Land plots and natural resources;
- Housing assets commissioned prior to January 01, 2006 (similar assets acquired after January 01, 2006 are amortized in accordance with the generally accepted procedure);
- Fully amortized assets that are still on the balance sheet;
- Assets that are temporarily shutdown for more than three months and during the restoration period which exceeds twelve months.

Income and expenses on disposal of property, plant and equipment are recognized in the profit and loss statement within other income and expenses.

Construction in progress includes real estate assets under construction, which has not been put into operation, equipment to be installed and other investments in non-current assets which are not included in PP&E. Equipment which does not require installation, stored in the warehouse and intended for assets under construction are recorded within construction in progress in a separate line.

These items are recognized in the balance sheet line 1150 "Property, plant and equipment".

Interest on borrowings raised for the purposes directly related to acquisition, construction and/or manufacture of investment assets, accrued prior to the beginning of utilisation of the assets is included in their historical cost; that accrued after the beginning of utilisation of the assets are recognized in the statement of financial results within other expenses.

Interest on borrowings raised for the purposes not related to acquisition, construction and/or manufacture of investment assets, but actually used to purchase the investment assets are included in the cost of investment assets in proportion to the share of the above borrowings in the total amount of borrowings raised for purposes not related to acquisition, construction, manufacture of investment assets.

Income-bearing investments in tangible assets represent PP&E items acquired for leasing out to generate income. These assets are recognized at their historical cost determined according to the procedure used for general PP&E items.

Leased PP&E items are recognized in off-balance-sheet accounts at cost specified in the lease agreement/determined based on the acceptance certificate. If the lease agreement and acceptance certificate do not specify the cost of these assets, property, plant and equipment are recorded in the off-balance-sheet accounts at the following values:

- Land plots having cadastral value—at their cadastral value;
- Other PP&E items—in the amount of lease payments inclusive of VAT under lease agreement including the repurchase price of the leasing item.

1.5 Financial investments

Investments are accounted for in accordance with the Russian Accounting Standard "Accounting for investments" (RAS 19/02).

Investments include:

- Contributions to the share capital of other entities (including subsidiaries);

- Debt securities (including bonds, promissory notes);
- Deposits in credit institutions except for short-term deposits classified as cash equivalents (paragraph 2.9 of the Notes);
- Loans issued to other entities;
- Government and municipal securities and other investments.

Investments are initially recognized at their actual cost of acquisition.

The Company's actual costs to acquire investments represent the historical cost of investments purchased at a charge.

The historical cost of investments in the Company's authorized capital is presented by their monetary value agreed by the Company's founders, unless otherwise specified by Russian legislation.

Investments, the current market value of which can be determined according to the established procedure, are recognized on the balance sheet at their current market value as of the end of each reporting period (on a quarterly basis). The difference between the value of these investments as of the current reporting date and their prior value is recognized within other income (expenses).

Current market value of the securities which are traded by the institutors of trading is determined at market prices established at Moscow Exchange (<http://moex.com>).

Investments for which no current market value is determinable are recorded on the balance sheet at their carrying (book) value, except for investments for which there are indications that the decline in their value (impairment) is significant and non-temporary as of the reporting date.

Investments are tested for their impairment once a year as of December 31 of the reporting year, if there are indications of impairment.

The Company accrues the impairment provision for the amount of difference between carrying (book) value and estimated value of the investments with regard to investments for which significant and constant impairment indicators are proved by impairment test. The estimated value of investments is determined based on the data about net assets, revenue, composition of expenses, schedule of project financing and other factors.

Despite the fact that well-grounded judgements are applied to determine the estimated value of investments, there are unavoidable limitations as in any valuation technique. Therefore, the estimated value represents the Company management's best estimate based on all the information available as of the reporting date. Future events will also have an impact on determining the estimated value and impact of such events, which may be of significance for the Company's accounting statements.

The difference between the historical cost and nominal value of debt securities for which current market value is not determinable is recognized on a straight-line basis during the period of their circulation and is recognized in the Company's financial results within other income (expenses). When investments for which current market value is not determinable are disposed, they are carried at book value of each unit of these investments except for issuance securities (shares, bonds) which are disposed under FIFO; when investments for which current market value is determinable under the established procedure are disposed — based on the latest valuation.

The Company discloses information about assessment at discounted value, the amount of the discounted value of debt securities of other related parties and loans issued to them.

Income and expenses associated with investments are recognized within other income and expenses. Interest on loans issued and other income from investments are recognized in line 1230 "Accounts receivable" of the balance sheet.

1.6 Inventories

Inventories are accounted for in accordance with the Russian Accounting Standard "Accounting for Inventories" (RAS 5/01).

Inventories are accounted for at their actual cost of acquisition (production).

If the market value of inventories as of the end of the reporting year is below their historical cost including due to on-going (long-term) price reduction, the Company makes a provision in the amount of inventory impairment which is charged against increase in other expenses. Such inventories are recognized on the balance sheet net of the impairment provision of inventories.

The average cost method is applied to determine the material expenses when writing-off inventories used to produce goods (provide services).

1.7 Expenses of future periods

Expenses incurred by the Company during the reporting year but related to future reporting periods (payments under voluntary and mandatory insurance of property and employees, one-off payments to purchase licenses and other expenses) are recognized as expenses of future periods. These expenses are written-off on a straight-line basis during the periods to which they relate.

Expenses of future periods to be written-off during the period exceeding twelve months are recognized on the balance sheet as non-current assets in line 1190 "Other non-current assets"; those to be written-off during twelve months — in line 1210 "Inventories".

1.8 Accounts receivable

Trade receivables are accounted for in the amount of services provided, works performed, and goods dispatched at justified prices and established tariffs. Settlements with other debtors are recognized for accounting and reporting purposes based on the contractual prices.

Accounts receivable that are overdue or unlikely to be repaid by the contractual deadlines and are not secured by guarantees, pledges or otherwise, are recognized on the balance sheet net of doubtful debt provision. The provision is based on the conservative assessment made by the Company's management with regard to the portion of receivables which is unlikely to be repaid.

Doubtful debt provision is made on a quarterly basis as of the end of the respective period. The provision amount is determined separately based on unbiased information about the solvency of the specific debtor and assessment of probability of repayment of receivables in full or in part.

Accrual (release) of doubtful debt provision increases other expenses (income).

Uncollectible receivables are written-off when recognized as such. These receivables are recorded in off-balance-sheet accounts over five years after the debt is written off for monitoring whether there is a possibility of their collection in case of any changes in the debtor's property status.

1.9 Cash equivalents and presentation of cash flows in the statement of cash flows

Cash equivalents comprise current highly liquid investments, which are readily convertible into a predictable amount of cash and are exposed to an insignificant risk of changes in value.

The Company recognizes short-term bank deposits with a maturity of up to three months (not longer than 91 days) within cash equivalents if they are treated as funds used for settlements and repayment of liabilities, not intended for investment and other purposes.

The Company's cash flows which cannot be clearly attributed to cash flows from operating, investing or financing activities are included in the cash flows from operating activities in the statement of cash flows. Such cash flows include receipts and payments related to financial instruments of forward deals.

The following items are presented on a net basis in the statement of cash flows:

- Indirect taxes within receipts from buyers and customers and payments to suppliers and contractors;
- Cash flows used for investing activities and received on repayment of short-term bank deposits (with a maturity of more than three months) within the same reporting period.

Cash receipts and payments do not include cash flows changing the structure of cash equivalents, but not changing their total amount.

1.10 Share capital, reserve and additional capital

The Company's authorized capital is recorded in the amount of the nominal value of equity shares purchased by shareholders. The authorized capital is equal to the amount specified in the Company's Charter.

When the authorized capital is increased through additional share placement, transactions associated with the formation of the authorized capital are accounted for when the respective changes made in the Company's constituent documents are registered.

The Company's additional capital includes share premium resulting from placement of the Company's shares at a price exceeding their nominal value and total of additional capital of subsidiaries and associates, merged into the Company during the 2008 reorganisation.

In accordance with legislation the Company forms a reserve capital in the amount of 5 % of the authorized capital. The amount of mandatory annual deductions to the reserve capital is 5 % of the Company's net profit until it reaches the specified level.

1.11 Loans and bank credits received

Loans and bank credits are accounted for in accordance with the Russian Accounting Standard "Accounting for loans and bank credits" (RAS 15/2008).

Loans payable are stated inclusive of interest payable as of the end of the reporting period according to the loan agreements.

Interest is accrued on a monthly basis at the end of each reporting period. If a lender provides for interest calculation attributable to different reporting periods, the amount of interest shall be allocated and included in the amount payable separately for each month.

Additional expenses incurred in connection with borrowings are charged to expenses of future periods with subsequent straight-line inclusion in other expenses over the repayment period.

1.12 Estimated liabilities, contingent liabilities and contingent assets

Estimated liabilities

The Company recognizes estimated liability, which meets the recognition criteria established in the Russian Accounting Standard "Estimated liabilities, contingent liabilities and contingent assets" (RAS 8/2010).

The Company recognizes an estimated liability for earned but unused employee vacations, which is determined as of the end of the reporting year with reference to the number of unused vacation days of each employee at the reporting date and employee's average salary, inclusive of insurance contributions.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognized on the balance sheet, but instead are disclosed in the Notes to the balance sheet and profit and loss statement.

Contingent liability (contingent asset) arises as a result of past business events when existence of a liability (asset) of the Company at the reporting date depends on the occurrence (non-occurrence) of future uncertain events, which are beyond the Company's control.

Contingent liability is disclosed in the Notes, except where the likelihood of a decrease in economic benefits associated therewith is remote. A contingent asset is disclosed in the Notes when inflows associated therewith are probable. If such values are identifiable the estimated amount or a range of estimated amounts shall be disclosed.

1.13 Income

Revenue from sales of products (provision of services) is recognized on an accrual basis (as the products/services are delivered/provided and relevant settlement documents presented to buyers). Revenue is presented net of value added tax.

Other revenues of the Company include:

- Proceeds from sale of property, plant and equipment, investments and other assets;
- Interest received in connection with providing the Company's cash for use, interest for the bank's use of cash sitting on the Company's bank accounts in the bank, interests on the commodity credit and interest on the acquired interest-bearing notes of third parties — in accordance with interest provision in the note when presenting it for payment. The Company recognizes the above income in the statement of financial results in line 2320 "Interest income";
- The Company recognizes income from participation in the share capital of other entities (dividends) when announced and included in the statement of financial results in line 2310 "Income from participation in other entities";
- Income from transactions with derivatives when the respective trading positions are closed;
- Fines, penalties and interest for breaching contractual terms;
- Prior year profit identified in the reporting year (considering the requirements of the Russian Accounting Standard "Correction of errors in accounting and reporting" (RAS 22/2010));
- Other proceeds (income) according to the Russian Accounting Standard "Income of an organisation" (RAS 9/99) (including income in the form of insurance indemnity).

1.14 Expenses

Accounting for expenses is regulated by the Russian Accounting Standard "Expenses of Organisation" (RAS 10/99), under which the Company's expenses are divided into general expenses and other expenses.

Administrative expenses are written-off against the cost of goods produced (services provided).

General expenses are recognized in the reporting period in which they were incurred irrespective of the actual closure of accounts payable.

Expenses shall be accounted for irrespective of the intention to generate revenue or other income and their form.

Other expenses include:

- Expenses incurred in disposal and other write-off of property, plant and equipment, investments and other assets;
- Interest paid by the Company for provided cash (bank credit, loans); the Company recognizes these expenses in the statement of financial results in line 2330 "Interest expense";
- Expenses incurred in payment of services provided by credit institutions;
- Doubtful debt provision calculated on the basis of the reporting period results in accordance with the Company's accounting policies (see paragraph 2.8 of the Notes);
- Expenses from transactions with derivatives when the respective trading positions are closed;
- Fines, penalties and interest for breaching contractual terms, compensation of losses caused by the Company;
- Prior year losses identified in the reporting period (considering the requirements of the Russian Accounting Standard "Correction of errors in accounting and reporting" (RAS 22/2010);
- Charity and social security;
- Expenses incurred as a result of extraordinary events in business operations (natural disaster, fire, accident, etc.)
- Other expenses according to RAS 10/99.

1.15 Changes in the accounting policies

There are no significant changes in the Company's accounting policy for 2016 based on the Russian Accounting Standard "Accounting Policy of Organisations" (RAS 1/2008).

7.5. Information on the Total Amount of Export, as well as on Export Share in Total Sales

The Issuer does not export products (goods, works, services)

7.6. Information on Material Changes in the Issuer's Property since the Expiry Date of the Last Complete Reporting Year

Information on material changes in the Issuer's property which took place within 12 months prior to the expiry date of the reporting quarter:

There were no material changes in the Issuer's property within 12 months prior to the expiry date of the reporting quarter.

7.7. Information on the Issuer's Participation in Judicial Proceedings, if such Participation may have a Material Effect on Financial and Business Activities of the Issuer

The Issuer did not participate/is not participating in any judicial proceedings, which had/may have a material effect on financial and business activities of the Issuer, within the period from the start date of the last complete reporting year to the expiry of the reporting quarter.

VIII. Additional Information on the Issuer and Equity Securities Placed by it

8.1. Additional Information on the Issuer

8.1.1. Information on the Amount and Structure of the Authorized Capital of the Issuer

Amount of the authorized (reserve) capital (unit fund) of the Issuer as at the end date of the last reporting quarter: **three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety (386,255,464,890) RUB**

Equity shares

Total par value: **three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety (386,255,464,890) RUB**

Share in the authorized capital, %: **100**

Preferred

Total par value: **0**

Share in the authorized capital, %: **0**

Information on correspondence between the amount of the authorized capital specified in this Clause and the Issuer's constituent documents: ***The amount of the authorized capital corresponds to the constituent documents***

The shares of the Issuer are traded outside the Russian Federation by circulation of the deposit securities (securities of a foreign issuer certifying the title for the said shares of the Russian issuer) Category (class) of shares traded outside the Russian Federation

Type of securities: ***shares***

Category of shares: ***equity***

Percentage of shares which are traded outside the Russian Federation from the total shares of the relevant category (class): ***5.867811 %***

Foreign issuer, depository securities of which certify rights in respect to the Issuer's shares of the relevant category (class)

Full corporate name: ***The Bank of New York Mellon***

Location: ***One Wall Street & 101 Barclay Street, New York City, New York***

Summary description of the program (program type) on issue of depository securities of a foreign issuer, certifying rights in respect to shares of the relevant category (class):

Program type	GDR according to Rule 144A ADR, 1st level
Depository bank	The Bank of New York Mellon
Relation	1 GDR, 1 ADR = 100 equity shares
Ticker	HYDR
Number CUSIP GDR 144A	782183503
Number CUSIP ADR 1st level	782183404
Opening date of the program: GDR according to Rule 144A	June 17, 2008
ADR, 1st level	August 07, 2009
Maximum possible program capacity, pcs	832,131,000

Information on obtaining a permit from the Bank of Russia and/or the authorized state authority of the

Russian Federation to place and/or arrange trade in the Issuer's shares of relevant category (type) outside the Russian Federation:

permit of the Federal Financial Markets Service of the Russian Federation No. 08-EK-03/10335 dated May 23, 2008, permit of the Federal Financial Markets Service of the Russian Federation No. 09-EK-03/27137 dated November 19, 2009, permit of the Federal Financial Markets Service of the Russian Federation No. 11-SH-03/350 dated November 17, 2010, permit of the Federal Financial Markets Service of the Russian Federation No. 11-SH-03/21348 dated August 18, 2011.

Name of the foreign listing authority, through which the Issuer's shares are traded (depository securities certifying rights in respect to the Issuer's shares) (in case of such trade):

London Stock Exchange, Main Market (trading with listing procedure) and in USA electronic system of over-the-counter trading OTCQX, 304 Hudson Street, 2nd Floor, New York, NY 10013, USA.

8.1.2. Information on Change in the Amount of the Authorized Capital of the Issuer

Information on changes in the Issuer's authorized capital for the last completed reporting year as well as for the period from the beginning date of the current year to the end date of the reporting quarter:

During 2015 and the first quarter of 2016 there were no changes in amount of the authorized capital.

8.1.3. Information on Convening and Holding the Meeting of the Issuer's Supreme Management Body

Name of the Issuer's supreme management body: General Meeting of Shareholders

Procedure for notification of shareholders (participants) of holding of the meeting of the Issuer's supreme management body:

Notice of the General Meeting of Shareholders shall be published by the Company in the *Rossiyskaya Gazeta* newspaper and shall be posted on the Company's website www.rushydro.ru not later than thirty (30) days prior to the date thereof.

Notice of the extraordinary General Meeting of Shareholders, the proposed agenda of which contains an issue about election of members of the Board of Directors, shall be published by the Company in the *Rossiyskaya Gazeta* newspaper and shall be posted on the Company's website www.rushydro.ru not later than seventy (70) days prior to the date thereof.

Persons who may call for (demand the calling for) an extraordinary meeting of the Issuer's supreme management body, as well as procedure for sending such requests:

The extraordinary General Meeting of Shareholders shall be held by a resolution of the Board of Directors passed on its own initiative, upon the request of the Internal Audit Commission, the Company's Auditor, or shareholders holding at least ten (10) per cent of the voting shares of the Company as at the date when the request is submitted.

Demand the calling for the extraordinary General Meeting of Shareholders may be made by:

- sending via mail communication or courier service at location of the Company and also at postal address: building 7, Malaya Dmitrovka, Moscow city, 127006;
- delivery against receipt to Chairman of the Executive Board: Director General, Chairman of the Board of Directors or Corporate Secretary of the Company.

The extraordinary General Meeting of Shareholders, at the request of the Internal Audit Commission of the Company, Auditor of the Company, as well as shareholders holding at least ten (10) per cent of the Company's voting shares at the date of request, is called by the Board of Directors and shall be held within fifty (50) days of the request.

Should the proposed agenda of the extraordinary General Meeting of Shareholders contain an item on election of members of the Board of Directors of the Company, such General Meeting of Shareholders shall be held within ninety-five (95) days of the request.

Within five (5) days of the request for calling for an extraordinary General Meeting of Shareholders, the Board of Directors shall take a decision to call the extraordinary General Meeting of Shareholders or refuse to call it.

The resolution of the Board of Directors on calling an extraordinary General Meeting of Shareholders or reasoned resolution on refusal thereof shall be sent to persons demanding it within three (3) days of the date thereof.

Procedure for determining the date of the meeting of the Issuer's supreme management body:

The annual General Meeting of Shareholders shall be held not earlier than two months and not later than

six months after the end of the financial year.

The annual General Meeting of Shareholders shall be called and held upon the Board of Directors' decision.

The extraordinary General Meeting of Shareholders shall be held by a resolution of the Board of Directors passed on its own initiative, upon the request of the Internal Audit Commission, the Company's Auditor, or shareholders holding at least ten (10) per cent of the voting shares of the Company as at the date when the request is submitted.

The extraordinary General Meeting of Shareholders, at the request of the Internal Audit Commission of the Company, Auditor of the Company, as well as shareholders holding at least ten (10) per cent of the Company's voting shares at the date of request, is called by the Board of Directors and shall be held within fifty (50) days of the request.

Should the proposed agenda of the extraordinary General Meeting of Shareholders contain an item on election of members of the Board of Directors of the Company, such General Meeting of Shareholders shall be held within ninety-five (95) days of the request.

Persons who may propose items on the agenda of the Issuer's supreme management body, as well as the procedure therefore:

The shareholder(s) holding in the aggregate at least two (2) per cent of the Company's voting shares are entitled to propose issues to be included in the agenda of the annual General Meeting of Shareholders and to nominate candidates to the Company's Board of Directors and Audit Commission, as long as the number of such candidates does not exceed the number of members of the given body.

Such propositions shall be delivered to the Company within ninety (90) days after the end of the financial year.

The proposals of agenda items for the General Meeting of Shareholders and proposals concerning nomination of candidates shall be submitted in writing, with specification of the name (corporate name) of shareholders submitting the proposal, and the quantity and category (class) of shares they hold, under the shareholders' signature.

The proposals of agenda items for the General Meeting of Shareholders shall contain the wording of each proposed item, and proposals concerning nomination of candidates — name and ID details (serial and/or number of the document, date and place of its issue, issuing authority) of each nominates, name of the body for election to which it is nominated.

The Board of Directors of the Company shall examine the proposals submitted and decide on placing items on the agenda of the General Meeting of Shareholders or refuse to place them within five (5) days of expiry of the period specified in Clause 11.1 of the PJSC RusHydro Charter.

The Board of Directors may refuse to place items proposed by shareholders on the agenda of the General Meeting of Shareholders, or to include recommended candidates in the list of candidates for election to the relevant body of the Company in cases specified by the Federal Law On Joint-Stock Companies and other legislative and regulatory acts of the Russian Federation.

The reasoned resolution of the Board of Directors to refuse to include the proposed item on the agenda of the General Meeting of Shareholders or a candidate in the list of candidates for voting for election to the relevant body of the Company shall be sent to the shareholder(s) who tabled the item or who recommended the candidate, within three (3) days of its adoption.

The Board of Directors may not change the wording of items proposed to be included in the agenda of the General Meeting of Shareholders, or the wording of resolutions on such issues (if any).

Apart from the items that shareholders propose for inclusion on the agenda of the General Meeting of Shareholders, and also if no such proposals were made, if no candidates or an insufficient number of candidates were proposed for the formation of the given body, the Board of Directors may place items on the agenda of the General Meeting of Shareholders or include candidates in the list of candidates at its own discretion.

Persons who may familiarize themselves with information (materials) provided for preparation and holding of the meeting of the Issuer's supreme management body, as well as the familiarization procedure:

Information (files) concerning the agenda of the General Meeting of Shareholders shall be made available within thirty (30) calendar days before the General Meeting of Shareholders (in case of an extraordinary General Meeting of Shareholders with the issue on the agenda as per Subclause 4 of Clause 1 of Article 48 of the Federal Law On Joint-Stock Companies, within 20 days prior to the meeting) to the persons entitled to participate in the General Meeting of Shareholders at the places to be stated in the message on the General Meeting of Shareholders, this information is also posted on the Company's website.

The list of persons entitled to participate in the General Meeting of Shareholders is compiled based upon the Company's register of shareholders as at the date established by the Board of Directors when deciding on

holding of the General Meeting of Shareholders according to Federal Law On Joint-Stock Companies.

The procedure for familiarization of persons entitled to participate in the General Meeting of Shareholders with information (materials) on the agenda of the General Meeting of Shareholders and the list of such information (materials) is determined by the Board of Directors.

Procedure for announcement (notification of shareholders (participants) of the Issuer) of decisions accepted by the supreme management body of the Issuer, as well as voting results:

The minutes of the General Meeting of Shareholders shall be made within three (3) business days after the General Meeting of Shareholders, when the General Meeting of Shareholders is held in the form of joint attendance, or after the deadline for acceptance of ballots, when the General Meeting of Shareholders is held in the form of voting in absentia.

The Minutes of the General Meeting of Shareholders shall be signed by the Chairman of the General Meeting of Shareholders and by the Secretary of the General Meeting of Shareholders.

Minutes of the General Meeting of Shareholders shall be posted on the Company's website on the working day following its signing.

Information shall be announced and/or brought to the attention of persons entitled to participate in the General Meeting of Shareholders under the procedure and within the term stipulated by the Federal Law On Joint-Stock Companies.

8.1.4. Information on Commercial Organisations, in which the Issuer Holds at least Five Per Cent of the Authorized Capital or at least Five Per Cent of Equity Shares

The list of commercial organisations, where, as of the end date of the last reporting quarter, the Issuer holds at least five per cent of the authorized capital or at least five per cent of equity shares

1. Full corporate name: *Joint-Stock Company HydroEngineering Siberia*

Abbreviated corporate name: *JSC HydroEngineering Siberia*

Location: *Moscow, Russian Federation*

INN: *7804328940*

OGRN: *1057813314525*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

2. Full corporate name: *B.E. Vedeneev Russian Research Hydrotechnics Institute Joint-Stock Company*

Abbreviated corporate name: *B.E. Vedeneev VNIIG JSC*

Location: *St. Petersburg city*

INN: *7804004400*

OGRN: *1027802483400*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

3. Full corporate name: *Joint-Stock Company Geoterm*

Abbreviated corporate name: *JSC Geoterm*

Location: *Petropavlovsk-Kamchatsky, Kamchatka Krai, Russian Federation*

INN: *4101023932*

OGRN: *1024101023429*

The Issuer's share in the authorized capital of the commercial company, %: *99.65*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *99.65*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

4. Full corporate name: **Joint-Stock Company Zaramagskiy HPPs**

Abbreviated corporate name: **JSC Zaramagskiy HPPs**

Location: **Moscow city**

INN: **1505008701**

OGRN: **1021500822001**

The Issuer's share in the authorized capital of the commercial company, %: **99.75**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **99.75**

Share of the person in the authorized capital of the Issuer, %: **0.070239**

Share of the Issuer's equity shares held by the person, %: **0.070239**

5. Full corporate name: **Joint-Stock Company Hydroinvest**

Abbreviated corporate name: **JSC Hydroinvest**

Location: **Ufa, Republic of Bashkortostan, Russia**

INN: **78143882859**

OGRN: **1077847558381**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **3.55**

Share of the Issuer's equity shares held by the person, %: **3.55**

6. Full corporate name: **Joint-Stock Company Leningradskaya PSHPP**

Abbreviated corporate name: **JSC Leningradskaya PSHPP**

Location: **Yanega, Lodeynopolsky District, Leningrad Oblast, Russian Federation**

INN: **7804328926**

OGRN: **1057813313315**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

7. Full corporate name: **Joint-Stock Company Scientific Research Institute of Energy Structures**

Abbreviated corporate name: **JSC NIIES**

Location: **Moscow**

INN: **7733021533**

OGRN: **1027739536868**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

8. Full corporate name: **Joint-Stock Company Experimental-Industrial Verkhne-Mutnovskaya GeoPP**

Abbreviated corporate name: **JSC Experimental-Industrial Verkhne-Mutnovskaya GeoPP**

Location: **Petropavlovsk-Kamchatsky, Kamchatka Krai, Russian Federation**

INN: **4101100400**

OGRN: **1054100011668**

The Issuer's share in the authorized capital of the commercial company, %: **48.04**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **48.04**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

9. Full corporate name: **Joint-Stock Company Managing Company HydroOGK**

Abbreviated corporate name: **JSC MC HydroOGK**

Location: **Moscow**

INN: **5260096381**

OGRN: **1025203040136**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

10. Full corporate name: **Joint-Stock Company Energy Construction Complex of UES**

Abbreviated corporate name: **JSC ECC of UES**

Location: **Moscow**

INN: **7729540430**

OGRN: **1067746217373**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

11. Full corporate name: **Closed Joint-Stock Company Construction Contractor of Boguchanskaya HPP**

Abbreviated corporate name: **CJSC Construction Contractor of Boguchanskaya HPP**

Location: **Kodinsk**

INN: **2420070942**

OGRN: **1072420000135**

The Issuer's share in the authorized capital of the commercial company, %: **51**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **51**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

12. Full corporate name: **Closed Joint-Stock Company Construction Customer of Boguchanskaya HPP**

Abbreviated corporate name: **CJSC Construction Customer of Boguchanskaya HPP**

Location: **10/1 Leninskogo Komsomola Prosp., Kodinsk, Kozhemy District, Krasnoyarsk Krai, Russia, 663491**

INN: **2420070910**

OGRN: **1072420000168**

The Issuer's share in the authorized capital of the commercial company, %: **49**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **49**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

13. Full corporate name: **Closed Joint-Stock Company Construction Contractor of Boguchansk Aluminium Smelter**

Abbreviated corporate name: **CJSC Construction Contractor of Boguchansk Aluminium Smelter**

Location: **10/1 Leninskogo Komsomola Prosp., Kodinsk, Kozhemy District, Krasnoyarsk Krai, Russia, 663491**

INN: **2420070928**

OGRN: **1072420000157**

The Issuer's share in the authorized capital of the commercial company, %: **49**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **49**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

14. Full corporate name: **Joint-Stock Company Construction Customer of Boguchansk Aluminium Smelter**

Abbreviated corporate name: **JSC Construction Customer of Boguchansk Aluminium Smelter**

Location: **Industrial site of Boguchansk Aluminium Smelter, Boguchansk District, Krasnoyarsk Krai, Russia**

INN: **2420070935**

OGRN: **1072420000146**

The Issuer's share in the authorized capital of the commercial company, %: **51**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **51**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

15. Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **Novobureysky ic (uts), Bureysky District, Amur Oblast**

INN: **2813006299**

OGRN: **1062813007817**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

16. Full corporate name: **Joint-Stock Company Nizhne-Zeiskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Zeiskaya HPP**

Location: **Blagoveshchensk, Amur Oblast, Russian Federation**

INN: **2801112479**

OGRN: **1062801070331**

The Issuer's share in the authorized (reserve) capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

17. Full corporate name: **Joint-Stock Company Zagorskaya PSHP-2**

Abbreviated corporate name: **JSC Zagorskaya PSPP-2**

Location: **Bogorodskoye industrial community, Sergievo-Posadsky municipal district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

18. Full corporate name: **Joint-Stock Company Transport Company RusHydro**

Abbreviated corporate name: **JSC TC RusHydro**

Location: **Cheremushki, Sayanogorsk, - Republic of Khakassia, Russian Federation**

INN: **1902018248**

OGRN: **1031900676356**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

19. Full corporate name: **Joint-Stock Company Renewable Energy Engineering Center**

Abbreviated corporate name: **JSC Renewable Energy Engineering Center**

Location: **Moscow**

INN: **7728638105**

OGRN: **1077762186633**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**
Share of the Issuer's equity shares held by the person, %: **0**

20. Full corporate name: **Joint-Stock Company Yuzhno-Yakutsky Hydropower Complex**
Abbreviated corporate name: **JSC South Yakutia HPC**

Location: **Moscow, Russian Federation**

INN: **1402046840**

OGRN: **1061402006126**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

21. Full corporate name: **Non-Public Joint-Stock Company Sulaksky Hydrocascade**

Abbreviated corporate name: **JSC Sulaksky Hydrocascade**

Location: **building 7A, Stroitelny Proezd, Moscow, 125362**

INN: **0516009712**

OGRN: **1070546001173**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

22. Full corporate name: **Joint-Stock Company Service Center of Neporozhny Sayano-Shushenskaya HPP**

Abbreviated corporate name: **JSC SC NSShHPP**

Location: **Cheremushki, Republic of Khakassia**

INN: **1902018368**

OGRN: **1031900677324**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

23. Full corporate name: **Joint-Stock Company Hydroremont VCC**

Abbreviated corporate name: **JSC Hydroremont VCC**

Location: **Moscow**

INN: **6345012488**

OGRN: **1036301733005**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

24. Full corporate name: **Joint-Stock Company Karachaevo-Cherkesskaya Hydrogeneration Company**

Abbreviated corporate name: **JSC Karachaevo-Cherkesskaya Hydrogeneration Company**

Location: **Moscow**

INN: **0917001661**

OGRN: **1050900973177**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

25. Full corporate name: **Private Company Limited by Shares HYDROOGK ALUMINIUM COMPANYY**

LIMITED

Abbreviated corporate name: *HydroOGK Aluminium Company Limited*

Location: *16 Kyriakos Matsis Avenue Nicosia, Cyprus*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

26. Full corporate name: *Private Company Limited by Shares HYDROOGK POWER COMPANY LIMITED*

Abbreviated corporate name: *HYDROOGK POWER COMPANY LIMITED*

Location: *16 Kyriakos Matsis Avenue Nicosia, Cyprus*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

27. Full corporate name: *Joint-Stock Company Zharki*

Abbreviated corporate name: *JSC Zharki*

Location: *Territory of Zharki Leisure Centre, building 1, Bolshoy Babik river mouth, Beysky District, Republic of Khakassia, Russia, 655770*

INN: *1902017734*

OGRN: *1031900671780*

The Issuer's share in the authorized capital of the commercial company, %: *25.000964*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *25.000964*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

28. Full corporate name: *Joint-Stock Company Lenhydroproject*

Abbreviated corporate name: *JSC Lenhydroproject*

Location: *Saint Petersburg*

INN: *7814159353*

OGRN: *1077763382597*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

29. Full corporate name: *Public Joint-Stock Company Kolymaenergo*

Abbreviated corporate name: *PJSC Kolymaenergo*

Location: *Magadan city*

INN: *2460215591*

OGRN: *1092468017751*

The Issuer's share in the authorized capital of the commercial company, %: *98.759682*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *98.759682*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

30. Full corporate name: *Joint-Stock Company Energy Main Computer Centre*

Abbreviated corporate name: *JSC Energy MCC*

Location: *Moscow*

INN: *7705020880*

OGRN: *1027739064858*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

31. Full corporate name: *Joint-Stock Company ChirkeyGESstroy*

Abbreviated corporate name: *JSC ChirkeyGESstroy*

Location: *Moscow*

INN: *0533001760*

OGRN: *1020501741523*

The Issuer's share in the authorized capital of the commercial company, %: *75*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *75*

Share of the person in the authorized capital of the Issuer, %: *0.007561*

Share of the Issuer's equity shares held by the person, %: *0.007561*

32. Full corporate name: *Joint-Stock Company Ust-Srednekamskaya HPP*

Abbreviated corporate name: *JSC Ust-Srednekamskaya HPP*

Location: *Magadan, Magadan Oblast, Russian Federation*

INN: *4909095293*

OGRN: *1074910002310*

The Issuer's share in the authorized capital of the commercial company, %: *67.82*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *67.82*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

33. Full corporate name: *Joint-Stock Company ESC RusHydro*

Abbreviated corporate name: *JSC ESC RusHydro*

Location: *Moscow*

INN: *7804403972*

OGRN: *1089848039973*

The Issuer's share in the authorized capital of the commercial company, %: *100 minus one share*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100 minus one share*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

34. Full corporate name: *Joint-Stock Company Far East WPP*

Abbreviated corporate name: *JSC Far East WPP*

Location: *Moscow*

INN: *2536217601*

OGRN: *1092536005297*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

35. Full corporate name: *Joint-Stock Company Malaya Dmitrovka*

Abbreviated corporate name: *JSC Malaya Dmitrovka*

Location: *Moscow*

INN: *7727685303*

OGRN: *1097746103905*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

36. Full corporate name: *Joint-Stock Company Small HPPs of Altai*

Abbreviated corporate name: *JSC Small HPPs of Altai*

Location: *Gorno-Altaysk, Republic of Altai, Russian Federation*

INN: **0411151856**

OGRN: **1100411007674**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

37. Full corporate name: **Joint-Stock Company Small HPPs of Dagestan**

Abbreviated corporate name: **JSC SHPPs of Dagestan**

Location: **Moscow, Russian Federation**

INN: **0562068208**

OGRN: **1042401810494**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

38. Full corporate name: **RusHydro International B.V.**

Abbreviated corporate name: **RusHydro International B.V.**

Location: **Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

39. Full corporate name: **Public Joint-Stock Company Yakutskenergo**

Abbreviated corporate name: **PJSC Yakutskenergo**

Location: **Yakutsk, Russian Federation**

INN: **1435028701**

OGRN: **1021401047260**

The Issuer's share in the authorized capital of the commercial company, %: **29.795104**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **29.002941**

Share of the person in the authorized capital of the Issuer, %: **0.000014**

Share of the Issuer's equity shares held by the person, %: **0.000014**

40. Full corporate name: **Public Joint-Stock Company Kamchatka Gas Power Complex**

Abbreviated corporate name: **PJSC KamGEK**

Location: **Petropavlovsk-Kamchatsky, Kamchatka Krai, Russian Federation**

INN: **4101047002**

OGRN: **1024101019469**

The Issuer's share in the authorized capital of the commercial company, %: **96.583531**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **96.583531**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

41. Full corporate name: **Joint-Stock Company Pavlodolskaya Hydroelectric Power Plant**

Abbreviated corporate name: **JSC Pavlodolskaya HPP**

Location: **Moscow, Russian Federation**

INN: **1510012774**

OGRN: **1041500751016**

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

42. Full corporate name: **Public Joint-Stock Company RAO Energy System of East**
Abbreviated corporate name: **PJSC RAO Energy System of East**
Location: **Khabarovsk Krai, Khabarovsk**
INN: **2801133630**
OGRN: **1087760000052**
The Issuer's share in the authorized capital of the commercial company, %: **84.39**
Percentage of equity shares held by the Issuer in such joint-stock company, %: **85.163759**
Share of the person in the authorized capital of the Issuer, %: **0.012584**
Share of the Issuer's equity shares held by the person, %: **0.012584**

43. Full corporate name: **Joint-Stock Company Sakhalin Energy Company**
Abbreviated corporate name: **JSC CEK**
Location: **40 Dzerzhinskogo, Yuzhno-Sakhalinsk, Russia, 693007**
INN: **6501210088**
OGRN: **1096501006030**
The Issuer's share in the authorized capital of the commercial company, %: **28.09**
Percentage of equity shares held by the Issuer in such joint-stock company, %: **28.09**
Share of the person in the authorized capital of the Issuer, %: **0**
Share of the Issuer's equity shares held by the person, %: **0**

44. Full corporate name: **Limited Liability Company RusHydro IT Service**
Abbreviated corporate name: **LLC RusHydro IT Service**
Location: **Moscow, Russian Federation**
INN: **1902022558**
OGRN: **1091902000772**
The Issuer's share in the authorized capital of the commercial company, %: **100**
Share of the person in the authorized capital of the Issuer, %: **0**
Share of the Issuer's equity shares held by the person, %: **0**

45. Full corporate name: **Limited Liability Company Verkhnebalkarskaya Small HPP**
Abbreviated corporate name: **LLC Verkhnebalkarskaya SHPP**
Location: **Moscow**
INN: **0706004536**
OGRN: **1090720000370**
The Issuer's share in the authorized capital of the commercial company, %: **100**
Share of the person in the authorized capital of the Issuer, %: **0**
Share of the Issuer's equity shares held by the person, %: **0**

46. Full corporate name: **Limited Liability Company Fiagdonskaya Small HPP**
Abbreviated corporate name: **LLC Fiagdonskaya SHPP**
Location: **Moscow**
INN: **1514005915**
OGRN: **1091514000467**
The Issuer's share in the authorized capital of the commercial company, %: **100**
Share of the person in the authorized capital of the Issuer, %: **0**
Share of the Issuer's equity shares held by the person, %: **0**

47. Full corporate name: **Limited Liability Company Small HPPs of Stavropol and Karachayev-Cherkessia**
Abbreviated corporate name: **LLC SHPPs Stavropol and KCh**
Location: **Moscow**
INN: **0917014406**
OGRN: **1090917001867**
The Issuer's share in the authorized capital of the commercial company, %: **100**
Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

48. Full corporate name: ***Closed Joint-Stock Company Verkhne-Narynskie Hydroelectric Power Plants***

Abbreviated corporate name: ***CJSC Verkhne-Narynskie HPP***

Location: ***326 Zhibek-Zholu Prospekt, Bishkek, Kyrgyz Republic***

INN: ***02510201210033***

OGRN: ***125748-3300-3AO***

The Issuer's share in the authorized capital of the commercial company, %: **50**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **50**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

49. Full corporate name: ***Joint-Stock Company Irkutsk Electric Grid Company***

Abbreviated corporate name: ***JSC IEGC***

Location: ***257 Lermontova St., Irkutsk, Russian Federation, 664033***

INN: ***3812122706***

OGRN: ***1093850013762***

The Issuer's share in the authorized capital of the commercial company, %: **42.75**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **42.75**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

50. Full corporate name: ***Joint-Stock Company TPP in Sovetskaya Gavan***

Abbreviated corporate name: ***JSC TPP in Sovetskaya Gavan***

Location: ***Sovetskaya Gavan, Russian Federation***

INN: ***2704022491***

OGRN: ***1132709000489***

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

51. Full corporate name: ***Joint-Stock Company Blagoveshchenskaya TPP***

Abbreviated corporate name: ***JSC Blagoveshchenskaya TPP***

Location: ***Blagoveshchensk, Amur Oblast, Russian Federation***

INN: ***2801186142***

OGRN: ***1132801005556***

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

52. Full corporate name: ***Joint-Stock Company Sakhalin SDPP-2***

Abbreviated corporate name: ***JSC Sakhalin SDPP-2***

Location: ***Yuzhno-Sakhalinsk, Russian Federation***

INN: ***6501256357***

OGRN: ***1136501004012***

The Issuer's share in the authorized capital of the commercial company, %: **100**

Percentage of equity shares held by the Issuer in such joint-stock company, %: **100**

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

53. Full corporate name: ***Joint-Stock Company Yakutsk SDPP-2***

Abbreviated corporate name: ***JSC Yakutsk SDPP-2***

Location: *Yakutsk, Republic of Sakha (Yakutia)*

INN: *1435269489*

OGRN: *1131447010640*

The Issuer's share in the authorized capital of the commercial company, %: *100*

Percentage of equity shares held by the Issuer in such joint-stock company, %: *100*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

54. Full corporate name: *Limited Liability Company VOLGAHYDRO*

Abbreviated corporate name: *LLC VOLGAHYDRO*

Location: *76 30 let Pobedy St., Balakovo, Saratov Oblast, Russia, 413840*

INN: *6439082561*

OGRN: *1136439001841*

The Issuer's share in the authorized capital of the commercial company: *40 %*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

55. Full corporate name: *Joint-Stock Company Kholdingovaya Kompaniya BoAZ*

Abbreviated corporate name: *JSC Kholdingovaya Kompaniya BoAZ*

Location: *Moscow*

INN: *7733866026*

OGRN: *5137746242420*

The Issuer's share in the authorized capital of the commercial company: *100 %*

Percentage of equity shares held by the Issuer in such joint-stock company: *100 %*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

56. Full corporate name: *Joint-Stock Company Kholdingovaya Kompaniya BoGES*

Abbreviated corporate name: *JSC Kholdingovaya Kompaniya BoGES*

Location: *Moscow*

INN: *7733866019*

OGRN: *5137746242376*

The Issuer's share in the authorized capital of the commercial company: *100 %*

Percentage of equity shares held by the Issuer in such joint-stock company: *100 %*

Share of the person in the authorized capital of the Issuer, %: *0*

Share of the Issuer's equity shares held by the person, %: *0*

8.1.5. Information on Major Transactions Made by the Issuer

Such transactions were not made.

8.1.6. Information on the Issuer's Credit Ratings

In respect of every credit ratings, known to the Issuer, for the last complete reporting year, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter the following is to be specified:

Rating object: **Issuer**

Rating company

Full corporate name: **Fitch Ratings Ltd.**

Abbreviated corporate name: **Fitch**

Location: **Fitch Ratings 101 Finsbury Pavement London EC2A 1 RS UK (central office), 26 Valovaya St. (LightHouse Business Centre), Moscow, Russia, Fitch Ratings CIS Ltd (Moscow office)**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

<https://www.fitchratings.com>, <http://www.fitchratings.ru>

Credit rating as at the end of the reporting quarter: **BB+ according to international scale, AA (rus)**

according to national scale

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

Allocation date	Credit rating
January 21, 2015	Fitch Ratings Ltd. confirmed Negative outlook of JSC RusHydro and confirmed its credit ratings at BB+ (foreign long-term rating) and AA(rus) (national long-term rating).

Rating object: **Issuer**

Rating company

Full corporate name: **Standard & Poor's International Services, Inc.**

Abbreviated corporate name: **S&P**

Location: **55 Water Street New York, NY, United States, 10041 (central office), 4/7 Vozdvizhenka St., bldg. 2, Mokhovaya Business Centre, Moscow, 125009, Russia (Moscow office)**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

<http://www.standardandpoors.com>, <http://standardandpoors.ru>

Credit rating as at the end of the reporting quarter: **BB+ according to international scale, ruAA+ according to national scale**

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

Allocation date	Credit rating
February 0, 2015	Standard&Poor's rating agency revised JSC RusHydro ratings and determined the long-term rating in foreign currency at BB changing Negative to Stable outlook, national long-term rating at ruAA (due to change in sovereign credit rating of the Russian Federation on January 26, 2015 from BBB- to BB+).

Rating object: **Issuer**

Rating company

Full corporate name: **MOODY'S Investors Service Ltd. together with Closed Joint-Stock Company Moody's Interfax Rating Agency**

Abbreviated corporate name: **MOODY'S and CJSC Moody's Interfax Rating Agency**

Location: **7 World Trade Center at 250 Greenwich Street New York, NY 10007 USA and 2 1-ya Tverskaya-Yamskaya St., Moscow, Russia, 125047 (Four Winds Plaza Business Centre)**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

<https://www.moodys.com/>, <http://www.moodys.ru> and <http://www.rating.interfax.ru>

Credit rating as at the end of the reporting quarter: **«Ba2» according to international scale**

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

Allocation date	Credit rating
February 25, 2015	MOODY'S Investors Service Ltd. rating agency revised the long-term credit rating in foreign currency and determined it at Ba2 Negative outlook (due to similar action concerning sovereign credit rating outlook of the Russian Federation on February 20, 2015).
February 26, 2015	CJSC Moody's Interfax Rating Agency revised the national long-term credit rating in foreign currency and determined it at Aa2 (due to similar action concerning sovereign credit rating outlook of the Russian Federation on February 20, 2015).
December 07, 2015	MOODY'S Investors Service Ltd. Rating Agency revised JSC RusHydro rating changing Negative to Stable outlook and confirmed its credit rating at Ba2 according to international

	scale (foreign and national long-term rating according to international scale).
March 09, 2016	MOODY'S Investors Service Ltd. Rating Agency decided to revise the level (forecast) of JSC RusHydro rating according to international scale with the possibility of downgrading (due to similar action concerning bonds of the Russian Federation with a rating on March 04, 2016).
March 10, 2016	CJSC Moody's Interfax Rating Agency decided to revise the level (forecast) of JSC RusHydro rating according to national scale with the possibility of downgrading (due to rating action concerning bonds of the Russian Federation with a rating on March 04, 2016).
March 18, 2016	CJSC Moody's Interfax Rating Agency decided to revoke JSC RusHydro rating according to national scale (system decision regarding revocation by the Agency of all ratings allocated to issuers according to national scale).

Rating object: **securities of the Issuer**

Information on securities

Type of securities: **bonds, exchange-traded bonds,**

Series, other identification characteristics of securities: **bonds, series 07, 08, 09; exchange-traded bonds: BO-P01, BO-P02, BO-P03**

form of securities: **certificated**

Other identification characteristics of securities: **bonds, inconvertible interest-bearing bonds to the bearer with obligatory centralized storage and possibility of early redemption at the holders' request and at the discretion of the Issuer; exchange-traded bonds: exchange-traded inconvertible certificated interest-bearing bonds to the bearer with with obligatory centralized storage;**

State registration number of the securities issue and the date of its state registration (identification number of the securities issue and the date of its assignment): **bonds: 4-07-55038-E of December 27, 2012, 4-08-55038-E of December 27, 2012, 4-09-55038-E of December 27, 2012; exchange-traded bonds: 4B02-01-55038-E-001P of July 03, 2015, 4B02-02-55038-E-001P of July 03, 2015, 4B02-03-55038-E-001P of July 03, 2015;**

Credit rating as the date of the securities prospectus approval: **priority unsecured rating BB+ according to international scale;**

Credit rating change history for the last five completed reporting years, preceding the date of the securities prospectus approval, with specification of the credit rating and allocation (change) date thereof:

Rating company

Full corporate name: **Fitch Ratings Ltd.**

Abbreviated corporate name: **Fitch**

Location: **Fitch Ratings 101Finsbury Pavement London EC2A 1 RS UK (central office), 26 Valovaya St., Moscow, 115054, Russia (LightHouse Business Centre) Fitch Ratings CIS Ltd (Moscow office)**

Description of credit rating methods or URL where information on credit rating methods is posted in free access:

<https://www.fitchratings.com>, <http://www.fitchratings.ru>

Credit rating as at the end of the reporting quarter: **BB+ priority unsecured rating according to international scale**

Credit rating change history for the last completed reporting year, preceding the end date of the reporting quarter, as well as for the period after the beginning date of the current year and up to the end date of the reporting quarter, with specification of the credit rating and allocation (change) date thereof

Allocation date	Credit rating
January 01, 2015	Fitch Ratings confirmed BB+ priority unsecured credit rating of Russian ruble bonds of JSC RusHydro (series 07 and 08).
April 30, 2015	Fitch Ratings attached BB+ priority unsecured rating to Russian ruble bonds of JSC RusHydro (series 09).
July 09, 2015	Fitch Ratings attached BB+ priority unsecured rating to Russian ruble bonds of JSC RusHydro (exchange-traded bonds of series BO-P01, BO-P02, and BO-P03).

8.2. Information on each category (class) of the Issuer's shares

Category of shares: equity;

Par value of a share: **one (1) Russian ruble 00 kopeks**

Outstanding shares (not cancelled or annulled shares): **386,255,464,890** (three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety);

Additional shares which can be placed or are being placed (shares of additional issue, state registration of which is completed, but in respect of which state registration of the additional issue results report is not performed or notification of additional issue results is not provided: **0**;

Number of authorized shares: **54,047,237,489**;

Shares at the Company's disposal (balance sheet): **0**;

Additional shares, which can be placed as a result of conversion of placed securities convertible into shares or as a result of performance of option obligations of the Company: **0**;

State registration number of the issue: **1-01-55038-E**;

State registration date of the issue: **February 22, 2005**

State registration date of the report on the results of the issue: **February 22, 2005**

Public registrar of the issue and report on the results of the issue: **Federal Financial Markets Service of Russia**

Rights of shareholders:

In accordance with clause 6.2. of Article 6 of the Issuer's Charter:

"Each equity share of the Company shall grant equal scope of rights to its owner (shareholder).

Shareholders holding the Company ordinary registered shares are entitled to:

- 1) Participate in person or by proxy in the Company's General Meetings of Shareholders with the right to vote on all issues within its competence;
- 2) Propose items on the agenda of the General Meeting of Shareholders under the procedure established by the laws of the Russian Federation and this Charter;
- 3) Obtain information on the Company's activity and familiarize oneself with the Company's documents in accordance with Article 91 of the Federal Law On Joint-Stock Companies;
- 4) Receive dividends announced by the Company;
- 5) Pre-emptive right to acquire additional shares placed by subscription and equity securities convertible into shares in the amount in proportion to the number of shares of that category (class) owned by them;
- 6) Receive a part of the Company's property in case of its liquidation;
- 7) Exercise other rights provided for by applicable laws of the Russian Federation and this Charter.

The Company did not issue preferred shares.

Other information: **none**

8.3. Information on Previous Issues of the Issuer's Equity Securities, Except for the Issuer's Shares

8.3.1. Information on Issues with Cancelled Securities

None.

8.3.2. Information on Issues with Outstanding Securities

Information about the total number and amount according to par value (if there is a notional value for such a type of securities) of all the Issuer's securities of each separate type excluding shares, issue(s) of which was (were) registered (or they were assigned with an identification number if in accordance with the Federal Law On Securities Market issue(s) of securities are not subject to state registration) and which are not paid off (they may be placed, are being placed, have been placed and/or circulated).

Total amount: **60,000,000**

Total amount in terms of par value: 60,000,000,000 Russian rubles

Type, series (class), form and other identifiers of securities	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 01 with possible early redemption at the request of the holder and at the discretion of the Issuer
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State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4-01-55038-E dated September 23, 2010
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	Federal Financial Markets Service of Russia
Number of securities of the issue	10,000,000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	10,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	outstanding
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	On March 05, 2013, the notice of the results of the securities issue was submitted to the Federal Financial Markets Service of Russia.
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	20
Maturity period (date) of the issue	April 12, 2021
URL where text of the securities issue resolution and securities prospectus is posted (if any)	http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_0102/ http://www.edisclosure.ru/portal/company.aspx?id=8580

Type, series (class), form and other identifiers of securities	certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 02 with possible early redemption at the request of the holder and at the discretion of the Issuer
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4-02-55038-E dated September 23, 2010
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	Federal Financial Markets Service of Russia
Number of securities of the issue*	5,000,000
Number of securities issued at their par value or specification than in accordance with the laws of the Russian Federation such type of securities has no par value*	5,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	outstanding
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	On March 05, 2013, the notice of the results of the securities issue was submitted to the Federal Financial Markets Service of Russia.
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	20
Maturity period (date) of the issue	April 12, 2021

URL where text of the securities issue resolution and securities prospectus is posted (if any)	http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_0102/http://www.e-disclosure.ru/portal/company.aspx?id=8580
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*registered number of securities of the issue is 10,000,000 with total par value of 10,000,000,000 Russian rubles, 5,000,000 bonds with total par value of 5,000,000,000 Russian rubles were placed

Type, series (class), form and other identifiers of securities	certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 07 with possible early redemption at the request of the holder and at the discretion of the Issuer
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4-07-55038-E dated December 27, 2012
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	Federal Financial Markets Service of Russia
Number of securities of the issue	10,000,000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	10,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	outstanding
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	On March 05, 2013, the notification of securities issue results was submitted to the Federal Financial Markets Service of Russia.
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	20
Maturity period (date) of the issue	February 02, 2023
URL where text of the securities issue resolution and securities prospectus is posted (if any)	www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/http://www.e-disclosure.ru/portal/company.aspx?id=8580

Type, series (class), form and other identifiers of securities	certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 08 with possible early redemption at the request of the holder and at the discretion of the Issuer
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4-08-55038-E dated December 27, 2012
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	Federal Financial Markets Service of Russia
Number of securities of the issue	10,000,000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	10,000,000,000 Russian rubles

Status of securities of the issue (not placed; are being placed; placed; outstanding)	outstanding
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	On March 05, 2013, the notification of securities issue results was submitted to the Federal Financial Markets Service of Russia
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	20
Maturity period (date) of the issue	February 02, 2023
URL where text of the securities issue resolution and securities prospectus is posted (if any)	www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/ http://www.e-disclosure.ru/portal/company.aspx?id=8580

Type, series (class), form and other identifiers of securities	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 09 with possible early redemption at the request of the holder and at the discretion of the Issuer
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4-09-55038-E dated December 27, 2012
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	Federal Financial Markets Service of Russia
Number of securities of the issue	10,000,000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	10,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	Outstanding
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	On May 05, 2015 notification of the securities issue results was submitted to the Federal Financial Markets Service of Russia
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	20
Maturity period (date) of the issue	- April 15, 2015
URL where text of the securities issue resolution and securities prospectus is posted (if any)	www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/ http://www.e-disclosure.ru/portal/company.aspx?id=8580

Type, series (class), form and other identifiers of securities	certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 10 with possible early redemption at the request of the holder and at the discretion of the Issuer
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4-10-55038-E dated December 27, 2012

Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	Federal Financial Markets Service of Russia
Number of securities of the issue	10,000,000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	10,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	Placement was carried out
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	-
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	-
Maturity period (date) of the issue	-
URL where text of the securities issue resolution and securities prospectus is posted (if any)	www.rushydro.ru/investors/stockmarket/bonds/bond_issue/obligatsii_07080910/ http://www.e-disclosure.ru/portal/company.aspx?id=8580

Type, series (class), form and other identifiers of securities	Exchange-traded inconvertible certificated interest-bearing to the bearer with obligatory centralized storage of series BO-P01
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4B02-01-55038-E-001P dated July 03, 2015
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	PJSC Moscow Exchange MICEX-RTS
Number of securities of the issue	5 000 000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	5,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	Outstanding
Date of state registration of	Submission of report (notification) on the results of the securities issue in

the report on the results of the securities issue (date of notice on the results of the securities issue)	respect of exchanged-traded bonds to the registering authority is not required
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	6
Maturity period (date) of the issue	July 04, 2018
URL where text of the securities issue resolution and securities prospectus is posted (if any)	http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/programma-birzhevykh-obligatsiy/http://www.e-disclosure.ru/portal/company.aspx?id=8580
Type, series (class), form and other identifiers of securities	Exchange-traded inconvertible certificated interest-bearing to the bearer with with obligatory centralized storage of series BO-P02
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4B02-02-55038-E-001P dated July 03, 2015
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	PJSC Moscow Exchange MICEX-RTS
Number of securities of the issue	5 000 000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	5,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	Outstanding
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	Submission of report (notification) on the results of the securities issue in respect of exchanged-traded bonds to the registering authority is not required
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	6
Maturity period (date) of the issue	July 04, 2018
URL where text of the securities issue resolution	http://www.rushydro.ru/investors/stockmarket/bonds/bond_issue/programma-birzhevykh-obligatsiy/http://www.e-

and securities prospectus is posted (if any)	disclosure.ru/portal/company.aspx?id=8580
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Type, series (class), form and other identifiers of securities	Exchange-traded inconvertible certificated interest-bearing to the bearer with with obligatory centralized storage of series BO-P03
State registration number of the securities issue and state registration date thereof (identification number of the issue and allocation date thereof, if the securities issue is not subject to state registration)	4B02-03-55038-E-001P dated July 03, 2015
Registering authority which carried out state registration of the securities issues (organisation which allocated identification number to the securities issue, if the securities issue is not subject to state registration)	PJSC Moscow Exchange MICEX-RTS
Number of securities of the issue	5 000 000
Number of securities issued at their par value or specification that in accordance with the laws of the Russian Federation such type of securities has no par value	5,000,000,000 Russian rubles
Status of securities of the issue (not placed; are being placed; placed; outstanding)	Outstanding
Date of state registration of the report on the results of the securities issue (date of notice on the results of the securities issue)	Submission of report (notification) on the results of the securities issue in respect of exchanged-traded bonds to the registering authority is not required
Number of interest (coupon) periods, during which yield (coupon, interest) on securities of the issue is paid (for bonds)	6
Maturity period (date) of the issue	July 04, 2018
URL where text of the securities issue resolution and securities prospectus is posted (if any)	http://www.rushydro.ru/investors/disclosure/greports/ http://www.e-disclosure.ru/portal/company.aspx?id=8580

With respect to the securities, the state registration of additional issues of securities was not carried out (no assignment of identification numbers to additional securities issues was carried out)

The Issuer has not place secured bonds, convertible securities, options of the issuer, and Russian depositary receipts

There were no events when the Issuer's matured obligations on securities of the issue, including due to the fault of the Issuer (delay of the debtor) or holder of securities (delay of the creditor), were not performed or were improperly performed.

8.4. Information on Persons Providing a Security for the Issuer's Secured Bonds, as well as on Security Provided for the Issuer's Secured Bonded Obligations

The Issuer did not register the secured bond prospectus, secured bonds were not listed for trading.

8.5. Information on Companies Registering Rights to the Issuer's Equity Securities

The register of holder of the Issuer's registered securities is maintained by the registrar.

Full corporate name: **Joint-Stock Company R.O.S.T. Registrar**

Abbreviated corporate name: **JSC R.O.S.T. Registrar**

Location: **18 Stromynka St., bldg. 13, Moscow**

INN: **7726030449**

OGRN: **1027739216757**

Number, date of issue and validity period of the license of the registrar to maintain the register of security holders, issuing authority:

Number: **10-000-1-00264**

Date of issue: **December 03, 2002**

Expiry date: **Unlimited**

Name of the issuing authority: **Federal Securities Commission of Russia**

Date from which the registrar maintains the register of the Issuer's security holders: **November 02, 2010**

The certificated securities with obligatory central storage are traded

Full corporate name of the depository: **Non-bank Credit Institution National Settlement Depository Closed Joint-Stock Company**

Abbreviated corporate name: **NCI NSD CJSC.**

Location: **12 Spartakovskaya St., Moscow, 105066**

Number, date of issue and validity period of the license of a professional securities market participant for depository activity, issuing authority:

Professional securities trader license for custody business No. 177-12042-000100 issued by the FFMS of Russia on February 19, 2009. The validity period of the license is unlimited.

8.6. Information on Legislative Enactments Governing Import and Export of Capital, which may Influence Payment of Dividends, Interest and Others Payments to Non-Residents

International double taxation agreements and treaties (concerning income and property tax as well as tax avoidance prevention concerning income and property tax);

International treaties of the Russian Federation on mutual promotion and protection of investments;

Civil Code of the Russian Federation (Part One) No. 51-FZ dated November 30, 1994;

Tax Code of the Russian Federation (Part One) No. 146-FZ dated July 31, 1998;

Tax Code of the Russian Federation (Part Two) No. 117-FZ dated August 5, 2000;

Federal Law On Joint-Stock Companies No. 208-FZ dated December 26, 1995;

Federal Law On Securities Market No. 39-FZ dated April 22, 1996;

Federal Law On Protection of Rights and Legitimate Interests of Investors on the Securities Market No. 46-FZ dated March 05, 1999;

Federal Law On Combating Legalization of Illegally Gained Income and Financing of Terrorism No. 115-FZ dated August 07, 2001;

Federal Law On Legal Status of Foreign Citizens in the Russian Federation No. 115-FZ dated July 25, 2002;

Federal Law On Investment Activity in the Russian Federation Accomplished in the Form of Capital Investments No. 39-FZ dated February 25, 1999;

Federal Law On Foreign Investments in the Russian Federation No.160-FZ date July 09, 1999;

Federal Law On Insolvency (Bankruptcy) No. 127-FZ dated October 26, 2002;
 Federal Law On Currency Regulation and Currency Control No. 173-FZ dated December 10, 2003;
 Decree of the President of the Russian Federation No. 1009 dated August 04, 2004 On the Approval of the List of Strategic Enterprises and Strategic Joint Stock Companies;
 Resolution of the Russian Federation Government No. 1226-p dated August 20, 2009 On Approval of the List of Strategic Organisations as well as Federal Executive Authorities Ensuring Implementation of the Unified State Policy in Economic Sectors where Such Organisations Operate;
 Resolution of the Russian Federation Government No. 774-p dated May 29, 2006 On Formation of the Position of the Shareholder - the Russian Federation in the Joint-Stock Companies whose Shares are in Federal Ownership;
 Resolution of the Federal Securities Commission of Russia On Approval of Regulations on Share Register Management No. 27 dated October 02, 1997;
 Resolution of the Plenum of the Supreme Arbitration Court of the Russian Federation On Certain Application Issues of the Federal Law On Joint-Stock Companies No. 19 dated November 18, 2003.

8.7. Information on Declared (Accrued) and/or Paid Dividends on the Issuer's Shares, as well as on the Issuer's Bond Yield

8.7.1. Information on Declared and Paid Dividends on the Issuer's Shares

Information about declared and/or paid dividends on the Issuer's shares for the last five completed reporting years as well as for the period from the beginning date of the current year to the end date of the reporting quarter: According to the results of 2008, the Issuer's dividends were not accrued and paid.

At year-end 2009, the Issuer's dividends were not declared.

Indicator	Dividend period: 2010
Category of shares and type for preferred shares	equity registered
Management body of the Issuer which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the Issuer's management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 30, 2011, Minutes No. 7 dated July 04, 2011
Declared dividends per one share, RUB	RUB 0.00860091
Declared dividends per all shares of that category (class), RUB	2,496,867,415.91
Date when the persons entitled to dividends are (were) determined	May 23, 2011
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2010
Payment period (date) of declared dividends	60 days
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit
Share of the declared dividends in the net profit for the reporting year, %	6.6 %
Total dividends paid on shares of such category (class), RUB	RUB 2,483,922,593.78
Share of paid dividends in total declared dividends on shares of that category (class), %	99.48 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2010, dividends are paid to all persons included in the dividend list, apart from persons who failed to submit in the enquiry form of the registered person the reliable and complete details necessary for dividend payment

Other information on declared and (or) paid dividends specified at the Issuer's discretion	Due to the 3-year term expiry, during which the Company's shareholders had the right to claim payment of the dividends declared for the 2010 financial year, declared and unclaimed dividends are restored as part of the Company's undistributed profits, and the obligation to pay them terminated.
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Indicator	Dividend period: 2011
Category of shares and type for preferred shares	equity registered
Management body of the Issuer which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the Issuer's management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 29, 2012, Minutes No. 8 dated June 29, 2012
Declared dividends per one share, RUB	RUB 0.00789317
Declared dividends per all shares of that category (class), RUB	RUB 2,500,000,051.36
Date when the persons entitled to dividends are (were) determined	May 24, 2012
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2011
Payment period (date) of declared dividends	60 days
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit of the reporting year
Share of the declared dividends in the net profit for the reporting year, %	8.16 %
Total dividends paid on shares of such category (class), RUB	RUB 2,482,255,452.38
Share of paid dividends in total declared dividends on shares of that category (class), %	99.29 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2011, dividends are paid to all persons included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons.
Other information on declared and/or paid dividends specified at the Issuer's discretion	Due to the 3-year term expiry, during which the Company's shareholders had the right to claim payment of the dividends declared for the 2011 financial year, declared and unclaimed dividends are restored as part of the Company's undistributed profits, and the obligation to pay them terminated.

Indicator	Dividend period: 2012
Category of shares and type for preferred shares	equity registered
Management body of the Issuer which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the Issuer's management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 28, 2013, minutes No. 11 dated June 28, 2013
Declared dividends per one share, RUB	RUB 0.00955606
Declared dividends per all shares of that category (class), RUB	RUB 3,675,573,209.73
Date when the persons entitled to dividends are (were) determined	May 23, 2013

Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2012
Payment period (date) of declared dividends	60 days
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit in reporting period
Share of the declared dividends in the net profit for the reporting year, %	25 %
Total dividends paid on shares of such category (class), RUB	RUB 3,655,293,995.03
Share of paid dividends in total declared dividends on shares of that category (class), %	99.45 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2011, dividends are paid to all person included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons.
Other information on declared and/or paid dividends specified at the Issuer's discretion	None

Indicator	Dividend period: 2013
Category of shares and type for preferred shares	Equity registered
Management body of the Issuer which took decision on dividend declaration, date of such decision, date of preparation, and number of minutes of the meeting of the Issuer's management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 28, 2014, Minutes No. 12 dated June 27, 2014
Declared dividends per one share, RUB	RUB 0.01358751
Declared dividends per all shares of that category (class), RUB	RUB 5,248,249,991.75
Date when the persons entitled to dividends are (were) determined	July 8, 2014
Reporting period (year, quarter) for which (according to the results of which) declared dividends are (were) paid	2013
Payment period (date) of declared dividends	For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, and for other persons registered in the shareholders register, 25 business days upon the date when the persons entitled to dividends are determined.
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit in reporting period
Share of the declared dividends in the net profit for the reporting year, %	14.86 %
Total dividends paid on shares of such category (class), RUB	RUB 5,228,814,048.06
Share of paid dividends in total declared dividends on shares of that category (class), %	99.63 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2013, dividends are paid to all persons included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons.

Other information on declared and/or paid dividends specified at the Issuer's discretion	None
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Indicator	Dividend period: 2014
Category of shares and type for preferred shares	Equity registered
Management body of the Issuer which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the Issuer's management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 26, 2015, minutes No. 13 dated June 26, 2015
Declared dividends per one share, RUB	RUB 0,01561855
Declared dividends per all shares of that category (class), RUB	RUB 6,032,750,291.16
Date when the persons entitled to dividends are (were) determined	July 07, 2015
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2014
Payment period (date) of declared dividends	For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, i.e. not later than July 21, 2015, and for other persons registered in the shareholders register, 25 business days, i.e. August 11, 2015, upon the date when the persons entitled to dividends are determined.
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit in reporting period
Share of the declared dividends in the net profit for the reporting year, %	19,63 %
Total dividends paid on shares of such category (class), RUB	RUB 6,010,606,935.69
Share of paid dividends in total declared dividends on shares of that category (class), %	99.63 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2014, dividends are paid to all person included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons, as well as persons in relation to which the nominal holder failed to perform its obligation to transfer dividends due to reasons beyond its control.
Other information on declared and/or paid dividends specified at the Issuer's discretion	None

8.7.2. Information on Accrued and Paid Yield on the Issuer's Bonds

Indicator	Reporting period: 2011–Q1 2016
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Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 01, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-01-55038-E dated September 23, 2010
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 39.89 (thirty-nine rubles eighty-nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 3,590,100,000 (tree billion five hundred ninety million one hundred thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 24, 2011; The second coupon yield is paid on April 23, 2012; The third coupon yield is paid on October 22, 2012; The fourth coupon yield is paid on April 22, 2013; The fifth coupon yield is paid on October 21, 2013; The sixth coupon yield is paid on April 21, 2014; The seventh coupon yield is paid on October 20, 2014; The eighth coupon yield is paid on April 20, 2015; The ninth coupon yield is paid on October 19, 2015;
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form.
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 3,590,100,000 (tree billion five hundred ninety million one hundred thousand rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds is 10 years. Tender offer for purchase of the bonds at the request of their holders for the period of 5 years from the beginning of placement is possible in respect of the said securities.

Indicator	Reporting period: 2011–Q1 2016
Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 02, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 5,000,000, issue at par value — RUB 5,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-02-55038-E dated September 23, 2010
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield

Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 39.89 (thirty-nine rubles eighty-nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 1,795,050,000 (one billion seven hundred and ninety-five million fifty thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 24, 2011; The second coupon yield is paid on April 23, 2012 The third coupon yield is paid on October 22, 2012; The fourth coupon yield is paid on April 22, 2013; The fifth coupon yield is paid on October 21, 2013; The sixth coupon yield is paid on April 21, 2014; The seventh coupon yield is paid on October 20, 2014; The eighth coupon yield is paid on April 20, 2015; The ninth coupon yield is paid on October 19, 2015;
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form.
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 1,795,050,000 (one billion seven hundred and ninety-five million fifty thousand rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds is 10 years. Tender offer for purchase of the bonds at the request of their holders for the period of 5 years from the beginning of placement is possible in respect of the said securities.

Indicator	Reporting period: 2013–Q1 2016
Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 07, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-07-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	Forty-two rubles thirty-eight kopecks (RUB 42.38)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on August 15, 2013 The second coupon yield is paid on February 13, 2014 The third coupon yield is paid on August 14, 2014 The fourth coupon yield is paid on February 12, 2015 The fifth coupon yield is paid on August 13, 2015 The sixth coupon yield is paid on February 11, 2016

Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds of series 07 is 10 years. Tender offer for the period of 5 years from the beginning of placement is possible in respect of securities.

Indicator	Reporting period: 2013–Q1 2016
Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 08, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-08-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 42.38 (forty-two rubles thirty-eight kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on August 15, 2013 The second coupon yield is paid on February 13, 2014 The third coupon yield is paid on August 14, 2014 The fourth coupon yield is paid on February 12, 2015 The fifth coupon yield is paid on August 13, 2015 The sixth coupon yield is paid on February 11, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 2,542,800,000 (two billion five hundred and forty-two million eight hundred thousand rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds of series 08 is 10 years. Tender offer for the period of 5 years from the beginning of placement is possible in respect of securities.

Indicator	Reporting period: Q2 2015 – O1 2016
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Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 09, possible early redemption at the request of the holder and at the discretion of the Issuer.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-09-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 63.58 (sixty-three rubles fifty-eight kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 635,800,000.00 (six hundred thirty five million eight hundred thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 27, 2015
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 635,800,000.00 (six hundred thirty five million eight hundred thousand rubles)
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds of series 09 is 10 years. Tender offer for the period of 2,5 years from the beginning of placement is possible in respect of securities.

Indicator	Reporting period: Q1 2016
Series, form, and other identifiers of securities issue	Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P01
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4B02-01-55038-E-001P dated July 03, 2015
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 59.09 (fifty-nine rubles nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2015
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form

Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro exchange-traded bonds of series BO-P01 is 3 years.

Indicator	Reporting period: Q1 2016
Series, form, and other identifiers of securities issue	Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P02
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4B02-02-55038-E-001P dated July 03, 2016
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 59.09 (fifty-nine rubles nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro exchange-traded bonds of series BO-P02 is 3 years.

Indicator	Reporting period: Q1 2016
Series, form, and other identifiers of securities issue	Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P03

State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4B02-03-55038-E-001P dated July 03, 2016
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 59.09 (fifty-nine rubles nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 295,450,000 (two hundred and ninety five million four hundred and fifty thousand rubles).
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro exchange-traded bonds of series BO-P02 is 3 years.

8.8. Other Information

Absent

8.9. Information on Underlying Securities and the Issuer of Underlying Securities, Title to which is Certified by Russian Depositary Receipts

The Issuer is not the Issuer of Russian depositary receipts.

***Appendix 1. Annual Accounting (Financial) Statements of the Issuer for
2015***

***Public Joint-Stock Company Federal
Hydro-Generating Company – RusHydro***

Auditor's Report
on Financial Statements
2015

Translation from Russian original



Auditor's Report

To the Shareholders of Public Joint-Stock Company Hydro-Generating Company – RusHydro:

Client

Public Joint-Stock Company Hydro-Generating Company – RusHydro (PJSC RusHydro)

State registration certificate with inclusion in the Unified State Register of Legal Entities No. 1042401810494 issued by the Inspectorate of the Russian Ministry of Taxes and Levies of Krasnoyarsk on 26 December 2004.

660017, Russian Federation, Krasnoyarsky region, Krasnoyarsk

Auditor

AO PricewaterhouseCoopers Audit (AO PwC Audit) located at: 125047, Russian Federation, Moscow, Butyrsky Val, 10.

State registration certificate No. 008.890, issued by Moscow Registration Bureau on 28 February 1992.

Certificate of inclusion in the Unified State Register of Legal Entities regarding the legal entity registered before 1 July 2002 No. 1027700148431 issued by Interregional Inspectorate of the Russian Ministry of Taxes and Levies No. 39 for the Moscow City on 22 August 2002.

Member of non-profit partnership “Audit Chamber of Russia” (NP ACR) being a self-regulating organisation of auditors – registration number 870 in the register of NP ACR members.

Major registration record number (ORNZ) in the register of auditors and audit organisations – 10201003683.

*AO PricewaterhouseCoopers Audit
White Square Office Center 10 Butyrsky Val Moscow, Russia, 125047
T: +7 (495) 967-6000, F: +7 (495) 967-6001, www.pwc.ru*

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Auditor's Report

To the Shareholders of Public Joint-Stock Company Hydro-Generating Company – RusHydro:

We have audited the attached financial statements of Public Joint-Stock Company Hydro-Generating Company – RusHydro (hereinafter – PJSC RusHydro) which comprise the balance sheet as of 31 December 2015, and statement of financial results, statement of changes in equity and statement of cash flows for the year ended 31 December 2015 and notes to the balance sheet and statement of financial results (hereinafter all the reports together are referred to as the “financial statements”).

PJSC RusHydro's responsibility for the financial statements

PJSC RusHydro's management is responsible for the preparation and fair presentation of these financial statements in accordance with the reporting rules established in the Russian Federation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The auditor's responsibility

Our responsibility is to express an opinion as to whether the financial statements are fairly presented based on our audit. We conducted our audit in accordance with Russian Federal Auditing Standards and International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of PJSC RusHydro, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PJSC RusHydro as of 31 December 2015 and the results of its operations and its cash flows for the year then ended in accordance with the reporting rules established in the Russian Federation.



Auditor's Report

Emphasis of matter

Without modifying our opinion on the fairness of the financial statements we draw attention to Note 3.1.2 Long-term investments (balance sheet line 1170) to the financial statements which describes the reasons for non-revaluation of quoted financial investments in shares of PAO RAO ES of East, PAO Yakutskenergo and PAO Far East Energy Company at their current market values.

As of 31 December 2015 the amount of unrecognised decrease in the market value as compared to the carrying value of these investments is RUB 5,047 million, as of 31 December 2014 – RUB 13,535 million.

Director of AO PricewaterhouseCoopers Audit

T. V. Sirotinskaya

30 March 2016

BALANCE SHEET

as at 31 December 2015

Organisation **Public joint stock company Federal Hydro Generating Company-
RusHydro (PAO RusHydro)**
 Taxpayer identification number
 Type of activity **Electricity generation by hydroelectric power plants**
 Form of incorporation/form of ownership
**Public joint-stock company/mixed Russian ownership with a federal ownership
share**
 Measurement unit: **RUB mln**
 Address: **Krasnoyarsk, the Krasnoyarsk Territory, Russia, 660017**

Form on OKUD
 Date (year, month, day)
 OKPO
 INN
 OKVED
 OKOPF/OKFC
 OKEI

CODES
0710001
2015/12/31
75782411
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40.10.12
12247 / 41
385

Note	Narrative	Line code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	893	1,032	1,078
	Results of research and development	1120	1,091	843	859
3.1.1	Property, plant and equipment, incl.:	1150	392,723	378,027	350,049
	fixed assets	1151	344,986	321,645	302,864
	construction in process	1152	47,737	56,382	47,185
3.1.1	Income-bearing investments in tangible assets	1160	7,065	7,189	7,313
3.1.2	Financial investments	1170	320,097	264,352	143,059
	investments in subsidiaries, associates and other entities	1171	267,664	230,313	110,041
	loans issued	1172	51,832	34,039	33,018
	promissory notes	1173	601	-	-
3.1.3	Other non-current assets	1190	3,287	3,538	2,987
	Total Section I	1100	725,156	654,981	505,345
	II. CURRENT ASSETS				
3.2.1	Inventories	1210	4,115	3,437	2,861
3.9	Value added tax on goods purchased	1220	40	105	356
3.2.2	Accounts receivable, incl.:	1230	129,291	144,565	233,480
	accounts receivable (payments expected later than 12 months after the reporting date), incl.:	1231	62,549	62,341	80,323
	buyers and customers	1231.1	976	409	103
	advances issued	1231.2	28,524	31,099	35,084
	promissory notes	1231.3	28,578	27,563	27,040
	loans issued	1231.4	3,447	1,503	16,817
	other debtors	1231.5	1,024	1,767	1,279
	accounts receivable (payments expected within 12 months after the reporting date), incl.:	1232	66,742	82,224	153,157
	buyers and customers	1232.1	6,741	5,840	5,648
	advances issued	1232.2	14,495	12,870	15,517
	promissory notes	1232.3	20,809	19,119	22,954
	loans issued	1232.4	12,925	26,384	5,552
	other debtors	1232.5	11,772	18,011	103,486
3.2.3	Financial investments (excl. cash equivalents)	1240	15,879	43,446	55,608
	bank deposits	1241	10,609	33,307	50,000
	loans issued	1242	5,270	10,139	5,568
	promissory notes	1243	-	-	40
3.2.4	Cash and cash equivalents	1250	18,139	9,032	18,546
	Other current assets	1260	11	14	10
	Total Section II	1200	167,475	200,599	310,861
	TOTAL	1600	892,631	855,580	816,206

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Note	Narrative	Line code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
3.3.1	Charter capital	1310	386,255	386,255	317,638
3.3.2	Revaluation of non-current assets	1340	52,928	53,111	53,325
3.3.3	Additional capital (excl. revaluation)	1350	58,424	58,424	58,424
3.3.4	Reserve capital	1360	9,776	8,240	6,474
	Retained earnings (loss), incl.:	1370	235,086	212,430	188,482
	undistributed profit of previous years	1371	205,064	181,701	153,161
	undistributed profit of the current year	1372	30,022	30,729	35,321
	Total Section III	1300	742,469	718,460	624,343
	IV. LONG-TERM LIABILITIES				
3.4.1	Borrowings and bank loans	1410	105,070	92,262	97,965
3.10	Deferred tax liabilities	1420	12,402	9,672	7,184
3.4.2	Other liabilities	1450	2,195	2,335	2,028
	Total Section IV	1400	119,667	104,269	107,177
	V. SHORT-TERM LIABILITIES				
3.5.1	Borrowings and bank loans	1510	18,940	21,915	4,926
3.5.2	Accounts payable, incl.:	1520	9,822	8,575	77,468
	suppliers and contractors	1521	5,492	5,295	5,170
	payables to employees	1522	669	823	601
	payables to state non-budgetary funds	1523	135	119	87
	taxes payable	1524	3,103	1,923	2,570
	dividends payable	1525	67	65	47
	payables in respect of shares issued	1526	-	-	68,618
	other creditors	1527	356	350	375
	Income of future periods	1530	70	75	77
3.5.3	Estimated liabilities	1540	601	1,405	1,020
	Other liabilities	1550	1,062	881	1,195
	Total Section V	1500	30,495	32,851	84,686
	TOTAL	1700	892,631	855,580	816,206

Chairman of Management Board – General Director

N. G. Shulginov

(clarification of signature)

Chief accountant

D. V. Finkel

(clarification of signature)

30 March 2016

STATEMENT OF FINANCIAL RESULTS

for the year ended 31 December 2015

Organisation **Public joint stock company Federal Hydro Generating Company - RusHydro (PAO RusHydro)**
 Taxpayer identification number
 Type of activity **Electricity generation by hydroelectric power plants**
 Form of incorporation/form of ownership
Public joint-stock company/mixed Russian ownership with a federal ownership share
 Measurement unit: **RUB mln**

Form on OKUD
 Date (year, month, day)
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 OKVED
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CODES	
Form on OKUD	0710002
Date (year, month, day)	2015/12/31
OKPO	75782411
INN	2460066195
OKVED	40.10.12
OKOPF/OKFC	12247 / 41
OKEI	385

Note	Narrative	Line code	Year ended 31 December 2015	Year ended 31 December 2014
1	2	3	4	5
3.7.1	Revenue	2110	107,099	108,478
3.7.2	Cost of sales	2120	(63,969)	(65,464)
	Gross profit	2100	43,130	43,014
	Profit from sales	2200	43,130	43,014
3.13.7	Income from participation in other companies	2310	809	382
	Interest income	2320	9,362	9,247
	Interest expense	2330	(8,251)	(6,065)
3.9	Other income	2340	15,005	17,521
3.9	Other expense	2350	(20,396)	(23,777)
	Profit before tax	2300	39,659	40,322
3.10	Current income tax, incl.:	2410	(6,814)	(6,840)
	permanent tax liabilities	2421	(1,902)	1,200
	Change in deferred tax liabilities	2430	(2,786)	(2,432)
	Change in deferred tax assets	2450	(152)	83
	Other	2460	115	(404)
	Net profit	2400	30,022	30,729
	REFERENCE			
	Gain or loss from other operations not included in the net profit of the period	2520	-	-
	Total financial result for the period	2500	30,022	30,729
3.12	Basic earnings per share, RR	2900	0,07773	0,07956

Chairman of Management Board – General Director _____

N. G. Shulginov
(clarification of signature)

Chief accountant _____

D. V. Finkel
(clarification of signature)

30 March 2016

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

Organisation **Public joint stock company Federal Hydro Generating Company – RusHydro (PAO RusHydro)**
 Taxpayer identification number
 Type of activity **Electricity generation by hydroelectric power plants**
 Form of incorporation/form of ownership
Public joint-stock company/mixed Russian ownership with a federal ownership share
 Measurement unit: **RUB mln**

Form on OKUD
 Date (year, month, day)
 OKPO
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 OKOPF/OKFC
 OKEI

CODES
0710003
2015/12/31
75782411
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I. Changes in equity

Narrative	Line code	Share capital	Additional capital	Reserve capital	Retained earnings	Total
1	2	3	4	5	6	7
Equity as of 31 December 2013	3200	317,638	111,749	6,474	188,482	624,343
for 2014						
Increase of equity, including:	3210	68,617	-	-	30,729	99,346
net profit	3211	x	x	x	30,729	30,729
additional shares issue	3214	68,617	-	x	x	68,617
Decrease of equity, including:	3220	-	-	-	(5,229)	(5,229)
Dividends	3227	x	x	x	(5,229)	(5,229)
Other	3228	-	-	x	-	-
Additional capital change	3230	x	(214)	x	214	x
Reserve capital change	3240	x	x	1,766	(1,766)	x
Equity as of 31 December 2014	3200	386,255	111,535	8,240	212,430	718,460
for 2015						
Increase of equity, including:	3310	-	-	-	30,022	30,022
net profit	3311	x	x	x	30,022	30,022
additional shares issue	3314	-	-	x	x	-
Decrease of equity, including:	3320	-	-	-	(6,013)	(6,013)
Dividends	3327	x	x	x	(6,013)	(6,013)
Other	3328	-	-	x	-	-
Additional capital change	3330	x	(183)	x	183	x
Reserve capital change	3340	x	x	1,536	(1,536)	x
Equity as of 31 December 2015	3300	386,255	111,352	9,776	235,086	742,469

III. Net assets

Narrative	Line code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
1	2	3	4	5
Net assets	3600	742,536	718,529	624,420

Chairman of Management Board – General Director _____

N. G. Shulginov
(clarification of signature)

Chief accountant _____

D. V. Finkel
(clarification of signature)

30 March 2016

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STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

Organisation **Public joint stock company Federal Hydro Generating Company – RusHydro (PAO RusHydro)**
 Taxpayer identification number
 Type of activity **Electricity generation by hydroelectric power plants**
 Form of incorporation/form of ownership
Public joint-stock company/mixed Russian ownership with a federal ownership share
 Measurement unit: **RUB mln**

Form on OKUD
 Date (year, month, day)
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CODES
0710004
2015/12/31
75782411
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Note	Narrative	Line code	For 2015	For 2014
1	2	3	4	5
	Cash flows from operating activities			
	Receipts, including:	4110	108,833	108,303
	sales of products, goods, work and services	4111	105,028	106,687
	lease payments, license payments, royalties, commissions and other payments	4112	1,099	210
3.2.4	other receipts	4119	2,706	1,406
	Payments including:	4120	(64,139)	(65,608)
	to suppliers (contractors) – raw materials, works and services	4121	(29,796)	(32,284)
	wages and salaries	4122	(7,429)	(7,667)
	interest on debt liabilities	4123	(7,484)	(6,017)
	corporate income tax	4124	(6,202)	(6,551)
3.2.4	other payments	4129	(13,228)	(13,089)
	Net cash flows from operating activities	4100	44,694	42,695
	Cash flows from investing activities			
	Receipts, including:	4210	48,222	32,089
	sale of non-current assets (except for investments)	4211	150	196
	sale of shares of other organisations (ownership interest)	4212	11	12
	from return of loans, sales of debt securities (chose of possession of cash from third parties)	4213	14,086	7,336
	dividends, interests from long term financial investments and receipts from participation in other entities	4214	11,244	7,824
3.2.4	other receipts	4219	22,731	16,721
	Payments, including:	4220	(84,704)	(87,344)
	purchase, construction, modernisation, reconstruction and preparation for the use of non-current assets	4221	(28,969)	(37,006)
	related to purchase of shares of other organisations (ownership interest)	4222	(35,317)	(29,650)
	purchase of debt securities (chose of possession of cash from third parties), loans issued	4223	(17,739)	(18,118)
	borrowing costs included in the cost of the investment assets	4224	(2,679)	(2,570)
	Net cash flows from investing activities	4200	(36,482)	(55,255)

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Note	Narrative	Line code	For 2015	For 2014
1	2	3	4	5
	Cash flows from financing activities			
	Receipts, including:	4310	27,034	13,663
	borrowings and bank loans	4311	2,037	13,663
	issue of shares, increase in ownership interest	4313	-	-
	issue of bonds, promissory notes and other debt securities, etc.	4314	24,997	-
	Payments, including:	4320	(26,061)	(10,467)
	dividends and other distributions to owners	4322	(5,964)	(5,226)
	redemption (buyback) of promissory notes and other debt securities, loan repayment	4323	(20,067)	(4,984)
3.2.4	other payments	4329	(30)	(257)
	Net cash flows from financing activities	4300	973	3,196
	Net cash flows for the reporting period	4400	9,185	(9,364)
3.2.4	Cash and cash equivalents at the beginning of the reporting period	4450	9,032	18,546
3.2.4	Cash and cash equivalents at the end of the reporting period	4500	18,139	9,032
	Foreign exchange rate difference	4490	(78)	(150)

Chairman of Management Board – General Director

N. G. Shulginov
(clarification of signature)

Chief accountant

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(clarification of signature)

30 March 2016

Explanatory Notes to the 2015 balance sheet and statement of financial results

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I. General information

1.1 Information about the Company

Principal activities of public joint stock company Federal Hydro Generating Company - RusHydro (PAO RusHydro, hereinafter - the Company) are the generation and sale of electricity (power). The Russian Government is the Company's major shareholder.

The Company's registered address is: 43 Dubrovinskogo str., bld. 1, Krasnoyarsk, Krasnoyarsk Territory, Russian Federation, 660017. The Company's postal address: 7, Malaya Dmitrovka str., Moscow, Russian Federation, 127006.

Based on the shareholders' decision, in 2015 the Company was re-registered from an open joint stock company to a public joint stock company due to a need to bring the Company's legal form in compliance with the changes in the Russian Civil Code introduced by Federal Law No. 99-FZ "On amendments to Chapter 4, Part 1 of the Russian Civil Code and on invalidation of certain provisions of the Russian legislation" of 05.05.2014.

As of 31 December 2015 the Company employed 5,635 people (as of 31 December 2014 – 5,838 people).

The Company's shares are traded on OAO MICEX-RTS stock exchange (<http://moex.com>). Level 1 American depository receipts, each of which corresponds to 100 ordinary shares of the Company are traded on the Main Market of London Stock Exchange and over-the-counter market of the USA.

As of 31 December 2015 the ownership share of the Russian Federation in the Company's share capital amounted to 66.84%.

As of 31 December 2015 the Company has 19 branches registered in the Russian Federation, including: branch Bureyskaya GES, branch Volzhskaya GES, branch Votkinskaya GES, Dagestan branch, branch Zhigulevskaya GES, branch Zagorskaya GAES, branch Zeiskaya GES, Kabardino-Balkarsky branch, branch Kamskaya GES, Karachaevo-Cherkessky branch, branch Cascade of Verkhne-Volzhsky GES, branch Cascade of Kuban GES, branch Corporate Energy University, branch Nizhegorodskaya GES, branch Novosibirskaya GES, branch Saratovskaya GES, branch Sayano-Shushenskaya GES named after P.S. Neporozhny, Severo-Osetinsky branch, branch Cheboksarskaya GES.

Membership of the Company's Board of directors as of 31 December 2015 is as follows:

- Trutnev Yury Petrovich, Chairman of the Board of Directors, Deputy Prime Minister - Plenipotentiary Representative of RF President in the Far Eastern Federal District;
- Ivanov Sergey Nikolaevich, Deputy chairman of the Board of Directors, Managing director of OAO Energetic Russian Company;
- Avetisyan Artem Davidovich, President of Uniastrum Bank (LLC);
- Bystrov Maxim Sergeevich, Chairman of the Management Board NP Market Council, OJSC TSA;
- Dod Evgeny Vyacheslavovich,
- Zimin Viktor Mikhailovich, Chairman of the Government, Republic of Khakassia;
- Kalanda Larisa Vyacheslavovna, State Secretary-Vice President, OJSC NK Rosneft, acting General Director, OJSC ROSNEFTEGAZ;
- Kravchenko Vyacheslav Mikhailovich, Deputy Minister of Energy of the Russian Federation;
- Morozov Denis Stanislavovich, Director from the Russian Federation in the Board of Directors of European Bank for Reconstruction and Development (EBRD);
- Pivovarov Vyacheslav Victorovich, Chief Executive Officer, LLC Altera Capital;
- Shishin Sergey Vladimirovich, Senior Vice-President, PJSC VTB Bank;
- Shishkin Andrey Nikolaevich, Vice President, OJSC Rosneft.

According to the decision made by the Company's general meeting of shareholders held on 26 June 2015 (Minutes No 13) Avetisyan Artem Davidovich, Ivanov Sergey Nikolaevich, Osipov

Aleksandr Mikhailovich, Trutnev Yury Petrovich were elected to the Board of Directors; the powers of Ayuev Boris Ilyich, Volkov Eduard Petrovich, Danilov-Danilyan Victor Ivanovich and Poluboyarinov Mikhail Igorevich were terminated.

As of 31 December 2015 the Company's Management Board includes:

- Shulginov Nikolay Grigoryevich, Chairman of the Management Board, General director,
- Bogush Boris Borisovich, First Deputy General Director, Chief engineer,
- Kirov Sergey Anatolyevich, First Deputy General Director,
- Rizhinashvili George Ilyich, First Deputy General Director,
- Tokarev Vladimir Aleksandrovich, First Deputy General Director.

There were following changes in Management Council during 2015 year:

- According to the decision made by the Company's Board of Directors on 16 March 2015 (minutes No 211) Kirov Sergey Anatolyevich was elected to the Board,
- According to the decision made by the Company's Board of Directors on 14 September 2015 (minutes No 222) Shulginov Nikolay Grigoryevich was elected to the Management Council of the Company and on position of sole executive body; the power of Dod Evgeny Vyacheslavovich were terminated,
- According to the decision made by the Company's Board of Directors on 07 October 2015 (minutes No 211) the power of Mantrov Mikhail Alekseevich was terminated.

As of 31 December 2015 members of the Company's Internal Audit Commission included:

- Anninkova Natalia Nikolaevna, First deputy of General Director on economics and finance OJSC "Stroitelnoe upravlenie №308",
- Kant Mandal Denis Rishievich, Acting Head of department at the Federal Property Management Agency,
- Repin Igor Nikolaevich, Deputy Executive Director, Investor protection association,
- Kharin Andrey Nikolaevich, Deputy Director of department Ministry of Energy of Russian Federation,
- Hvorov Vladimir Vasilyevich, Department Leading Expert in the Russian Ministry of Economic Development.

According to the decision made by the Company's annual general meeting of shareholders held on 26 June 2015 (Minutes No 13) Annikova Natalia Nikolaevna, Kharin Andrey Nikolaevich were elected to the Internal Audit Commission; the powers of Bogashov Aleksandr Evgenyevich and Yudin Andrey Ivanovich were terminated.

1.2 The Company's operating environment

The Russian economy displays certain characteristics of an emerging market. It is particularly sensitive to oil and gas price fluctuations. The legal, tax and customs frameworks continue to develop and are subject varying interpretation.

Low oil prices, continuing politic tensions and international sanctions negatively influenced on Russian economy at 2015 year. Mentioned factors contributed to economy downturn that is characterized with decrease of gross domestic product. Financial markets are still characterized with lack of stability, frequent and considerable price changes and increase of trade operations spreads. In January 2015 rating of Russian Federation was decreased to below investment level (BB+) and wasn't changed till the end of the year.

Such economic environment has considerable influence on Company's operations and financial position. Future economic and regulatory situation, internal and external business environment may differ from Company management's current expectations.

The Company's operations are to a greater or lesser degree, exposed to various types of risks (financial, legal, country and regional, reputation, etc.).

The Company's risk management policy specifies the continuous efforts to identify risks, assess them and control and also develop and implement actions for addressing the risks, business continuity management in accordance with international and national standards of risk

management (COSO ERM 2004, ISO 31000, professional standard "Risk management of an organisation", etc.).

Financial risks

Financial risk includes market risk (currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

Information about the Company's exposure to financial risks, their reasons and risk management tools is presented in paragraph 3.15 of the Explanatory Notes.

Legal risks

The reasons for legal risks are associated with potential changes in legal and regulatory base including currency and customs regulations, tax legislation and others.

Legal risks in domestic market related to regulation of electricity generation and its sale/purchase, which represent the Company's principal activities, can significantly impact the Company's position by decreasing its net profit.

Legal risks in external market related to currency and customs regulation are insignificant due to insignificant volume of foreign trade transactions the Company participates in, which are managed through legal support and control of these transactions and liability insurance. To manage the legal risks the Company actively participates in development of energy legislation made by Ministry of Energy of Russian Federation, NP "Market council" and Federal Antimonopoly Service; monitors legislation and makes amendments in the regulatory base.

Country and regional risks

The reasons for country and regional risks are associated with political and economic situation, the geographic features of the country or the region where the entity operates and (or) is registered as a taxpayer.

Exposure to country risk may be indirectly assessed by credit rating with some assumptions (less political risks for business). Rating of Russia was reduced from BBB at positive forecast to BBB- at negative forecast (according to Fitch rating agency), to BB+ to negative forecast (according to Standard & Poor's rating agency), from Baa3 to Ba1 (according to Moody's rating agency) following the results of 2014 year due to the external factors such as oil prices reduction and depreciation of the rouble. This is clearly a negative factor but is related to anti-Russian sanctions. The country risk level may differ depending on the continuity or termination of this policy.

February 2015 Moody's rating agency decreased the Company's rating from Ba1 to Ba2 at negative forecast. December 2015 this agency changed Company's rating from negative to Ba2.

Investor's' comprehension of the country risks reduces the net volume of foreign investment in Russia and has a negative influence on the Russian economy. As well as Russia produces and exports large amounts of gas and oil, the Russian economy is especially vulnerable to the changes of international prices of energy resources; the reduction of gas and oil prices significantly affects the Russian economy development. These events may restrict the access of the Company to the capital and have an adverse impact on consumer purchasing power.

In the crisis environment experienced by the financial market and reduction of manufacturing output there is a risk of decrease in electricity demand that may result in reduction of sales and decrease in the Company's revenue and also a risk of increase in accounts receivable due to non-payments by the consumers of electricity.

The management believes that it has been taking all necessary measures to mitigate the impact of these events on its activities: optimisation of the obtained cash use, assessment of the buyers' solvency, diversification of resources use and others.

Due to enhancement of the state control over energy industry the Company pays considerable attention to transparency and confidence of control procedures relating to budget funds expenditure within the Company's investment programme and also develops and improves the

corporate internal control system and risk management. The company takes the required steps to prevent negative influence of the above risks on its operations.

The Russian regions where the Company performs its operations are characterised by peaceful political situation. Probability of war conflicts, strikes, introduction of the state of emergency in these regions is low except for entities located in North-Caucasus Federal District.

However, changes in the Company's business environment in Russia and in the regions of the Company's presence, the nature and frequency of such changes and related risks are hard to predict and so are their effects on the Company's operations in the future. Such risks are largely beyond the Company's control due to their global scale. If the situation is destabilised in Russia or in any Russian regions, the Company will implement crisis management strategies to minimise the risk of the negative effect of the situation on the Company to the fullest extent possible.

To manage the risks the Company is implementing a complex action plan to enhance safety of the Company's facilities under which the existing plan on ensuring safety at the power plants, including those under construction is amended.

Reputation risks

Reputation risks are associated with a decrease in the number of an entity's customers as a result of negative perception of the quality of products, works, services sold, the ability to meet the deadlines for products delivery, work performance, etc.

The Company assesses its exposure to these risks as low due to the fact that the Company sells electricity and capacity in the wholesale market and has high and sustainable reputation in the market.

To manage these risks the Company analyses key indicators of reputation risks based on the forecast of changes in the share of positive references in mass media, control over compliance with production and market discipline, cooperating actively with all stakeholders to maintain high reputation.

Besides the Company takes measures to prevent corruption. In October 2015 Board of Directors approved anti-corruption policy of PJSC "RusHydro". The code of conduct, regulations on the procedure of the employer's notification about inducement of personnel to unlawful acts, gifts, conflict of interests arrangement procedures etc. are adopted by the Company. The "Trust line" acts on an on-going basis.

The Company works closely with Ministry of energy, Federal tax service, Federal financial monitoring service within the anti-corruption and control of fraud activities.

Other risks

To manage the risks the Company focuses on other operating risks including industry risk, production risk, risk of hydraulicity, risks associated with compliance with legislation on labour safety, risks of industrial safety, environmental risks and risks associated with the third parties' activities and others.

The reasons for these risks are associated with the industry-specific factors that are relevant to the operations, condition of property, plant and equipment. There is an exposure to these risks, degree of possibility of events is at statistically average or low levels. On a permanent basis, the Company implements actions for monitoring the risks and decreasing the probability of their occurrence and severity of the potential adverse consequences including assignment of responsibility, control, diversification and insurance.

II. Accounting policies

These statutory financial statements have been prepared on the basis of the following accounting policies:

2.1 Basis of presentation

The Company's statutory financial statements are prepared in accordance with the accounting and reporting rules currently effective in the Russian Federation provided for by the Federal Law "On Accounting" and "Regulation on Accounting and Reporting in the Russian Federation" as well as other accounting regulations approved by the Russian Ministry of Finance.

Assets and liabilities are stated at actual cost, except for property, plant and equipment and investments for which the current market value can be determined, and assets against which impairment provisions have been duly formed, as well as estimated liabilities.

2.2 Assets and liabilities denominated in foreign currency

Business transactions in foreign currencies were recorded using the official Rouble exchange rate as of the date of the relevant transaction. Cash on hand and in bank accounts (bank deposits), cash and payment documents, accounts receivable (except for advances received and issued and prepayments) including loans receivable and payable, denominated in foreign currencies are recorded in the financial statements in the amounts calculated based on the official currency exchange rates effective as of the reporting date. The exchange rates were as follows: USD 1 = RUB 72.8827 as of 31 December 2015 (31 December 2014: USD 1 = RUB 56.2584, 31 December 2013: USD 1 = 32.7292), EUR 1 = RUB 79.6972 as of 31 December 2015 (31 December 2014: EUR 1 = RUB 68.3427, 31 December 2013: EUR 1 = RUB 44.9699).

Exchange differences arising during the year from translation (including those as of the reporting date) of foreign currency-denominated assets and liabilities payable in foreign currencies or Russian roubles were reported in the statement of financial results as other income or expenses.

2.3 Accounting for assets and liabilities

In the balance sheet, investments, accounts receivable and accounts payable, including bank credits and estimated liabilities, are treated as short-term if the term of their circulation (maturity) does not exceed 12 months after the reporting date. Other assets and liabilities are recognised as long-term.

Interest on loans issued and other investments are recorded in the balance sheet line 1230 "Accounts receivable"; interest on bank credits and loans received are recorded in the balance sheet line 1510 "Borrowings".

Advances to the suppliers of equipment and capital construction contractors are recognised in line 1230 "Accounts receivable".

Advances issued and received are recorded in the balance sheet including VAT.

VAT on advances issued and received is recognised on a gross basis in the balance sheet line 1260 "Other current assets", 1450 "Other liabilities" and 1550 "Other liabilities", respectively.

Deferred tax asset and deferred tax liability are recognized on the balance sheet on a net basis.

2.4 Property, plant and equipment, construction-in-progress and income-bearing investments in tangible assets

Property, plant and equipment are accounted for in accordance with the Russian Accounting Regulation "Accounting for property, plant and equipment" (RAR 6/01).

Property, plant and equipment include land, buildings, facilities, machinery, equipment, transport vehicles and other assets whose useful lives are over 12 months.

Property, plant and equipment are recognized at their historical cost equal to actual acquisition (construction, production) cost.

The acquired property, plant and equipment with historical cost of below RUB 40 thousand per unit which were initially recognised after 1 January 2011 are accounted for within inventories; property, plant and equipment which were initially recognised before 1 January 2011 were accounted for within inventories, if their historical cost did not exceed RUB 20 thousand per unit.

Real property assets which have been constructed, put into operation and are actually used but the title to which was not registered under the procedure established by the effective legislation are accounted for within property, plant and equipment in a separate line.

Property, plant and equipment are recognised on the balance sheet at cost less depreciation accumulated from the date of their independent valuation for merging subsidiaries and associates (hereinafter - SAC) into the Company in 2008 or over the whole period of their operation, if they were put into operation after merging SAC into the Company.

The Company does not perform the revaluation of property, plant and equipment items.

Useful lives of the acquired property, plant and equipment including those which had been in operation before the acquisition, received as a contribution to the share capital or under legal succession in connection with restructuring, are established by the review committee for commissioning of a facility based on the Classification of the Company's property, plant and equipment when PP&E item is initially recognised. Useful lives of assets which were in use in prior periods are determined with consideration to the number of years (months) they were used by the previous owner.

The adopted standard useful lives by groups of property, plant and equipment in accordance with the Classification of the Company's property, plant and equipment are presented below.

Property, plant and equipment group	Useful lives of property, plant and equipment (years) on the balance sheet
Facilities and transmission equipment	3 to 100
Machinery and equipment	1 to 40
Buildings	7 to 75
Other	1 to 20

Depreciation of property, plant and equipment is accrued on a straight-line basis proceeding from their historical values and depreciation rates calculated based on their useful lives.

Depreciation is not accrued on:

- land plots and natural resources;
- housing assets commissioned prior to 1 January 2006 (similar assets acquired after 1 January 2006 are depreciated in accordance with the generally accepted procedure);
- fully depreciated assets that are still on the balance sheet.
- assets that are temporarily shutdown for more than three months and during the restoration period which exceeds twelve months.

Gains and losses on disposal of property, plant and equipment are recorded in the statement of financial results within other income and expenses.

Construction-in-progress includes real estate assets under construction, which have not been put into operation, equipment to be installed and other investments in non-current assets which are not included in PP&E. Equipment which does not require installation, stored in the warehouse and intended for assets under construction are recorded within construction-in-progress in a separate line.

These items are recognised in the balance sheet line 1150 "Property, plant and equipment".

Interest on borrowings raised for the purposes directly related to acquisition, construction and/or manufacture of investment assets, accrued prior to initial recognition of the assets is included in their historical cost; that accrued after the initial recognition of the assets are recognised in the statement of financial results within other expenses.

Interest on borrowings raised for the purposes not related to acquisition, construction and/or manufacture of investment assets, but actually used to purchase the investment assets are included in the cost of investment assets in proportion to the share of the above borrowings in total amount of borrowings raised for the purposes not related to acquisition, construction, manufacture of investment assets.

Income-bearing investments in tangible assets represent PP&E items acquired for leasing out to generate income.

These assets are recognised at their historical cost determined under the procedure used for general PP&E items.

Leased PP&E items are recognised in off-balance-sheet accounts at cost specified in the lease agreement/determined based on the acceptance certificate. If the lease agreement and acceptance certificate do not specify the cost of these assets, property, plant and equipment are recorded in the off-balance-sheet accounts at the following values:

- land plots having the cadastral value - at their cadastral value;
- other PP&E items - in the amount of lease payments inclusive of VAT under lease agreement including the repurchase price of the leasing item.

2.5 Investments

Investments are accounted for in accordance with the Russian Accounting Regulation "Accounting for investments" (RAR 19/02).

Investments include:

- contributions to the share capital of other entities (including subsidiaries);
- debt securities (including bonds, promissory notes);
- deposits in credit institutions except for short-term deposits classified as cash equivalents (paragraph 2.9 of the Explanatory Notes);
- loans issued to other entities;
- government and municipal securities and other investments.

Investments are initially recognised at their actual cost of acquisition.

The Company's actual costs to purchase investments represent the historical cost of investments purchased at a charge.

The historical cost of investments in the Company's share capital is presented by their monetary value agreed by the Company's founders, if not specified otherwise by the Russian legislation.

Investments, the current market value of which can be determined under the established procedure, are recognised on the balance sheet at their current market value as of the end of each reporting period (on a quarterly basis). The difference between the value of these investments as of the current reporting date and their prior value is recorded within other income and expenses.

Current market value of the securities which are traded by the institutors of trading is determined at market prices established at OAO MICEX-RTS (<http://moex.com>).

Investments for which no current market value is determinable are recorded on the balance sheet at their carrying (book) value, except for investments for which there are indications that the decline in their value (impairment) is significant and non-temporary as of the reporting date.

Investments are tested for their impairment once a year as of 31 December of the reporting year, if there are indications of impairment.

The Company accrues the impairment provision for the amount of difference between carrying (book) value and estimated value of the investments with regard to investments for which significant and constant impairment indicators are proved by impairment test. The estimated value of investments is determined based on the data about net assets, revenue, composition of expenses, schedule of projects financing and other factors.

Despite of the fact that well-grounded judgements are applied to determine the estimated value of investments, there are unavoidable limitations as in any valuation technique. Therefore, the estimated value represents the Company management's best estimate based on all the information available as of the reporting date. Future events will also have impact on determining the estimated value and impact of such events can be significant for the Company's financial statements.

Difference between the historical cost and nominal value of debt securities for which current market value is not determinable, is recorded on a straight-line basis during the period of their circulation and is recognised in the Company's financial results within other income (expenses). When investments for which current market value is not determinable are disposed, they are carried at book value of each unit of these investments except for issuance securities (shares, bonds) which are disposed under FIFO; when investments for which current market value is determinable under the established procedure are disposed - based on the latest valuation.

The Company discloses information about measurement at discounted value, the amount of the discounted value of debt securities of other related parties and loans issued to them.

Income and expenses associated with investments are reported within other income or expenses. Interest on loans issued and other income from investments are recognised in the balance sheet line 1230 "Accounts receivable".

2.6 Inventories

Inventories are accounted for in accordance with the Russian Accounting Regulation "Accounting for inventories" (RAR 5/01).

Inventories are accounted for at their actual cost of acquisition (production).

If market value of inventories as of the end of the reporting year is below their historical cost including due to on-going (long-term) price reduction, Company makes a provision in the amount of inventory impairment which is charged against increase in other expenses. Such inventories are recognised on the balance sheet net of the inventories' impairment provision.

The average cost method is applied to determine the material expenses when writing-off inventories used to produce goods (provide services).

2.7 Expenses of future periods

Expenses incurred by the Company in the reporting period but related to future reporting periods (payments under voluntary and mandatory insurance of property and employees, one-off payments to purchase licenses and other expenses) are recorded as expenses of future periods. These expenses are written-off for the purpose intended on a straight-line basis during the periods which they relate to.

Expenses of future periods to be written-off during the period exceeding twelve months are recognised on the balance sheet as non-current assets in line 1190 "Other non-current assets"; those to be written-off during twelve months - in line 1210 "Inventories".

2.8 Accounts receivable

Trade receivables are accounted for in the amount of services provided, works performed, good dispatched at justified prices and established tariffs. Settlements with other debtors are recognised for accounting and reporting purposes based on the contractual prices.

Accounts receivable which are overdue or unlikely to be repaid by the contractual deadlines and are not secured by guarantees, pledges or otherwise, are recognised on the balance sheet net of

doubtful debt provision. The provision is based on the conservative assessment made by the Company's management with regard to the portion of receivables which is unlikely to be repaid.

Doubtful debts provision is made on a quarterly basis as of the end of the respective period. The provision amount is separately determined based on the unbiased information about solvency of the specific debtor and assessment of probability of receivables repayment in full or partially.

Accrual (release) of doubtful debts provision increases other expenses (income).

Uncollectable receivables are written-off when recognized as such. These receivables are recorded in off-balance-sheet accounts over five years after the debt is written off for monitoring whether there is a possibility of their collection in case of any changes in the debtor's property status.

2.9 Cash equivalents and presentation of cash flows in the statement of cash flows

Cash equivalents comprise current highly liquid investments, which are readily convertible into a predictable amount of cash and are exposed to an insignificant risk of changes in value.

The Company recognises short-term bank deposits with a maturity of up to three months (not longer than 91 days) within cash equivalents if they are treated as funds used for settlements and repayment of liabilities, not intended for investment and other purposes.

The Company's cash flows which cannot be clearly attributed to cash flows from operating, investing or financing activities are included in the cash flows from operating activities in the statement of cash flows. Such cash flows include receipts and payments related to financial instruments of forward deals.

The following items are presented on a net basis in the statement of cash flows:

- indirect taxes within receipts from buyers and customers and payments to suppliers and contractors;
- cash flows used for investing activities and received on repayment of short-term bank deposits (with a maturity of more than three months) within the same reporting period.

Cash receipts and payments do not include cash flows changing the structure of cash equivalents, but not changing their total amount.

2.10 Share capital, additional and reserve capital

The Company's share capital has been recorded in the amount of the nominal value of ordinary shares purchased by shareholders. The share capital is equal to the amount specified in the Company's Charter.

When the share capital is increased through placement of additional shares, transactions associated with the formation of the share capital are accounted for when the respective changes made in the Company's constituent documents are registered.

The Company's additional capital includes share premium resulted from placement of the Company's shares at price exceeding their nominal value and total of additional capital of subsidiaries, associates merged into the Company during the 2008 reorganisation.

In accordance with legislation the Company forms a reserve fund in the amount of 5% of the share capital. The amount of mandatory annual deductions to reserve fund is 5% of the Company's net profit until it reaches the specified level.

2.11 Loans and bank credits received

Loans and bank credits are accounted for in accordance with the Russian Accounting Regulation "Accounting for loans and bank credits" (RAR 15/2008).

Loans payable are stated inclusive of interest payable as of the end of the reporting period according to the loan agreements.

Interest is accrued on a monthly basis at the end of each reporting period. If a lender provides for interest calculation attributable to different reporting periods, the amount of interest shall be allocated and included in the amount payable separately for each month.

Additional expenses incurred in connection with borrowings are charged to expenses of future periods with subsequent straight-line inclusion in other expenses over the repayment period.

2.12 Estimated liabilities, contingent liabilities and contingent assets

Estimated liabilities

The Company recognises estimated liability, which meets the recognition criteria established in the Russian Accounting Regulation "Estimated liabilities, contingent liabilities and contingent assets" (RAR 8/2010).

The Company recognises an estimated liability for earned but unused employee vacations, which is determined as of the end of the reporting year with reference to the number of unused vacation days of each employee at the reporting date and employee's average salary, inclusive of insurance contributions.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recorded on the balance sheet, but instead are disclosed in the Explanatory Notes to the balance sheet and statement of financial results.

Contingent liability (contingent asset) arises as a result of past business events when existence of a liability (asset) of the Company at the reporting date depends on occurrence (non-occurrence) of future uncertain events, which are beyond the Company's control.

Contingent liability is disclosed in the Explanatory Notes to financial statements, except where the likelihood of a decrease in economic benefits associated therewith is remote. Contingent asset is disclosed in the Explanatory Notes when the inflows associated therewith are probable. There is a need to disclose its estimated amount or a range of estimated amounts, if such values are identifiable.

2.13 Revenue recognition

Revenue from sales of products (provision of services) is recognized on an accrual basis (as the products/services are delivered/provided and relevant settlement documents presented to buyers). Revenue is presented net of value added tax.

Other revenues of the Company include:

- proceeds from sale of property, plant and equipment, investments and other assets;
- interest received in connection with providing the Company's cash for use, interest for the bank's use of cash sitting on the Company's bank accounts in the bank, interest for the commodity credit and interest on the acquired interest-bearing notes of the third parties - in accordance with interest provision in the note when presenting it for payment. The Company recognises the above income in the statement of financial results in line 2320 "Interest income";
- income from participation in share capital of other entities (dividends) is recognised by Company when announced and included in the statement of financial results in line 2310 "Income from participation in other entities";
- income from transactions with derivatives when the respective trading positions are closed;
- fines, penalties and interest for breaching contractual terms;
- prior year profit identified in the reporting year (considering the requirements of the Russian Accounting Regulation "Correction of errors in accounting and reporting" (RAR 22/2010);
- other proceeds (income) according to the Russian Accounting Regulation "Income of an organisation" (RAR 9/99) (including income in the form of insurance indemnity).

2.14 Recognition of expenses

Accounting for expenses is regulated by the Russian Accounting Regulation "Expenses of an organisation" (RAR 10/99) under which the Company's expenses are divided into general expenses and other expenses.

Administrative expenses are written-off against the cost of goods produced (services provided).

General expenses are recognised in the reporting period wherein they were incurred irrespective of the actual closure of accounts payable.

Expenses shall be accounted for irrespective of the intention to generate revenue or other income and their form.

Other expenses include:

- expenses incurred in disposal and other write-off of property, plant and equipment, investments and other assets;
- interest paid by the Company for provided cash (bank credit, loans); the Company recognises these expenses in the statement of financial results in line 2330 "Interest expense";
- expenses incurred in payment of services provided by credit institutions;
- doubtful debts provision calculated on the basis of the reporting period results in accordance with the Company's accounting policies (see paragraph 2.8 of the Explanatory Notes);
- expenses from transactions with derivatives when the respective trading positions are closed;
- fines, penalties and interest for breaching contractual terms, compensation of losses caused by the Company;
- prior year losses identified in the reporting period (considering the requirements of the Russian Accounting Regulation "Correction of errors in accounting and reporting" (RAR 22/2010);
- charity and social security;
- expenses incurred as a result of extraordinary events in business operations (natural disaster, fire, accident, etc.)
- other expenses according to RAR 10/99.

2.15 Changes in the accounting policies

There are no significant changes in the Company's accounting policies for 2015 and 2016 based on the Russian Accounting Regulation "Accounting policies of an organisation" (RAR 1/2008).

III. Disclosure of material indicators

3.1 Non-current assets (Section I of the balance sheet)

3.1.1 Property, plant and equipment (line 1151 of the balance sheet), construction-in-progress (line 1152 of the balance sheet), income-bearing investments in tangible assets (line 1160 of the balance sheet)

PP&E group	Net book value		
	31 December 2015	31 December 2014	31 December 2013
Line 1151 Property, plant and equipment, including:			
Facilities and transmission equipment	189,819	188,410	189,486
Machinery and equipment	120,251	98,216	77,084
Buildings	34,274	34,457	35,349
Motor vehicles	23	56	406
Production and maintenance tools	412	281	349
Land plots	4	3	3
Other types of property, plant and equipment	2	222	187
Total line 1151 "Property, plant and equipment"	344,986	321,645	302,864
Line 1160 Income-bearing investments in tangible assets, including:			
Facilities and transmission equipment	7,065	7,189	7,313
Total in line 1160 "Income-bearing investments in tangible assets"	7,065	7,189	7,313

As of 31 December 2015 income-bearing investments in tangible assets amount to RUB 7,065 million (as of 31 December 2014 – RUB 7,189 million, as of 31 December 2013 – RUB 7,313) and relate to five dams in Irkutsk region received in 2011 as part of additional issues of the Company's shares.

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Availability and movement of property, plant and equipment and income-bearing tangible assets

Narrative	Period	At the beginning of the year		Changes for the period				At the end of the year	
		Cost	Accumulated depreciation	Additions*	Disposals		Depreciation accrued*	Cost	Accumulated depreciation
					Cost	Accumulated depreciation			
Property, plant and equipment including:	2014	356,976	(54,112)	35,474	(3,310)	1,645	(15,028)	389,140	(67,495)
	2015	389,140	(67,495)	42,761	(3,401)	1,414	(17,433)	428,500	(83,514)
Facilities and transmission equipment	2014	210,790	(21,304)	3,264	(70)	54	(4,324)	213,984	(25,574)
	2015	213,984	(25,574)	7,633	(2,260)	367	(4,331)	219,357	(29,538)
Machinery and equipment	2014	105,144	(28,060)	31,225	(1,234)	841	(9,700)	135,135	(36,919)
	2015	135,135	(36,919)	34,270	(997)	947	(12,185)	168,408	(48,157)
Buildings	2014	39,107	(3,758)	806	(1,241)	309	(766)	38,672	(4,215)
	2015	38,672	(4,215)	574	(12)	4	(749)	39,234	(4,960)
Motor vehicles	2014	755	(349)	25	(698)	377	(54)	82	(26)
	2015	82	(26)	5	(37)	8	(9)	50	(27)
Production and maintenance tools	2014	848	(499)	94	(53)	50	(159)	889	(608)
	2015	889	(608)	266	(89)	86	(132)	1,066	(654)
Land plots	2014	3	-	-	-	-	-	3	-
	2015	3	-	1	-	-	-	4	-
Other types of property, plant and equipment	2014	329	(142)	60	(14)	14	(25)	375	(153)
	2015	375	(153)	12	(6)	2	(27)	381	(178)
Income-bearing investments in tangible assets including:	2014	7,592	(279)	-	-	-	(124)	7,592	(403)
	2015	7,592	(403)	-	-	-	(124)	7,592	(527)
Facilities and transmission equipment	2014	7,592	(279)	-	-	-	(124)	7,592	(403)
	2015	7,592	(403)	-	-	-	(124)	7,592	(527)

* Cost of property, plant and equipment received in 2015 and depreciation for the period includes cost of property, plant and equipment repurchased at the expiration of the lease agreements and accumulated depreciation of RUB 3,679 million (for 2014: RUB 2,322 million). Exposure of leased property, plant and equipment is described in paragraph 3.6.1 of the Explanatory Notes.

Changes in the cost of property, plant and equipment as a result of further construction, re-equipping, reconstruction or partial liquidation

Narrative	2015	2014
Increase in the cost of property, plant and equipment as a result of further construction, re-equipping, reconstruction including:	23,674	16,990
Machinery and equipment	17,769	15,081
Facilities and transmission equipment	5,673	1,669
Other types of property, plant and equipment	232	240
Decrease in value of property, plant and equipment as a result of partial liquidation including:	96	205
Machinery and equipment	86	191
Other types of property, plant and equipment	10	14

Other use of property, plant and equipment

Narrative	31 December 2015	31 December 2014	31 December 2013
Leased out PP&E recognised on the balance sheet	1,604	1,760	1,593
Leased PP&E recognised in the off-balance-sheet accounts	38,490	34,097	33,754
Real estate assets which were put into operation and actually used but are in the process of state registration	2,552	2,094	1,716
PP&E that have been temporarily shut down	89	77	94

Construction-in-progress and purchase of property, plant and equipment and income-bearing investments in tangible assets

Narrative	Period	At the beginning of the year	Changes for the period				At the end of the year
			Costs for the period	Written off	Other movement*	Recognised as PP&E or uplifted	
Construction-in-progress and purchase of property, plant and equipment and income-bearing investments in tangible assets, including:	2014	47,185	42,432	(69)	(14)	(33,152)	56,382
	2015	56,382	31,083	(44)	(602)	(39,082)	47,737
Construction-in-progress	2014	39,266	19,150	(26)	25,951	(32,838)	51,503
	2015	51,503	14,698	(21)	15,579	(38,831)	42,928
Incomplete transactions on purchasing property, plant and equipment and income-bearing investments in tangible assets	2014	27	316	(1)	7	(314)	35
	2015	35	262	(1)	-	(251)	45
Equipment for installation	2014	7,892	22,966	(42)	(25,972)	-	4,844
	2015	4,844	16,123	(22)	(16,181)	-	(4,764)

* Transfer of equipment for installation, reclassification of equipment to be installed to construction-in-progress and other movement not related to transfer of assets to property, plant and equipment

3.1.2 Long-term investments (line 1170 of the balance sheet)

Line 1170 "Financial investments" includes contributions to share capital of subsidiaries, associates and other entities, debt securities and long-term loans issued to subsidiaries and associates:

Narrative	31 December 2015	31 December 2014	31 December 2013
Investments in subsidiaries	252,713	216,413	95,619
Investments in associates	11,110	11,210	11,210
Investments in other entities	3,841	2,690	3,212
Long-term loans issued	51,832	34,039	33,018
Debt securities	601	-	-
Total line 1170 "Financial investments"	320,097	264,352	143,059

Exposure of long-term investments to financial risks is described in paragraph 3.15 of the Explanatory Notes.

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Availability and movement of long-term investments

Narrative	Period	At the beginning of the year		Changes for the period					At the end of reporting period	
		Cost	Accumulated adjustment*	Additions	Changes in current market value	Disposed (settled)		Other movements**	Cost	Accumulated adjustment*
						Cost	Accumulated adjustment*			
Long-term investments including:	2014	159,640	(16,581)	129,939	(574)	(8,050)	-	(22)	281,529	(17,177)
	2015	281,529	(17,177)	62,904	780	(5,552)	-	(2,387)	338,881	(18,784)
Investments in subsidiaries	2014	95,619	-	121,586	-	(778)	-	(14)	216,427	(14)
	2015	216,427	(14)	38,771	-	(35)	-	(2,436)	255,163	(2,450)
Investments in associates	2014	11,226	(16)	-	-	-	-	-	11,226	(16)
	2015	11,226	(16)	-	-	(100)	-	-	11,126	(16)
Investments in other entities	2014	12,878	(9,666)	75	(574)	(15)	-	(8)	12,938	(10,248)
	2015	12,938	(10,248)	401	780	(79)	-	49	13,260	(9,419)
Long-term loans issued	2014	33,018	-	8,278	-	(7,257)	-	-	34,039	-
	2015	34,039	-	23,131	-	(5,338)	-	-	51,832	-
Debt securities	2014	6,899	(6,899)	-	-	-	-	-	6,899	(6,899)
	2015	6,899	(6,899)	601	-	-	-	-	7,500	(6,899)

* Accumulated adjustment includes difference between original and current market value of investments for which current market value can be determined; difference between original and current market value of investments for which current market value is not determinable; provision for impairment of investments.

** Other movements include changes in provision for impairment of investments, accrual of discount on debt securities and reclassification within the balance sheet line 1170 "Investments".

PAO RusHydro
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(in millions of Russian Roubles unless otherwise stated)

(a) Investments in subsidiaries, associates and other entities

The balance sheet line 1170 "Investments" includes the below investments in subsidiaries, associates and other organisations:

Subsidiaries and associates and other entities	31 December 2015		31 December 2014		31 December 2013	
	Carrying amount	Share, %	Carrying amount	Share, %	Carrying amount	Share, %
Subsidiaries	252,713		216,413		95,619	
AO Zagorskaya GAES-2	60,691	100.00%	55,924	100.00%	9,780	100.00%
AO Ust-Srednekanskaya GES	23,111	67.82%	23,111	67.82%	14,722	50.04%
PAO RAO ES of East	18,495	84.39%	18,495	84.39%	18,495	84.39%
AO Zaramagskie GES	17,216	99.75%	17,216	99.75%	1,904	98.35%
AO Yakutskaya GRES-2	16,862	100.00%	5,638	100.00%	1	100.00%
AO Nizhne-Bureiskaya GES	14,611	100.00%	8,673	100.00%	408	100.00%
PAO Kolymaenergo	13,187	98.76%	13,187	98.76%	13,187	98.76%
AO Sakhalinskaya GRES-2	12,996	100.00%	1	100.00%	1	100.00%
AO ESK RusHydro	11,832	100.00% - 1 акция	11,832	100.00% - 1 акция	2,864	100.00% - 1 акция
AO Sulakskiy Hydrocascade	10,094	100.00%	10,094	100.00%	10,094	100.00%
AO Gidroinvest	9,550	100.00%	9,550	100.00%	-	100.00%
AO CCGT in the City of Sovetskaya Gavan	7,345	100.00%	4,375	100.00%	1	100.00%
AO Malaya Dmitrovka	6,394	100.00%	6,394	100.00%	5,455	100.00%
AO Blagoveschenskaya TEC	6,302	100.00%	6,302	100.00%	1	100.00%
AO Leningradskaya GAES	4,994	100.00%	5,898	100.00%	1,690	100.00%
AO Lenhydroproject	3,260	100.00%	3,260	100.00%	3,260	100.00%
AO Yuzhno-Yakutskiy GEK	3,255	100.00%	3,255	100.00%	3,255	100.00%
AO Geoterm	2,425	99.65%	2,425	99.65%	2,425	99.65%
PAO Yakutskenergo*	1,671	29.80%	1,671	29.80%	1,671	29.80%
HydroOGK Power Company Ltd	1,171	100.00%	1,171	100.00%	1,171	100.00%
AO Hydro-Engineering Siberia	990	100.00%	2,292	100.00%	300	100.00%
AO NIIES	983	100.00%	983	100.00%	338	100.00%
OOO Verkhnebalkarskaya MGES	937	100.00%	937	100.00%	118	100.00%
AO Renewable Energy Engineering Centre	694	100.00%	694	100.00%	694	100.00%
AO GVTS Energetiki**	653	100.00%	-	-	-	-
AO CSO SGES	589	100.00%	589	100.00%	589	100.00%
PAO Kamchatsky gas and energy complex	531	96.58%	531	96.58%	531	96.58%
Other	1,874		1,916		2,665	
Associates:	11,110		11,210		11,210	
OAO Irkutsk Electric Grid Company	8,543	42.75%	8,543	42.75%	8,543	42.75%
OAO Sakhalin energy company	2,567	28.09%	2,567	28.09%	2,567	31.49%
Other	-		100		100	
Other entities:	3,841		2,690		3,212	
PAO Inter RAO	2,217	1.94%	1,445	1.94%	2,027	1.94%
OAO Boguchanskaya GES	1,081	2.88%	1,081	2.88%	1,081	2.88%
Other	543		164		104	
Total:	267,664		230,313		110,041	

* Investment in PAO Yakutskenergo (29.80%) is recorded within subsidiaries as the Company has control over these entities indirectly via other subsidiaries.

** As of 31 December 2015 investment in AO GVTS Energetiki (100.00%) was accounted as part of subsidiaries due to acquisition additional share in 2015; as of 31 December 2014 and 31 December 2013 investment was considered as part of dependent companies with share of 42.53% and cost of 0 million RUB.

Key factors affected changes in the value of investments in subsidiaries, associates and other entities in 2015 are as follows:

- acquisition of additionally issued shares of subsidiaries for the total of RUB 10,929 million, including AO Nizhne-Bureiskaya GES for the amount of RUB 5,938 million, AO Zagorskaya GAES-2 for the amount of RUB 4,767 million and AO Dalnevostochnaya VES for the amount of RUB 224 million;
- acquisition of additionally issued shares of subsidiaries whose shares were transferred for trust management to PAO RAO ES of East for the total of RUB 27,189 million, including AO Sakhalinskaya GRES-2 for the amount of RUB 12,995 million, AO Yakutskaya GRES-2 for the amount of RUB 11,224 million and AO CCGT in the City of Sovetskaya Gavan for the amount of RUB 2,970 million;
- acquisition of share in the share capital of AO GVTS Energetiki for the amount of RUB 653 million;
- assessment of investments that have current market value with recognition of revenue amounting to RUB 781 million (see paragraph 3.15 of the Explanatory Notes) including revenue amounting to RUB 772 million related to PAO Inter RAO shares;
- making provision for impairment of investments for amount of RUB 2,436 million including provision for AO HydroInzhiniring Sibir for the amount of RUB 1,302 million, for AO Leningradskaya GES for the amount of RUB 904 million and for others companies for the amount of RUB 230 million.

Investments in subsidiaries that have current market value

As of 31 December 2015, 31 December 2014 and 31 December 2013, investments included shares of the Company's subsidiaries, i.e. PAO RAO ES of East, PAO Yakutskenergo and PAO Far East Energy Company, received in 2011–2013 as a result of the additional issue of the Company's shares which are recognised on the Company's balance sheet. These investments are recorded at the value agreed with the founders and determined on the basis of the market valuation performed by an independent appraiser totalling 20,204 million as of 31 December 2015 (as of 31 December 2014: 20,204 million; as of 31 December 2013: 20,204 million). This valuation exceeds the current market value of the shares as of 31 December 2015, 31 December 2014 and 31 December 2013 by RUB 5,047 million, RUB 13,535 million and RUB 12,394 million, respectively.

The Company's management plans to get benefits from investments in PAO RAO ES of East, PAO Yakutskenergo and PAO Far East Energy Company by controlling their business operations rather than as a result of fluctuations in their market value. Thus, according to the Company's management, current market quotes do not fairly reflect the fair value of the controlling shareholdings in these companies as the number of shares traded in the market is not representative; not more than 1% of total shares issued are in circulation on a daily basis. Also since the end of the 2015 year the process of PAO RAO ES of East shares' consolidation in RusHydro Group by buying from minority and bringing the stake to 100% has started.

In view of these circumstances and considering that the Company has no plans to sell these investments, in accordance with paragraph 6 of the Russian Accounting Regulation "Accounting reports of an organisation" (RAR 4/99), approved by order No. 43n of the Russian Ministry of Finance of 6 July 1999, the Company decided against performing revaluation of its investments in shares of PAO RAO ES of East, PAO Yakutskenergo and PAO Far East Energy Company at the current market value from acquisition date.

The Company's management analysed the models of expected cash flows and factors that may show that there are indications of impairment of investments and came to a decision that these assets are not impaired as of 31 December 2015.

The amount of unrecognised change in the market value as compared to the carrying amount as of 31 December 2015 is RUB 5,047 million (as of 31 December 2014: RUB 13,535 million; as of 31 December 2013: RUB 12,394 million). The Company's net assets would have amounted to RUB 737,489 million, if it included the above unrecognised change in the value (as of 31 December 2014: RUB 704,994 million, as of 31 December 2013: RUB 612,026 million).

Impairment of investments in subsidiaries, associates and other entities for which current market value is not determinable

The Company's management analysed the negative trends related to a number of subsidiaries, which is presented below. The management performed the analysis of investments to the share capital of the entities listed below for possible signs of impairment, and also analysed possible impairment of other assets related to these subsidiaries, including those recorded within accounts receivable (see paragraph 3.2.2 of the Explanatory Notes).

AO Zagorskaya GAES-2. In September 2013, Zagorskaya GAES-2 which is currently under construction suffered from the flooding of a section of the GAES building from the lower reservoir. Due to the technical complexity of identifying the losses as a result of the accident, management are not able to estimate the amount of expenses needed to rectify the accident consequences and write off the damaged items of construction in progress.

Assets in relation to AO Zagorskaya GAES-2 on the balance sheet of the Company as of 31 December 2015 are as follows:

- within long-term investments: shares of AO Zagorskaya GAES-2 for the amount of RUB 60,691 million and interest-bearing loan for the amount of RUB 5,562 million.

The analysis of recoverability of these assets performed by the Company as of 31 December 2015 was based on the following key factors:

- Construction works and the assets are insured. As at 31 December 2015 all insurance companies PIJSC Ingosstrakh, JSC AlfaStrakhovanie and JSC SOGAZ have recognized the technical incident at Zagorskaya GAES-2 as an insured event and paid insurance indemnity.
- Management plans to perform recovery work and complete construction of Zagorskaya GAES-2. As of 31 December 2015 there is significant uncertainty in terms of the expenses to be incurred on recovery of damage caused by the flooding at Zagorskaya GAES-2. However, these expenses can be significant. Capacity supply contracts were concluded in respect of Zagorskaya GAES-2. There are specific rules for the price setting in respect of new HPPs (including pumped-storage power plants) being constructed: the price is set in a manner that guarantees payback period of 20 years for all CAPEX invested in construction.
- Following the decision of the regulatory body NP Market Council of 16 December 2013 the commissioning date for generating assets of Zagorskaya GAES-2 and the start date of fulfilment of obligations under the committed capacity supply contracts for new HPPs (including pumped-storage power plants) was transferred from the beginning of 2014 to the beginning of 2017. As these dates were adjusted for AO Zagorskaya GAES-2 is not subject to any penalties for under-supplied capacity under the above contracts.

Based on the analysis of factors that might indicate impairment of assets related to Zagorskaya GAES-2 construction project, the Company's management concluded that there were no such indicators as of 31 December 2015.

No negative trends which may result in impairment of other shareholdings were observed.

Provision for impairment of investments for which current market value is not determinable amounts to RUB 2,466 million (as of 31 December 2014: RUB 79 million, as of 31 December 2013: RUB - 58 million). Original cost of long-term investments for which provision for impairment of investments was made amounts to RUB 8,453 million as of 31 December 2015 (as of 31 December 2014 - RUB 111 million, as of 31 December 2013 – RUB 96 million).

(b) Long-term loans issued

Loan recipient's name	31 December 2015	31 December 2014	31 December 2013	Annual rate,%
Long-term loans issued to related parties, including:				
AO Hydroinvest	14,181	-	2,082	0,10% / 9,703%

TRANSLATOR'S EXPLANATORY NOTE: This version of our report/the accompanying documents is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

PAO RusHydro**Explanatory Notes to the 2015 Balance sheet and Statement of Financial Results**

(in millions of Russian Roubles unless otherwise stated)

Loan recipient's name	31 December 2015	31 December 2014	31 December 2013	Annual rate,%
AO Far East Generating Company	11,838	10,038	11,538	MosPrime + 2,48% / MosPrime + 2,33% / 7,997%
AO Zagorskaya GAES-2	5,562	7,029	7,029	8,213% – 9,513%
AO Far East Distribution Grid Company	5,023	6,630	1,670	MosPrime + 2,86% / MosPrime + 2,33% / 7,997% – 8,407%
AO Nizhne-Bureiskaya GES	4,653	2,300	694	8,213% – 9,703%
AO Sakhaenergo	3,476	3,476	3,476	7,997%
AO ESK RusHydro	3,305	-	1,700	8,00% / 9,703%
AO Ust-Srednekanskaya GES	2,111	1,747	1,747	8,213%-9,513%
AO Teploenergосervice	929	929	929	7,997%
AO Tekhnopark Rummyantsevo	-	1,292	1,508	
Other	754	598	645	
Total long-term loans issued	51,832	34,039	33,018	

As of 31 December 2015 the balance sheet line 1170 "Investments" includes the following long-term loans issued:

- Loans to AO Hydroinvest amounting to RUB 14,181 million, including loans amounting to RUB 12,381 maturing by 28 April 2018 that were removed from short-term interest-free loans (see 3.2.2 of Explanations); and loans amounting to RUB 1,800 million maturing by 29 June 2018 that were removed from short-term interest loans due to changes in conditions of contracts;
- loan to AO Far East Generating Company amounting to RUB 11,838 million to refinance liabilities maturing by 3 December 2018 and 15 September 2021;
- loans to AO Zagorskaya GAES-2 in the total amount of RUB 5,562 million issued to finance expenses related to investment project "Zagorskaya GAES-2" maturing by 05 February 2018 and 29 June 2018;
- loan to AO Far East Distribution Grid Company amounting to RUB 5,023 million to refinance liabilities and finance working capital maturing by 03 December 2018 and 14 October 2025;
- loans to AO Nizhne-Bureyskaya GES in the total amount of RUB 4,653 million issued to finance expenses related to investment project "Nizhne-Bureyskaya GES" maturing by 5 February 2018 and 29 June 2018 and 25 December 2019;
- loan to OAO Sakhaenergo in the total amount of RUB 3,476 million issued to refinance liabilities maturing by 03 December 2018;
- loans to AO ESK RusHydro in the total amount of RUB 3,305 million issued for refinance liabilities maturing by 29 June 2018 and 01 December 2025;
- loans to AO Ust-Srednekanskaya GES in the total amount of RUB 2,111 million issued to finance expenses related to investment project "Ust-Srednekanskaya GES" maturing by 05 February 2018 and 29 June 2018;
- loan to AO Teploenergосervis in the amount of RUB 929 million issued to refinance and debt repayment maturing by 03 December 2018.

There are no indicators of a prolonged decline in the value of the above investments.

3.1.3 Other non-current assets (line 1190 of the balance sheet)

Line 1190 "Other non-current assets" includes expenses of future periods to be written-off from expense account during the period beyond 12 months of the reporting date.

Breakdown of total expenses of future periods by types is presented in the table below:

Narrative	31 December 2015	31 December 2014	31 December 2013
Project documentation on the construction of Cheboksarskaya GES related to uplifting water reservoir level	1,620	1,620	1,620
Software and licenses	1,153	1,461	1,239
Borrowing costs	1,083	1,175	647
Other	476	458	393
Total expenses of future periods, including:	4,332	4,714	3,899
Long-term expenses of future periods which are subject to writing-off from expense account during the period beyond 12 months of the reporting date (within the balance sheet line 1190)	3,287	3,538	2,987
Short-term expenses of future periods which are subject to writing-off from expense account during 12 months of the reporting date (within the balance sheet line 1210)	1,045	1,176	912

As a result of works performed to uplift the level of Cheboksary water reservoir it is planned to increase the production capacity of Cheboksary GES and eliminate the increased depreciation of equipment and hydraulic engineering installations. If the Company becomes aware that it won't obtain the expected additional economic benefits, the above expenses of future periods will be written-off against other expenses.

3.2 Current assets (Section II of the balance sheet)

3.2.1 Inventories (line 1210 the balance sheet)

Narrative	31 December 2015	31 December 2014	31 December 2013
Raw, materials and other inventories	3,046	2,241	1,813
Short-term expenses of future periods which are subject to writing-off from expense account during 12 months of the reporting date (see paragraph 3.1.3 of the Explanatory Notes)	1,045	1,176	912
Other	24	20	136
Total line 1210 "Inventories"	4,115	3,437	2,861

Raw, materials and other inventories are measured at actual cost of acquisition. As of 31 December 2015 the provision for their impairment amounted to RUB 156 million (31 December 2014: RUB 158 million, 31 December 2013: RUB 105 million).

3.2.2 Accounts receivable (line 1230 of the balance sheet)

(a) Long-term accounts receivable (payments expected beyond 12 months of the reporting date)

Total long-term accounts receivable were RUB 62,549 million, 62,341 million and 80,323 million as of 31 December 2015, 2014 and 2013, respectively. Breakdown by types of long-term accounts receivable is as follows:

Type of long-term accounts receivable	31 December 2015	31 December 2014	31 December 2013
Advances issued to suppliers of equipment and capital construction contractors	28,176	31,095	35,074
Interest-free promissory notes received	28,578	27,563	27,040
Interest-free loans issued	3,447	1,503	16,817
Buyers and customers	976	409	103
Lease receivables	241	495	927
Other long-term accounts receivable	1,131	1,276	362
Total line 1231 "Long-term accounts receivable (payments expected beyond 12 months of the reporting date)"	62,549	62,341	80,323

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Long-term accounts receivable and their movement

Item	Period	Opening balance		Changes for the period*					Closing balance	
		Recognised under contract	Doubtful debt provision	Additions		Repayment*	Disposals		Recognised under contract	Doubtful debt provision
				As a result of economic transactions*	Reclassified from short-term to long-term		Accrual/release of doubtful debt provision	Reclassified from long-term to short-term		
Long-term accounts receivable, including:	2014	83,058	(2,735)	9,831	1,656	(1,580)	-	(27,889)	65,076	(2,735)
	2015	65,076	(2,735)	7,438	4,623	(148)	-	(11,705)	65,284	(2,735)
Advances issued to suppliers of equipment and capital construction contractors	2014	35,074	-	3,866	1,439	-	-	(9,284)	31,095	-
	2015	31,095	-	5,058	1,014	-	-	(8,991)	28,176	-
Interest-free promissory notes received	2014	27,040	-	773	-	-	-	(250)	27,563	-
	2015	27,563	-	1,011	187	(139)	-	(44)	28,578	-
Interest-free loans issued	2014	16,817	-	3,701	29	(1,578)	-	(17,466)	1,503	-
	2015	1,503	-	120	1,966	(1)	-	(141)	3,447	-
Lease receivables	2014	927	-	65	33	-	-	(530)	495	-
	2015	495	-	4	2	-	-	(260)	241	-
Buyers and customers	2014	103	-	304	143	(1)	-	(140)	409	-
	2015	409	-	14	966	-	-	(413)	976	-
Other long-term accounts receivable	2014	3,097	(2,735)	1,122	12	(1)	-	(219)	4,011	(2,735)
	2015	4,011	(2,735)	1,231	488	(8)	-	(1,856)	3,866	(2,735)

* *Movements of accounts receivable arising as a result of economic transactions and settled within the same reporting period are presented on a gross basis.*

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Long-term accounts receivable include interest-free loans issued to the following counterparties:

Counterparty	31 December 2015	31 December 2014	31 December 2013
Subsidiaries, including:	3,078	1,155	16,530
AO ESK RusHydro	1,034	1,034	1,034
AO Yakutskaya GRES-2	1,003	-	674
AO CCGT in the City of Sovetskaya Gavan	631	-	-
AO Sakhalinskaya GRES-2	330	-	-
AO Hydroinvest	-	-	12,381
AO Blagoveschenskaya TEC	-	-	1,473
AO MGES Kabardino-Balkarii	-	-	678
Other	80	121	290
Other related parties, including:	21	28	18
Total interest-free loans issued to related parties	3,099	1,183	16,548
Other	348	320	269
Total interest-free loans issued to other counterparties	348	320	269
Total long-term interest-free loans issued	3,447	1,503	16,817

Long-term accounts receivable include interest-free promissory notes issued by the following issuers:

Issuer	31 December 2015	31 December 2014	31 December 2013
Other related parties, including:	25,689	25,689	25,689
OAO Boguchanskaya GES	21,027	21,027	21,027
ZAO Boguchansky Aluminium Smelter	4,662	4,662	4,662
Total interest-free promissory notes from related parties	25,689	25,689	25,689
PAO ROSBANK	1,491	935	290
AO Alfa-Bank	1,298	850	944
OAO Ulyanovskenergo	100	89	62
Other	-	-	55
Total interest-free promissory notes from other counterparties	2,889	1,874	1,351
Total long-term interest-free promissory notes received	28,578	27,563	27,040

As of 31 December 2015, the Company's long-term accounts receivable represented by other related parties' long-term interest-free promissory notes purchased for financing investment program consist of the following promissory notes:

- OAO Boguchanskaya GES: promissory notes for RUB 21,027 million payable on demand after 31 December 2029 (the present value of the promissory notes reflecting time value of money as of 31 December 2015 is RUB 5,711 million);
- ZAO Boguchansky Aluminium Smelter: promissory notes for RUB 4,662 million payable on demand after 31 December 2024 (the present value of the promissory notes reflecting time value of money as of 31 December 2015 is RUB 1,976 million).

Long-term accounts receivable include advances issued to the following suppliers of equipment and capital construction contractors:

Counterparty	31 December 2015	31 December 2014	31 December 2013
OAO Silovye Mashiny	14,271	15,208	19,713
OOO Corporation SpetsHydroProject	5,491	6,565	5,534
Voith Hydro GmbH & Co KG	5,289	5,851	5,214
OAO Hydroremont-BKK	2,859	3,120	3,818
Other	266	351	795
Total advances issued to suppliers of equipment and capital construction contractors	28,176	31,095	35,074

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Advances issued to suppliers of equipment and capital construction contractors relating to the equipment (work) with expected supply during 2016 are included within short-term advances issued.

Counterparty	31 December 2015	31 December 2014	31 December 2013
Interest receivable accrued on loans issued and promissory notes received, including:	690	1,258	336
Subsidiaries	690	1,258	336
Other accounts receivable	441	18	26
Total other long-term accounts receivable	1,131	1,276	362

(b) Short-term accounts receivable (payments expected within 12 months of the reporting date)

Total short-term accounts receivable less doubtful debt provision were RUB 66,762 million, 82,224 million and 153,157 million as of 31 December 2015, 2014 and 2013, respectively.

Type of short-term accounts receivable	31 December 2015	31 December 2014	31 December 2013
Buyers and Customers, including:	6,741	5,840	5,648
Accounts receivable for electricity and capacity	5,752	5,521	5,437
Other	989	319	211
Advances issued, including:	14,495	12,870	15,517
Advances issued to suppliers of equipment and capital construction contractors	13,286	12,036	14,309
Other advances issued	1,209	834	1,208
Other debtors, including:	45,506	63,514	131,992
Interest-free promissory notes received	20,809	19,119	22,954
Interest-free loans issued	12,925	26,384	5,552
Accounts receivable from subsidiaries as part of additional issues before title for the shares issued is transferred to the Company	7,951	11,805	98,530
Taxes receivable	1,322	2,252	2,596
Lease receivables	220	707	805
Other	2,279	3,247	1,555
Total line 1232 "Long-term accounts receivable" (payments expected within 12 months of the reporting date)	66,742	82,224	153,157

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Short-term accounts receivable and their movement

Item	Period	Opening balance		Changes for the period*								Closing balance	
		Recognised under contract	Doubtful debt provision	Additions		Disposals		Release of provision	Accrual of provision	Reclassified from long-term to short-term and vice versa	Write-off of receivables against provision	Recognised under contract	Doubtful debt provision
				As a result of economic transactions*	Interest, penalties and other accruals	Repayment*	Write-off to the financial result						
Short-term accounts receivable, including:	2014	159,603	(6,446)	168,596	-	(264,082)	-	2,168	(3,848)	26,233	35	90,315	(8,091)
	2015	90,315	(8,091)	166,404	-	(189,807)	-	3,489	(2,650)	7,082	425	73,569	(6,827)
Buyers and customers	2014	10,661	(5,013)	129,193	-	(127,499)	-	2,099	(3,598)	(3)	22	12,330	(6,490)
	2015	12,330	(6,490)	126,687	-	(126,594)	-	3,395	(2,034)	(553)	40	11,830	(5,089)
Advances issued	2014	15,539	(22)	32,127	-	(42,606)	-	-	(20)	7,852	11	12,901	(31)
	2015	12,901	(31)	22,208	-	(28,190)	-	2	(82)	7,687	2	14,604	(109)
Other debtors	2014	133,403	(1,411)	7,276	-	(93,977)	-	69	(230)	18,384	2	65,084	(1,570)
	2015	65,084	(1,570)	17,509	-	(35,023)	-	92	(534)	(52)	383	47,135	(1,629)

* Movements of accounts receivable arising as a result of economic transactions and settled within the same reporting period are presented on a gross basis.

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Short-term accounts receivable include advances issued to the following suppliers of equipment and capital construction contractors relating to the equipment (work) with expected supply within 12 months of the reporting date.

Counterparty	31 December 2015	31 December 2014	31 December 2013
ОАО Силвые Mashiny	6,817	5,317	6,401
АО Hydroremont-BKK	1,017	965	1,365
ЗАО Technoserv A/C	821	441	47
ООО Corporation SpetsHydroProject	986	1,817	1,016
Voith Hydro GmbH & Co KG	739	1,160	2,194
АО ТЕК Мосэнерго	452	39	-
АО ChirkeiGESstroi	418	286	-
ЗАО A-security	242	172	61
ООО Construction company StroyLine	238	127	-
ООО Sovremennye sistemy upravleniya	199	171	29
АО ETC Electromashinostroeniya	184	-	-
АО Lenhydroproject	170	42	1
АО VNIIR Hydroelectroavtomatika	159	156	390
ОАО Trest Hydromontazh	125	184	60
ООО Promhydroenergomash	69	107	136
ОАО Hydroelectromontazh	-	48	420
IBERDROLA	-	-	1,061
Other	650	1,004	1,128
Total advances issued to suppliers of equipment and capital construction contractors	13,286	12,036	14,309

Short-term accounts receivable include interest-free promissory notes issued by the following issuers:

Issuer	31 December 2015	31 December 2014	31 December 2013
Subsidiaries, including:	20,767	18,846	22,453
ООО Index energetiki – HydroOGK	13,621	13,646	13,668
АО Zaramagskie GES	2,524	1,563	-
HydroOGK Aluminium Company Ltd	2,142	2,142	3,338
АО MGES Kabardino-Balkarii	1,839	838	229
АО Hydroinvest	256	256	256
АО Karachaeve-Cherkesskaya Hydrogenerating Company	244	244	244
АО Ust-Srednekanskaya GES	-	-	4,105
Other	141	157	613
Total interest-free promissory notes from related parties	20,767	18,846	22,453
АО Alfa-Bank	35	195	416
Other	7	78	85
Total interest-free promissory notes from other counterparties	42	273	501
Total short-term interest-free promissory notes received	20,809	19,119	22,954

As of 31 December 2015, short-term receivables from subsidiaries on short-term interest-free promissory notes acquired by the Company are represented by promissory notes payable on demand.

Short-term accounts receivable include interest-free loans issued to the following counterparties:

Counterparty	31 December 2015	31 December 2014	31 December 2013
Subsidiaries, including:	12,858	26,313	5,494
ООО EZOP	5,265	5,373	5,423
АО Ust-Srednekanskaya GES	3,300	2,218	-
АО Blagoveschenskaya TEC	1,473	1,473	-

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Counterparty	31 December 2015	31 December 2014	31 December 2013
AO Sulaksky Hydrocascade	1,166	923	-
AO MGES Kabardino-Balkarii	780	780	-
AO MGES Altaya	248	248	-
AO Leningradskaya GAES	189	151	-
AO Tekhnopark Rumyantsevo	183	183	-
AO Hydroinvest	-	12,381	-
AO Yakutskaya GRES-2	-	973	-
AO CCGT in the City of Sovetskaya Gavan	-	631	-
AO Zagorskaya GAES-2	-	452	-
Other	254	527	71
Other related parties, including:	21	12	6
Loans issued to the Company's key management	21	12	6
Total interest-free loans issued to related parties	12,879	26,325	5,500
Total short-term interest-free loans issued to other counterparties	46	59	52
Total short-term interest-free loans issued	12,925	26,384	5,552

As of 31 December 2015, short-term interest-free loans issued include:

- loans to OOO EZOP in the amount of RUB 5,265 million payable on demand issued (among other purposes) for purchasing ordinary registered uncertificated shares of the Company's additional issue;
- loan to AO Ust-Srednekanskaya GES in the amount of RUB 3,300 million payable on demand issued for the financing investment project "Ust-Srednekanskaya GES".

In addition, short-term accounts receivable include receivables from the following subsidiaries, arising after partial payment for shares of additional issues but before the title to the issued shares is transferred to the Company:

Counterparty	31 December 2015	31 December 2014	31 December 2013
AO Nizhne-Bureyskaya GES	6,416	5,938	8,265
AO Sulaksky Hydrocascade	863	-	-
AO CCGT in the City of Sovetskaya Gavan	400	200	-
AO Zagorskaya GAES-2	-	4,767	46,071
AO Zaramagskie GES	-	-	15,139
AO Hydroinvest	-	-	9,550
AO ESK RusHydro	-	-	8,969
AO Leningradskaya GAES	-	-	4,202
AO Ust-Srednekanskaya GES	-	-	2,872
AO Hydro-engineering Siberia	-	-	1,992
Other	272	1,100	1,470
Total accounts receivable from the following subsidiaries, arising after partial payment for shares of additional issues but before the title to the issued shares is transferred to the Company	7,951	11,805	98,530

Short-term accounts receivable includes the following types of tax receivables:

Item	31 December 2015	31 December 2014	31 December 2013
Income tax	945	1,530	2,082
Other taxes and levies	377	722	514
Total tax receivables	1,322	2,252	2,596

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Overdue accounts receivable

Item	31 December 2015		31 December 2014		31 December 2013	
	Recognised under contract	Carrying amount	Recognised under contract	Carrying amount	Recognised under contract	Carrying amount
Total, including:	7,819	1,387	8,527	600	6,455	362
Buyers and customers	4,978	258	6,522	120	4,931	220
Advances issued	1,232	1,124	490	459	137	115
Other debtors	1,609	5	1,515	21	1,387	27

3.2.3 Short-term investments (Line 1240 of the balance sheet)

The structure of the Company's short-term investments is represented by the following assets:

Type of investment	31 December 2015	31 December 2014	31 December 2013
Bank deposits	10,609	33,307	50,000
Loans issued	5,270	10,139	5,568
Promissory notes	-	-	40
Total line 1240 "Investments" (excluding cash equivalents)	15,879	43,446	55,608

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Short-term investments and their movements

Item	Period	Opening balance		Changes for the period*				Closing balance	
		Historical cost	Accumulated adjustment	Additions*	Disposal (repayment)		Accrual of impairment provision	Historical cost	Accumulated adjustment
					Historical cost*	Accumulated adjustment			
Short-term investments, including:	2014	55,608	-	178,552	(190,714)	-	-	43,446	-
	2015	43,446	-	90,196	(117,053)	-	(710)	16,589	(710)
Bank deposits	2014	50,000	-	168,473	(185,166)	-	-	33,307	-
	2015	33,307	-	81,485	(104,183)	-	-	10,609	-
Short-term loans issued	2014	5,568	-	10,079	(5,508)	-	-	10,139	-
	2015	10,139	-	8,546	(12,705)	-	(710)	5,980	(710)
Promissory notes	2014	40	-	-	(40)	-	-	-	-
	2015	-	-	165	(165)	-	-	-	-

* *Movements of short-term investments received and disposed of (repaid) in the same reporting period are presented on a gross basis.*

Exposure of short-term investments to financial risks is described in paragraph 3.15 of the Explanatory Notes.

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(a) Bank deposits

As of 31 December 2015, bank deposits include a short-term deposit of RUB 10,609 million placed with PAO Sberbank of Russia maturing from 18 January 2016 till 15 March 2016 (as of 31 December 2014 – RUB 32,884 million maturing from 16 January 2015 till 03 March 2015). The deposited cash was received by the Company as a result of additional issue (paragraph 3.3.1 of the Explanatory Notes).

(b) Short-term loans issued

Loan recipient's name	31 December 2015	31 December 2014	31 December 2013	Annual rate,%
Short-term loans issued to related parties, including:				
ZAO Verkhne-Narynskie GES	2,711	1,484	530	LIBOR + 1,5%
AO Far East Distribution Grid Company	1,607	-	1,430	8,213% / 8,407% / MosPrime + 2,33% / MosPrime + 2,86%
AO Nizhne-Bureyskaya GES	509	282	-	8,213% – 9,703%
AO Far East Distribution Company	200	2,000	1,000	MosPrime + 2,48%
AO ESK RusHydro	-	3,120	1,520	
AO Hydroinvest	-	1,920	-	
AO ChirkeyGESstroy	-	450	300	
AO ESKO EES	-	260	275	
AO Malaya Dmitrovka	-	205	300	
Other	243	418	213	
Total short-term loans issued	5,270	10,139	5,568	

As of 31 December 2015, short-term loans issued include:

- ZAO Verkhne-Narynskie GES's loan in the total amount of RUB 2,711 million issued for refinance construction works of Verkhne-Narynskiy cascade of GES;
- AO Far East Generating Grid Company's total amount of RUB 1,607 million including short-term part of long-term loan in the total amount of RUB 1,430 million issued for refilling current assets maturing by 14 March 2016 and short-term part of long-term loan in the total amount of RUB 177 million issued for refinance liabilities maturing by 14 October 2025 (paragraph 3.1.2 of the Explanatory notes).

As of 31 December 2015 there was provision for impairment of short-term loans issued in the total amount of RUB 710 million (31 December 2014: RUB 0 million; 31 December 2013: RUB 0 million). There are no indicators of a prolonged decline in the value of investments.

3.2.4 Cash and cash equivalents (line 1250 of the balance sheet)

Item	31 December 2015	31 December 2014	31 December 2013
Cash in bank	898	3,661	1,981
Cash equivalents	17,241	5,371	16,565
Total line 1250 "Cash and cash equivalents"	18,139	9,032	18,546

As of 31 December 2015, 2014 and 2013, there is no restricted cash.

As of 31 December 2015, 2014 and 2013, cash equivalents included short-term bank deposits with original maturities of three months or less.

As of 31 December 2015 there were cash balances denominated in US dollars equivalent to RUB 0 million (31 December 2014: RUB 25 million; 31 December 2013: RUB 29 million). As of 31 December 2015 there were cash balances denominated in Euro equivalent to RUB 0 million (31 December 2014: RUB 2,239 million, 31 December 2013: RUB 0 million).

As of 31 December 2015, interest rates on Rouble deposits were 8.64% – 11.65% p.a. (31 December 2014: 10.00% – 18.50%, 31 December 2013: 5.29% – 7.40%).

The Company holds cash and cash equivalents in the following credit institutions:

Credit institution	Rating on 31 December 2015	Rating agency	31 December 2015	31 December 2014	31 December 2013
Bank deposits, including:					
PAO Bank FK Otkrytie	BB-	Standard & Poor's	7,644	-	-
PAO AKB Svyaz-Bank	BB-	Standard & Poor's	2,718	-	-
Bank VTB (PAO)	BB+	Standard & Poor's	2,277	-	2,140
AO SMP Bank	-	-	1,874	-	-
PAO Sberbank	Ba1	Moody's	1,728	2,615	5,437
AO Globeksbank	BB-	Fitch Ratings	1,000	-	-
AO UniCredit Bank			-	2,223	4,500
Bank GPB (AO)			-	533	1,578
AO Nordea Bank			-	-	2,910
Total cash equivalents			17,241	5,371	16,565
Cash in banks, including:					
PAO Sberbank	Ba1	Moody's	581	663	1,931
Bank GPB (AO)	Ba2	Moody's	245	2,910	21
Other			72	88	29
Total cash in bank			898	3,661	1,981

Notes to the statement of cash flows

Cash flows required for the purposes of supporting the existing scope of the Company's operations are presented within current operations. Cash flows related to expansion of the Company's business are included in investing activities.

Cash flows spent on investments and received on repayment of cash equivalents (excluding accrued interest) are not included in the cash flow statement.

Cash flows spent on investments and received on repayment of short-term bank deposits (with a maturity of more than three months) within the same reporting period, are recorded on a net basis in line 4219 "Other receipts" or line 4229 "Other payments" of the cash flow statement if they have such characteristics as quick return, large amount and short-term maturity.

Breakdown for lines “Other receipts” and “Other payments” of the statement of cash flows is presented below:

Item	2015	2014
Other receipts from operating activities (line 4119), including:	2,706	1,406
Value added tax	2,007	709
Penalties, interest and fines recognised or for which court rulings on collection have been received	325	54
Other receipts from operating activities	374	643
Other payments related to operating activities (line 4129), including:	(13,228)	(13,089)
Taxes and levies	(7,976)	(7,300)
Non-budget funds	(1,789)	(1,594)
Charity payments	(437)	(1,166)
Business trip expenses	(1,210)	(945)
Water usage expenses	(895)	(877)
Payment of corporate expenses	(262)	(587)
Other payments related to operating activities	(659)	(620)
Other payments related to investing activities (line 4219), including:	22,731	16,721
Cash placement on a short-term deposit other than cash equivalent	22,697	16,701
Other payments related to investing activities	34	20
Other payments related to financing activities (line 4329), including:	(30)	(257)
Settlement of finance lease obligations (payments under lease contracts)	(30)	(257)

3.3 Equity and reserves (Section III of the balance sheet)

3.3.1 Share capital (line 1310 of the balance sheet)

As of 31 December 2015, 2014 and 2013, the Company’s share capital is registered according to the established procedure and fully paid:

Share capital composition	Number of shares at 31 December 2015	Number of shares at 31 December 2014	Number of shares at 31 December 2013
Ordinary shares with nominal value of RUB 1 per share	386,255,464,890	386,255,464,890	317,637,520,094

As of 31 December 2015, the following shareholders are registered in the register of shareholders:

Shareholder	Type of shareholder	Number of shares	Ownership share, %
Russian Federation represented by the Federal Agency for State Property Management	beneficial owner	258,161,535,606	66.84%
Non-Banking Credit Organisation ZAO National Settlement Depository	nominee holder	112,576,506,772	29.15%
OOO Depository and Corporate Technologies	nominee holder	8,325,499,208	2.15%
Other		7,191,923,304	1.86%
Total		386,255,464,890	100.00%

Additional issue in 2012-2014

The Company's extraordinary general meeting of shareholders held on 16 November 2012 (Minutes No. 9) made the decision to increase the Company's share capital by placing 110,000,000,000 additional ordinary registered shares with the nominal value of RUB 1 each through public offering with payment in cash and non-monetary assets. Non-monetary assets include ordinary registered shares of the following joint stock companies: PAO RAO ES of East, AO Ust-Srednekanskaya GES, OAO Sakhalinskaya energeticheskaya kompaniya, PAO Irkutskenergo, OAO Irkutsk Electric Grid Company.

The Company's Board of directors approved the decision on additional issue of the Company's securities on 22 November 2012 (Minutes No.166). The Company's Board of directors approved the placing price of the Company's additional shares – RUB 1 each – on 10 December 2012 (Minutes No.169).

On 3 December 2012, the Federal Service of Financial Markets (hereinafter FSFM of Russia) registered the additional issue of the Company's 110,000,000,000 ordinary registered shares No. 1-01-55038-E-041D.

26 November 2013 is the actual completion date of the placement. FSFM of Russia registered the Report based on the results of additional issue of shares on 26 December 2013. Changes in the Company's founding documents are registered on 28 January 2014.

68,617,944,796 shares were actually placed as a result of this issue, which represents 62.38% of the issue's total number of securities

As part of this issue Company had been received as payment:

- blocks of shares of energy sector companies (paragraph 3.1.2 of the Explanatory Notes);
- cash in the total amount of RUB 50,022, including cash from Russian Federation represented by the Federal Agency for State Property Management in the amount of RUB 50,000 million for funding construction of electricity assets in the Russian Far East (see paragraphs 3.1.2 and 3.2.3 of the Explanatory Notes).

As of 31 December 2015, 71 million shares of the total number of ordinary shares are owned by the Company's Management Board members (31 December 2014: 622 million shares, 31 December 2013: 651 million shares). Subsidiaries and associates own 21,787 million shares of the Company (31 December 2014: 21,787 million shares, 31 December 2013: 8,704 million shares).

3.3.2 Revaluation of non-current assets (line 1340 of the balance sheet)

As of 31 December 2015, the amount of accumulated revaluation of non-current assets is RUB 52,928 million (31 December 2014: RUB 53,111 million, 31 December 2013: RUB 53,325 million). This metric consists of the amounts of revaluation accumulated by subsidiaries and associates which the Company acquired as part of the 2008 restructuring process.

The amount of accumulated revaluation was decreased by RUB 183 million in 2015 due to disposal of items of property, plant and equipment revalued earlier (2014: RUB 214 million,).

3.3.3 Additional paid-in capital (line 1350 of the balance sheet)

As of 31 December 2015, 2014 and 2013, the Company's additional paid capital was RUB 58,424 million, RUB 58,424 million and RUB 58,424 million, respectively, and consisted of share premium of the Company and subsidiaries and associates which the Company acquired as part of the 2008 restructuring process.

3.3.4 Reserve capital (line 1360 of the balance sheet)

As of 31 December 2015, 2014 and 2013, the Company's reserve capital was RUB 9,776 million, RUB 8,240 million and RUB 6,474 million, respectively.

In accordance with the decision of the Company's annual general meeting of shareholders of 26 June 2015 (Minutes No. 13), the Company allocated 5% of its net profit for 2014 in the amount of RUB 1 536 million to the reserve capital.

3.4 Non-current liabilities (Section IV of the balance sheet)**3.4.1 Long-term borrowings (line 1410 of the balance sheet)**

Balance sheet line 1410 "Borrowings" includes long-term loans payable:

Lender / creditor	31 December 2015	31 December 2014	31 December 2013
PAO Sberbank	33,389	33,389	30,613
Russian bonds issued in February 2013	20,000	20,000	20,000
Russian bonds issued in July 2015	15,000	-	-
European Bank for Reconstruction and Development	10,653	11,030	9,155
Russian bonds issued in April 2015	10,000	-	-
Crédit Agricole Corporate and Investment Bank Deutschland	6,933	5,946	-
UniCredit Bank Austria AG	6,871	5,892	2,862
Bayerische Landesbank (BayernLB)	1,125	1,005	335
AO GVTS Energetiki	1,099	-	-
Russian bonds issued in April 2011	-	15,000	15,000
RusHydro Finance Ltd	-	-	20,000
Total line 1410 "Borrowings"	105,070	92,262	97,965

In April 2015 the Company placed non-convertible interest 10-years bond loans 09 series and with nominal value RUB 10,000 million. The Company established public offer period (repurchase period at the request of their respective owners) – 2,5 years after start of placement; interest rate of coupon income is 12.75% for 2,5 first years.

In July 2015 the Company placed exchange bonds BO-P01, BO-P2 and BO-P3 series amounting of RUB 15,000 million and circulation period of 3 years and interest rate of coupon income is 11.85%.

The key provisions of the contracts were as follows:

Lender / creditor	Agreement effective year	Redemption year	Amount in million units (in the currency of the loan)	Currency	Loan interest rate
Bayerische Landesbank	2012	2025	16	Euro	Euribor 6M + 0,85%
Crédit Agricole Corporate and Investment Bank Deutschland	2014	2029	190	Euro	Euribor 6M + 0,625%
UniCredit Bank Austria AG	2011	2026	128	Euro	3,35%*
AO GVTS Energetiki	2015	2018	1,220	RUB	9,703%
EBRD (Tranche A)	2011	2026	4,000	RUB	MosPrime 3M + 2,45%
EBRD (Tranche B)	2011	2021	3,500	RUB	MosPrime 3M + 2,32%
EBRD (Tranche A1)	2013	2025	1,770	RUB	MosPrime 3M + 2,45%
EBRD (Tranche A2)	2013	2025	870	RUB	-
EBRD (Tranche B)	2013	2021	1,760	RUB	MosPrime 3M + 2,32%
Russian bonds issued in April 2011	2011	2016**	15,000	RUB	8,00%
Russian bonds issued in February 2013	2013	2018**	20,000	RUB	8,50%

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Lender / creditor	Agreement effective year	Redemption year	Amount in million units (in the currency of the loan)	Currency	Loan interest rate
Russian bonds issued in April 2015	2015	2017***	10,000	RUB	12,75%
Russian bonds issued in July 2015	2015	2018	15,000	RUB	11,85%
PAO Sberbank of Russia	2011	2020	20,000	RUB	8,30% / 9,30%****
PAO Sberbank of Russia	2013	2018	10,613	RUB	7,99% / 8,99%****
PAO Sberbank of Russia	2014	2022	2,776	RUB	MosPrime 3M + 2,10%

* Fixed interest rate is applied to 90% of the loan amount, variable quarterly interest rate published by OeKB (Oesterreichische Kontrollbank AG) less 0.25% is applied to the remaining 10% of the loan amount.

** Bonds maturity is 10 years with the right of bond holders of early redemption in 5 years after the date of issue.

*** Bonds maturity is 10 years with the right of bond holders of early redemption in 2,5 years after the date of issue.

**** Variable quarterly interest rate determined due to agreement's conditions.

As of 31 December 2015, the total amount of long-term loans to be repaid within 12 months of the reporting date and reclassified to short-term category was RUB 15,479 million (31 December 2014: RUB 20,053 million.) (see paragraph 3.5.1 of the Explanatory Notes).

Besides the credit limits from UniCredit Bank Austria AG, Crédit Agricole Corporate and Investment Bank Deutschland and EBRD which are not used in full as of 31 December 2015, the Company has opportunity to raise funds on credit agreements with Bank VTB (PAO) in the amount of RUB 30,000 million maturing at 2020 and with PAO Sberbank in the amount of RUB 40,000 million maturing at 2026.

Ageing analysis:

Due for repayment	31 December 2015	31 December 2014	31 December 2013
From 1 to 2 years	11,396	15,483	21,676
From 2 to 3 years	48,455	1,272	16,693
From 3 to 4 years	1,743	31,885	1,529
From 4 to 5 years	22,090	1,272	32,142
Over five years	21,386	42,350	25,925
Total line 1410 "Borrowings"	105,070	92,262	97,965

Interest on borrowings included into the cost of investment assets

In 2015, the amount of interest on borrowings included into the cost of investment assets was RUB 2,746 million (2014: RUB 2,639 million), of which RUB 2,406 million was the interest accrued on borrowings where the agreement does not specify that the funds are provided for special investment purpose (2014: RUB 2,198 million).

3.4.2 Other non-current liabilities (line 1450 of the balance sheet)

Line 1450 "Other liabilities" includes long-term VAT on advances issued in the amount of RUB 1,827 million as of 31 December 2015 (31 December 2014: RUB 1,746 million, 31 December 2013: RUB 1,559 million) and trade payables in the amount of RUB 368 million as of 31 December 2015 (31 December 2014: RUB 589 million, 31 December 2013: RUB 469 million).

3.5 Current liabilities (Section V of the balance sheet)

3.5.1 Short-term borrowings (line 1510 of the Balance sheet)

Lender / creditor	Period	Opening balance	Received / accrued	Paid / settled	Closing balance
Borrowings, including:	2014	3,329	22,708	(5,984)	20,053
	2015	20,053	16,406	(20,209)	16,250
Russian bonds issued in April 2011	2014	-	-	-	-
	2015	-	15,000	-	15,000
OOO AlstomRusHydroEnergy	2014	-	-	-	-
	2015	-	750	-	750
European Bank for Reconstruction and Development (EBRD)	2014	1,829	2,655	(4,484)	-
	2015	-	377	-	377
RusHydro Finance Ltd	2014	-	20,000	-	20,000
	2015	20,000	-	(20,000)	-
EM Falcon Ltd	2014	1,500	-	(1,500)	-
	2015	-	-	-	-
Other	2014	-	53	-	53
	2015	53	279	(209)	123
Interest on borrowings, including:	2014	1,597	8,853	(8,588)	1,862
	2015	1,862	11,001	(10,173)	2,690
Russian bonds issued in July 2015	2014	-	-	-	-
	2015	-	858	-	858
Russian bonds issued in February 2013	2014	499	1,843	(1,695)	647
	2015	647	1,700	(1,695)	652
PAO Sberbank	2014	457	2,740	(2,676)	521
	2015	521	2,998	(2,991)	528
Russian bonds issued in April 2011	2014	233	1,200	(1,196)	237
	2015	237	1,200	(1,197)	240
Russian bonds issued in April 2015	2014	-	-	-	-
	2015	-	863	(636)	227
European Bank for Reconstruction and Development (EBRD)	2014	110	1,324	(1,260)	174
	2015	174	1,838	(1,832)	180
RusHydro Finance Ltd	2014	280	1,575	(1,575)	280
	2015	280	1,295	(1,575)	-
Other	2014	18	171	(186)	3
	2015	3	249	(247)	5
Total line 1510 "Borrowings"	2014	4,926	31,561	(14,572)	21,915
	2015	21,915	27,407	(30,382)	18,940

3.5.2 Accounts payable (line 1520 of the balance sheet)

Total short-term accounts receivable were RUB 9,822 million, 8,575 million and 77,468 million as of 31 December 2015, 2014 and 2013, respectively.

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Accounts payable and their movement

Item	Period	Opening balance	Changes for the period*					Closing balance
			Additions		Disposals		Reclassified from long-term to short-term and vice versa	
			As a result of economic transactions*	Receivable on interest, penalties and other accruals	Repayment*	Write-off to the financial result		
Accounts payable, including:	2014	77,468	121,672	1	(190,462)	(1)	(103)	8,575
	2015	8,575	106,711	3	(105,680)	(4)	217	9,822
Trade payables	2014	5,170	83,508	1	(83,280)	(1)	(103)	5,295
	2015	5,295	67,810	2	(67,828)	(4)	217	5,492
Wages payable	2014	601	7,924	-	(7,702)	-	-	823
	2015	823	7,286	-	(7,440)	-	-	669
Payable to state non-budget funds	2014	87	1,648	-	(1,616)	-	-	119
	2015	119	1,900	1	(1,885)	-	-	135
Taxes payable	2014	2,570	20,660	-	(21,307)	-	-	1,923
	2015	1,923	23,028	-	(21,848)	-	-	3,103
Payables to the participants (founders) related to income payment	2014	47	5,227	-	(5,209)	-	-	65
	2015	65	6,004	-	(6,002)	-	-	67
Payables in respect of shares issued before the changes to the Charter	2014	68,618	-	-	(68,618)	-	-	-
	2015	-	-	-	-	-	-	-
Other payables	2014	375	2,706	-	(2,731)	-	-	350
	2015	350	683	-	(677)	-	-	356

* Movements in accounts payable which arose and were settled in the same reporting period are presented on a gross basis.

The balance sheet line 1521 "Trade accounts payable" includes the following types of payables:

Type of payables	31 December 2015	31 December 2014	31 December 2013
Payables to capital construction contractors	1,499	1,447	1,640
Payables to suppliers of equipment and other non-current assets	2,071	2,073	1,753
Payables for purchase of electricity and capacity	774	856	759
Payables to suppliers of repair and maintenance services	405	276	329
Other	743	643	689
Total line 1521 "Trade accounts payable"	5,492	5,295	5,170

The balance sheet line 1524 "Taxes payable" includes current payables on the following taxes:

Tax	31 December 2015	31 December 2014	31 December 2013
Property tax payable	1,494	1,343	1,429
VAT payable	1,480	464	1,053
Income tax payable	-	-	-
Other taxes payable	129	116	88
Total line 1524 "Taxes payable"	3,103	1,923	2,570

As of 31 December 2014 the balance sheet line 1526 "Payables in respect of shares issued" includes payable to the acquirers of the Company's shares of additional issue in the amount of RUB 68,618 million, including payables to the Federal Agency for Federal Property Management in the amount of RUB 66,006 million(see paragraph 3.3.1 of the Explanatory Notes).

3.5.3 Estimated liabilities (line 1540 of the balance sheet)

As of 31 December 2015 the total estimated liabilities are RUB 601 million (31 December 2014: RUB 1,405 million, 31 December 2013: RUB 1,020 million).

The estimated liability for forthcoming payment of earned but unused employee vacations has a short-term nature.

Item	Period	Opening balance	Recognised	Settled	Written off as surplus	Closing balance
Estimated liabilities, including:	2014	1,020	1,546	(926)	(235)	1,405
	2015	1,405	1,342	(1,789)	(357)	601
for forthcoming payment of earned but unused employee vacations	2014	489	1,213	(913)	(235)	554
	2015	554	1,342	(999)	(357)	540
for litigation on property tax	2014	531	210	(13)	-	728
	2015	728	-	(667)	-	61
Other	2014	-	123	-	-	123
	2015	123	-	(123)	-	-

3.6 Off-balance-sheet valuables

3.6.1 Leased property, plant and equipment

As of 31 December 2015, the total rented property, plant and equipment are RUB 38,490 million (31 December 2014: RUB 34,097 million, 31 December 2013: RUB 33,754 million).

In 2015, the Company did not receive any property, plant and equipment under lease contracts. In 2015, no lease items were recognised on the Company's balance sheet under concluded contracts.

The Company will make lease payments of RUB 26 million (including VAT) for property, plant and equipment received under lease contracts over the period until they expire, including payment of RUB 19 million in 2016. In 2015, the Company accrued RUB 479 million (excluding VAT) and paid RUB 35 million in lease payments (RUB 706 million and RUB 304 million in 2014, respectively).

The Company rented and received items of property, plant and equipment under lease contracts from the following entities:

Lessor	31 December 2015	31 December 2014	31 December 2013
AO Sulakskiy HydroKaskad	9,721	-	-
AO Zaramagskie GES	5,042	5,042	4,995
Ministry of Property Relations of Moscow region	4,956	4,956	4,531
AO Malaya Dmitrovka	3,391	3,349	3,349
Territorial Office of Federal Property Management Agency (Rosimyschestvo) in the Stavropol Territory	2,549	2,549	2,549
Territorial Office of Federal Property Management Agency in the Irkutsk Region	1,727	3,675	2,154
Perm Department of Land and Property Relations	1,350	1,350	1,245
Department of Property and Land Relations of Kochubeevsky region	1,060	1,060	1,190
Territorial Office of Federal Property Management Agency (Republic of Udmurtia)	943	943	577
Novosibirsk Department of Land and Property Relations	779	779	779
Other	4,703	4,446	4,091
Total rent of property, plant and equipment	36,221	28,149	25,460
OOO Leasefinance	1,022	1,844	3,546
OOO RB-Leasing	829	1,894	2,383
ZAO Business Alliance	321	321	321
OOO IR-Leasing	-	1,792	1,815
Other	97	97	229
Total lease of property, plant and equipment under lease contracts	2,269	5,948	8,294
Total rent and lease of property, plant and equipment	38,490	34,097	33,754

3.6.2 Collateral for liabilities and payments received

Counterparty	31 December 2015	31 December 2014	31 December 2013
ОАО Силвые Mashiny	8,655	3,018	2,345
Voith Hydro GmbH & Co KG	7,041	4,840	3,213
OOO EZOP	5,428	5,428	5,428
AO Hydroinvest	3,919	3,919	3,919
AO Transport company RusHydro	511	491	-
ОАО Hydroelectromontazh	453	-	46
АО VNIIR Hydroelectroavtomatika	424	255	445
АО ТЕК Mosenergo	405	679	-
ZAO A-security	294	398	153
Alstom Hydro France	67	1,106	1,038
OOO Energy Standard	8	27	582
OOO Alstom	-	273	273
Other	2,413	2,688	2,553
Total collateral for liabilities and payments received	29,618	23,122	19,995

The Company received its own shares purchased by OOO EZOP and AO Hydroinvest as a pledge to secure loans issued for the purpose of acquisition of the Company's shares by OOO EZOP and AO Hydroinvest (see paragraph 3.2.2 of the Explanatory Notes).

For a number of agreements for delivery of equipment and capital construction with Voith Hydro GmbH & Co KG, ОАО Силвые Mashiny, ОАО Hydroelectromontazh, АО VNIIR Hydroelectroavtomatika, АО ТЕК Mosenergo and others the Company received bank guarantees

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for return, in full or in part, of the advances issued to these entities or due fulfilment of the contractual scope of work by these entities.

According to property sales contracts bearing interest for payment by instalments to be made by AO Transport company RusHydro, the sold property for RUB 511 million was pledged.

3.6.3 Collateral for liabilities and payments issued

The Company issued the following collaterals and guarantees:

Creditor	Debtor	31 December 2015	31 December 2014	31 December 2013
GC Vnesheconombank	OAO Boguchanskaya GES	48,426	49,133	46 632
PAO Sberbank	AO Far East Generating Company	7,102	-	-
PAO Sberbank	PAO Far East Energy Company	5,531	-	-
GC Vnesheconombank	ZAO Boguchansky Aluminium Smelter	4,615	4,615	4 615
PAO VTB Bank	AO Far East Generating Company	4,522	4,522	4 543
European Investment Bank	PAO RAO ES of East	4,012	2,326	111
PAO Sberbank	PAO Kamchatskenergo	3,978	3,979	3 978
European Bank for Reconstruction and Development (EBRD)	PAO RAO ES of East	3,695	4,097	4 070
PAO Sberbank	PAO RAO ES of East	2,095	-	-
European Bank for Reconstruction and Development (EBRD)	ZAO International Energy Corporation	1,845	1,417	402
Asian Development Bank, ADB	ZAO International Energy Corporation	1,845	1,415	227
Bank GPB (AO)	AO Far East Generating Company	1,002	-	-
Rosbank AKB PAO	AO Far East Generating Company	851	-	-
Bank GPB (AO)	PAO Far East Energy Company	762	-	-
PAO Sberbank	OAO Sakhalinenergo	651	651	651
AKB Peresvet (AO)	AO "Sulakskiy HydroKaskad"	533	-	-
Bank GPB (AO)	PAO Magadanenergo	401	-	-
AO TEK Mosenergo	AO Yakutskaya GRES-2	-	15,000	-
OAO Bank of Moscow	AO Far East Generating Company	-	7,042	7 001
PAO VTB Bank	PAO Far East Energy Company	-	4,921	-
ZAO ING BANK (EURASIA)	AO Yakutskaya GRES-2	-	3,156	-
OAO Bank of Moscow	OAO Sakhalinenergo	-	499	700
Other	Other	891	1,331	740
Total collateral for liabilities and payments issued		92,757	104,104	73,670

In 2015 the Company issued guarantees:

- in terms of liabilities of AO Far East Generating Company the credit agreement with PAO Sberbank, Bank GPB (AO) and PAO Rosbank AKB. The guarantee covers the amount of credit and interest accrued. Maturity date – 2019-2020.
- In terms of liabilities of PAO Far East Energy Company under the credit agreement with PAO Sberbank and Bank GPB (AO). The guarantee covers the amount of credit and interest accrued. Maturity date – 2019.

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- In terms of liabilities of PAO RAO ES of East under the credit agreement with PAO Sberbank. The guarantee covers the amount of credit and interest accrued. Maturity date – 2019 and 2030.

Guarantees issued by the Company for liabilities of OAO Boguchanskaya GES under its loan agreement with GC Vnesheconombank include:

- total liabilities of OAO Boguchanskaya GES under the loan agreement, including accumulated interest in the amount of RUB 27,399 million as of 31 December 2015 (31 December 2014: RUB 28,106 million);
- pledge of OAO Boguchanskaya GES's interest-free promissory notes for the total of RUB 21,027 million (see Note 3.2.2 of the Explanatory Notes) and pledge of shares for the total of RUB 14 thousand.

RUSAL Group undertakes to reimburse the Company for 50 per cent of liabilities settled under this guarantee by the Company for OAO Boguchanskaya GES.

3.7 Income and expenses on operating activities (statement of financial results)

3.7.1 Revenue (line 2110 of the statement of financial results)

Revenue from sales of electricity and capacity has the largest percentage in the Company's revenue structure (98.8%).

Item	2015	2014
Sale of electricity	73,262	76,532
Sale of capacity	32,583	30,678
Sale of heat	154	144
Other	1,100	1,124
Total line 2110 "Revenue"	107,099	108,478

The Company sells a major part of its produced electricity and capacity (99.9%) on the wholesale electricity and capacity market, where sales are made at non-regulated prices (except for sales at regulated tariffs in the RF Far East non-pricing zone and volumes produced for selling to households or equivalent consumer categories).

3.7.2 Cost of sales (line 2120 of the statement of financial results)

Item	2015	2014
Depreciation and amortisation	14,257	13,038
Purchased electricity and capacity	13,970	17,975
Wages and social insurance contributions	10,113	10,635
Property tax	6,640	6,123
Repairs and maintenance	3,891	3,615
Third party services	3,236	2,624
Fees for administering the wholesale market of electricity and capacity (OAO SO UES, OAO ARS, ZAO CFR)	2,884	2,770
Fire and other security services	1,729	1,660
Insurance expenses	1,482	1,185
Lease expenses	1,230	1,140
Water usage expenses, water tax	934	836
Lease of power equipment	479	706
Other expenses	3,124	3,157
Total line 2120 "Cost of sales"	63,969	65,464

Operating expenses include contributions to non-state pension fund OAO NPF of Electrical Energy Industry. The Company's responsibility to provide the personnel with pension facilities is limited by the amount of financial resources paid in pension fund; this determines the type of pension plan for the Company's personnel as the defined benefit plan.

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Operating expenses broken down by cost elements are as follows:

Item	2015	2014
Material expenses	19,056	22,605
Payroll expenses	8,217	8,911
Social contributions	1,896	1,724
Depreciation and amortisation	14,257	13,038
Other costs	20,543	19,186
Total for elements of costs	63,969	65,464
Change in balances of work in progress, finished goods, etc. (increase [-] / decrease [+])	-	-
Total expenses incurred on operating activities	63,969	65,464

3.8 Other income and expenses (line 2340 and line 2350 of the statement of financial results)

Item	2015		2014	
	Income	Expenses	Income	Expenses
Gain and loss on sale of promissory notes	784	(784)	9,307	(9,307)
Doubtful debt provision	3,490	(2,650)	2,168	(3,844)
Selling foreign currency	-	-	1,850	(1,889)
Foreign exchange differences from remeasurement of assets and liabilities denominated in foreign currencies	7,167	(8,840)	1,443	(3,427)
Income and expenses from sales, write-off and other transactions with assets	516	(2,518)	1,017	(1,316)
Income and expenses from sale of right of demand	1	(1)	368	(368)
Income and expenses due to sale or other disposal of securities (exception promissory notes)	11	(114)	12	(15)
Charity donations	-	(553)	-	(1,294)
Expenses for social events	-	(573)	-	(684)
Gains / (losses) from revaluation of investments measured at current market value	1,110	(329)	-	(574)
Provision for impairment of investments	49	(3,147)	-	(22)
Other income and expenses	1,877	(887)	1,356	(1,037)
Total line 2340 "Other income" and 2350 "Other expenses"	15,005	(20,396)	17,521	(23,777)

3.9 Taxes

Value Added Tax

Total VAT calculated with due account of recovered tax amounts was RUB 30,664 million in the reporting year (2014: RUB 31,915 million), including:

- VAT calculated on sales of goods (work, services) is RUB 19,286 million (2014 RUB 19,727 million);
- VAT calculated on the amounts of received payment or partial payment for goods (work, services) to be delivered in the future is RUB 9,415 million (2014: RUB 10,114 million);
- recoverable amount of tax is RUB 1,963 million (2014: RUB 2,074 million).

Total VAT recoverable in the reporting period was RUB 22,008 million (2014: RUB 25,214 million), including:

- VAT recoverable invoiced to the taxpayer on acquisition of goods (work, services), property rights in Russia was RUB 9,637 million (2014: RUB 12,040 million);
- VAT calculated on the amounts of received payment or partial payment for goods (work, services) to be deducted from their delivery date was RUB 9,416 million (2014: RUB 10,115 million);

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- VAT calculated on the amounts of payment or partial payment for goods (work, services) to be delivered in the future was RUB 2,161 million (2014: RUB 1,940 million);
- VAT recovered in 2015 which was paid earlier when the goods were imported to the Russian customs territory was RUB 789 million (2014: RUB 1,106 million);
- other recoverable VAT was RUB 5 million (2014: RUB 13 million).

The Company decreases the calculated VAT by the amount invoiced on purchase of goods (work, services) in Russia, according to tax legislation.

Corporate income tax

Income tax calculated on the basis of the accounting profit (theoretical income tax charge) for the reporting year was RUB 7,851 million (2014: RUB 7,989 million).

The Company applied tax rate of 20% in the calculation of income tax based on accounting profit received by the Company's branches (excluding profits received by branches Kamsksya GES and Votkinskaya GES that apply 15.5% rate).

According to the tax accounting data, the taxable profit for 2015 was RUB 34,424 million (2014: RUB 34,525 million).

In the reporting year, the amount of non-temporary differences which affected the theoretical income tax charge adjustment for the purposes of income tax calculated for tax accounting purposes (current income tax) was RUB 9,607 million (2014: RUB 6,059 million).

The above non-temporary differences arise from differences in recognising certain income and expenses for accounting and income tax purposes.

Non-temporary differences resulted in permanent tax assets amounted to RUB 4,078 million for 2015 (2014: 5,186 million), including:

- income from participation in other entities (dividends) in the amount of RUB 779 for 2015 (2014: RUB 382 million);
- increase in value of financial placements determined in fair value in the amount of RUB 780 million (2014: RUB 329 million);
- other non-temporary differences in the amount of RUB 2,519 million (2014: RUB 2,395 million).

Non-temporary differences resulted in the permanent tax liability amounted to RUB 13,685 million for 2015 (2014: 11,245 million), including:

- depreciation of RUB 4,011 million (2014: RUB 3,885 million);
- charges to doubtful debt provision in the amount of RUB 944 million (2014: RUB 874 million);
- charity donations in the amount of RUB 553 million (2014: RUB 1,294 million);
- expenses related to sale, disposal or other transactions with assets in the amount of RUB 2,115 million (2014: RUB 413 million);
- financial support and other social payments to employees in the amount of RUB 326 million (2014: RUB 297 million);
- other non-temporary differences in the amount of RUB 5,736 million (2014: RUB 4,150 million).

The total amount of deductible temporary differences, which affected the adjustment of the theoretical income tax charge for the purpose of the current income tax calculated for tax accounting purposes, was RUB (804) million (2014: RUB 418 million), including those originated – RUB 452 million (2014: RUB 999 million) and settled – RUB 1,255 million (2014: RUB 581 million).

Total amount of taxable temporary differences that affected the theoretical income tax expense adjustment for the purpose of the income tax calculation for tax accounting purposes, was RUB 14,038 million (2014: RUB 12,274 million), including those originated – RUB 19,469 million (2014: RUB 17,979 million) and settled – RUB 5,431 million (2014: RUB 5,705 million).

In 2015, movement in deductible and taxable temporary differences was mainly due to:

- different useful lives of property, plant and equipment for accounting and income tax purposes;
- recognition of depreciation premium on items of property, plant and equipment for income tax purposes;
- application of multiplying factor for accrual of depreciation charges on property, plant and equipment used in operations in a hostile environment with a high turnover for tax accounting purposes in prior periods;
- capitalisation of interest on borrowings in the cost of investment assets for accounting purposes;
- including the costs of insurance in the value of investment assets in the accounting records of the Company.

Deferred tax assets and deferred tax liabilities were:

Item	31 December 2015	31 December 2014	31 December 2013
Deferred income tax assets	(1,864)	(2,343)	(2,260)
Deferred tax liabilities	14,266	12,015	9,444
Total line 1420 "Deferred tax liabilities"	12,402	9,672	7,184

Other taxes and levies

In 2015, operating expenses include other taxes and levies in the amount of RUB 8,430 million (2014: RUB 7,872 million), including:

- property tax in the amount of RUB 6,640 million (2014: RUB 6,123 million), including accrual provision for estimated liabilities for property tax;
- insurance contributions to the Pension Fund of the Russian Federation, Social Insurance Fund of the Russian Federation and obligatory medical insurance funds in the amount of RUB 1,774 million (2014: RUB 1,724 million), including contributions related to estimated liabilities on future payment of employee vacations earned but not used;
- other taxes and levies in the amount of RUB 16 million (2014: RUB 25 million).

Relations with tax authorities

Russian tax legislation active or effective as of the end of the reporting period allows varying interpretation of the separate facts of the Company's economic life. As a consequence, the position of the Company's management in terms of taxes and documents substantiates this position may be challenged by tax authorities. The tax control in Russian Federation gets stringent resulting in increase of tax inspections risk. These inspections may cover 3 calendar years preceding the year when the decision about inspection was made. In some cases the earlier periods may be examined.

As of 31 December 2015, the Company's management believe that their interpretation of the relevant legislation was appropriate, tax liabilities are recorded in full and the Company's tax and currency positions will be sustained.

3.10 Dividends

The Company's annual general meeting of shareholders held on 26 June 2015 (Minutes No. 13) made the decision to pay dividends on the Company's ordinary shares for 2014 in the amount of RUB 0,01561855 per 1 share for the total of RUB 6,033 million.

The Company's annual general meeting of shareholders held on 27 June 2014 (Minutes No. 12) made the decision to pay dividends on the Company's ordinary shares for 2013 in the amount of RUB 0,01358751 per 1 share for the total of RUB 5,248 million.

3.11 Earnings per share

Basic earnings per share reflect a portion of reporting period's profit that may be potentially distributed between the shareholders – owners of ordinary shares. It is calculated by dividing basic profit of the reporting year by the weighted average number of ordinary shares outstanding

during the year. Basic profit is equal to net profit of the reporting year (Line 2400 of the statement of financial results).

Item	2015	2014
Basic profit for the reporting year (RUB million)	30,022	30,729
Weighted average number of ordinary shares, outstanding during the reporting year (shares)	386,255,464,890	386,255,464,890
Basic earnings per share (RUB)	0,07773	0,07956

Weighted average number of ordinary shares, outstanding during the reporting year was calculated as follows:

Item	2015
Number of ordinary shares outstanding as of 1 January 2015 (shares)	386,255,464,890
Number of ordinary shares outstanding as of 1 December 2015 (shares)	386,255,464,890
Number of ordinary shares outstanding as of 31 December 2015 (shares)	386,255,464,890
Weighted average number of ordinary shares, outstanding in 2015 (shares) (386,255,464,890 * 12 months) / 12 months	386,255,464,890
Item	2014
Number of ordinary shares outstanding as of 1 January 2014 (shares)	386,255,464,890
Number of ordinary shares outstanding as of 1 December 2014 (shares)	386,255,464,890
Number of ordinary shares outstanding as of 31 December 2014 (shares)	386,255,464,890
Weighted average number of ordinary shares, outstanding in 2014 (shares) (386,255,464,890 * 12 month) / 12 months	386,255,464,890

In 2015 and 2014, the Company had no debt securities potentially convertible to shares.

3.12 Related Parties

The Company's related parties are its subsidiaries and associates and other entities where the Company has indirect control or significant influence through its subsidiaries and associates.

The list of the Company's related parties is given on the web-site – www.rushydro.ru/investors/disclosure/affiliated

3.12.1 Controlling entity

As of 31 December 2015 the Company is controlled by the Russian Government (represented by the Federal Agency for Federal Property Management) which owns, 66.84% of the Company's ordinary shares (see paragraph 3.3.1 of the Explanatory Notes).

3.12.2 Sales to related parties

Total revenue from sales to related parties was:

Name of the buyer	2015	2014
Revenue from sales to subsidiaries, including:		
PAO Far East Energy Company	5,722	5,530
AO Chuvashskaya Energy Sales Company	1,562	1,081
OOO ESK Bashkortostana	1,266	378
PAO Krasnoyarskenergosbyt	836	864
PAO Ryazanskaya Energy Sales Company	245	688
AO Transport company RusHydro	33	434
Other subsidiaries	274	302
Revenue from sales to related parties, including:		
ZAO Boguchanskiy Alluminievy zavod	679	-
PAO Krasnoyarskaya GES*	-	475
Other parties	35	9
Total sales to related parties	10,652	9,761

*PAO Krasnoyarskaya GES was the related party until 15 July 2014

Sales to related parties include, among others, sales of electricity and capacity in the regulated sector of WEM at tariffs determined by the Federal Tariff Service and in the competitive sector at commercial prices established in accordance with the Wholesale Market Rules and Regulation of

the Russian Government No. 109 of 26 February 2004, On Pricing of Electric and Heating Energy in the Russian Federation, and Regulation on the Company's sales policy for operating generation assets in the price zones of the wholesale electricity (capacity) market (minutes of the meeting of the Management Board No. 528 of 17 September 2010).

3.12.3 Purchases from related parties

The cost of services provided by related parties was:

Supplier	2015	2014
Repair and technical maintenance services, including:		
Subsidiaries		
AO Hydroremont-BKK	3,303	3,041
OOO Service properties RusHydro	18	121
Other	61	41
Total repair and maintenance services	3,382	3,203
Transport service, including:		
Subsidiaries		
AO Transport company RusHydro	1,502	813
Other	-	2
Total transport services	1,502	815
Rent of premises, territories and other property, including:		
Subsidiaries		
AO Malaya Dmitrovka	566	571
AO Zaramagskie GES	260	260
Other	184	9
Total rent of premises, territories and other property	1,010	840
Works and services in testing, trials and research, including:		
Subsidiaries		
AO NIIES	248	194
AO Vedeneyev VNIIG	159	198
Other	100	46
Total works and services in testing, trials and research	507	438
Electricity purchases	1	4
Other services of third parties	545	340
Total purchases from related parties	6,497	5,640

3.12.4 Settlements with non-state pension fund

Non-state Pension Fund of Electrical Energy Industry is the non-state pension fund for implementation of the non-governmental pension security program for the Company's employees. The total amount of contributions to the pension fund was RUB 324 million and RUB 252 million for 2015 and 2014, respectively.

3.12.5 Settlements with related parties

As of 31 December 2015, 2014 and 2013, accounts receivable from related parties to the Company less doubtful debt provision were (see paragraph 3.2.2 of the Explanatory Notes):

Type of accounts receivable	31 December 2015	31 December 2014	31 December 2013
Short-term interest-free promissory notes received	20,767	18,846	22,453
Short-term interest-free loans issued	12,879	26,325	5,500
Long-term interest-free promissory notes received	25,689	25,689	25,689
Accounts receivable from subsidiaries as part of additional issues before title for the shares issued is transferred to the Company	7,951	11,805	98,530
Long-term interest-free loans issued	3,099	1,183	16,548
Accounts receivable related to other sales	1,574	1,458	1,090

Type of accounts receivable	31 December 2015	31 December 2014	31 December 2013
Other settlements with related parties	8,213	8,491	7,054
Total accounts receivable from related parties	80,172	93,797	176,864

Terms and conditions of settlements with related parties provide for the Company to make advance payments on transactions with individual related parties. As of 31 December 2015 balances include advances issued for the amount of RUB 5,926 million (31 December 2014: RUB 5,116 million, 31 December 2013: RUB 6,257 million).

Doubtful debt provision for related parties' accounts receivables as of 31 December 2015 was RUB 291 million (31 December 2014: RUB 48 million; 31 December 2013: RUB 364 million).

As of 31 December 2015, 2014 and 2013, the Company's accounts payable to the related parties were:

	31 December 2015	31 December 2014	31 December 2013
Subsidiaries	2,707	914	1,404
Associates	-	30	24
Other related parties	750	-	-
Total accounts payable to related parties	3,457	944	1,428

The whole amount accounts payable to related parties is payable in cash.

3.12.6 Related parties' debt within investments

As of 31 December 2015, 2014 and 2013, The Company's investments include the following amounts due from related parties (see paragraphs 3.1.2 and 3.2.3 of the Explanatory Notes):

Type of financial investments	31 December 2015	31 December 2014	31 December 2013
Loans issued to related parties	57,102	44,178	38,586
Other investments	-	-	40
Total related parties' debt within investments	57,102	44,178	38,626
Total debt within long-term investments (Line 1170 of the Balance sheet)	51,832	34,039	33,018
Total debt within short-term investments (Line 1240 of the Balance sheet)	5,270	10,139	5,608

Interest income on loans issued to related parties and promissory notes received from related parties:

Entity	2015	2014
Subsidiaries, including:	4,608	3,792
AO Far East Generating Company	1,570	1,264
AO Far East Distribution Grid Company	892	610
AO Zagorskaya GAES-2	588	577
AO Nizhne-Bureyskaya GES	312	74
AO Sakhaenergo	278	278
AO ESK RusHydro	250	258
AO Hydroinvest	168	164
AO Ust-Srednekanskaya GES	156	143
Other	394	424
Total interest income	4,608	3,792

3.12.7 Income from investments in other companies (related parties)

Income from investments in other companies includes income from investments in subsidiaries in the amount of RUB 775 million for 2015 (2014: RUB 380 million).

3.12.8 Remuneration to key management personnel

The Company's key management personnel includes members of the Board of directors and Management Board and also includes heads of the Company's business divisions and their deputies.

The remuneration to the members of the Board of directors is calculated according to the *Regulations on the payment of remuneration to PAO RusHydro's directors* approved by the Annual General Meeting of Shareholders held on 30 June 2010 (Minutes No. 5).

Remuneration is paid to members of the Management Board and other management personnel of the Company for their services in management positions and is made up of a contractual salary and performance bonuses depending on the results for the period calculated based on key performance indicators approved by the Company's Board of directors.

The list of members of the Company's Board of directors and Management Board is included in paragraph 1.1 of the Explanatory Notes).

In 2015 and 2014, the Company paid remuneration to key management personnel within the limits set out in their employment agreements for the total amount of RUB 1,475 million and RUB 1,664 million, respectively. The insurance contributions amounted to RUB 236 million for 2015 (2014: 179 million).

3.12.9 Cash flows between the Company and subsidiaries/associates

Item	Line code	2015	2014
Cash flows from operating activities			
Receipts, including:	4110	7,872	7,655
sales of products, goods, work and services	4111	7,804	7,522
lease payments, licence payments, royalties, commission and other payments	4112	66	97
other receipts	4119	2	36
Payments, including:	4120	(7,229)	(5,859)
suppliers (contractors) – raw materials, work and services	4121	(7,157)	(5,674)
other payments	4129	(72)	(185)
Net cash flows from operating activities	4100	643	1,796
Cash flows from investing activities			
Receipts, including:	4210	19,324	9,277
sale of non-current assets (except for investments)	4211	137	64
sale of shares of other organisations (ownership interest)	4212	10	-
repayment of loans issued, sale of debt securities (rights of claiming cash to third parties)	4213	13,674	6,833
dividends, interest on debt investments and similar proceeds from equity participation in other organisations	4214	5,469	2,360
other receipts	4219	34	20
Payments, including:	4220	(55,731)	(53,368)
acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets	4221	(5,983)	(8,001)
purchase of shares (interest) in other entities	4222	(34,665)	(29,650)
acquisition of debt securities (rights of claiming cash from third parties), issue of loans to third parties	4223	(15,083)	(15,717)
Net cash flows from investing activities	4200	(36,407)	(44,091)
Cash flows from financing activities			
Receipts, including:	4310	1,970	-
borrowings and bank loans	4311	1,970	-
Payments, including:	4320	(143)	-
redemption (buyback) of promissory notes and other debt securities, loan repayment	4323	(143)	-
Net cash flows from financing activities	4300	1,827	-
Net cash flows for the reporting period	4400	(33,937)	(42,295)

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3.13 Segment Information

The Company does not identify any reporting segments in its operations, as the Company's core business activity is production of electricity and capacity – their share in the revenue from sales is 98.8%. The individuals credentialed to make the decisions concerning allocation of the resources within the Company and assess the results of its performance analyse the Company's activity as a whole segment.

3.14 Contingent liabilities

As of 31 December 2015, the Company had outstanding issued guarantees to the third parties' creditors and pledged assets for the total amount of RUB 92,757 million (31 December 2014: RUB 104,104 million, 31 December 2013: RUB 73,670 million) (see paragraph 3.6.3 of the Explanatory Notes). According to the Company's management expectations, no material liabilities will arise in connection with these guarantees.

Moreover, the prosecutor's office and other oversight bodies examined operations of the Company, and this also may result in additional claims filed against the Company and its employees.

The Russian transfer pricing legislation is aligned with the international principles developed by the Organisation for Economic Cooperation and Development (OECD). The legislation allows tax authorities to assess additional taxes for controlled transactions (transactions between related parties and some transactions between unrelated parties) if such transactions are not on an arm's length basis. The Company's management has implemented internal control procedures to ensure compliance with transfer pricing law.

Tax liabilities arising as a result of operations between the Company and its subsidiaries are determined based on the actual transaction price. There is a probability that the prices may be disputed as practice for application of the transfer rules changes. The effect of such course of events cannot be estimated reliably but may have a material effect on the Company's financial results and/or operations.

New provisions aimed at deoffshorisation of Russian economy have been added to the Russian tax legislation and are effective from 1 January 2015. Specifically, they introduce new rules for controlled foreign companies, a concept of beneficiary owner of income for the purposes of application of preferential provisions of taxation treaties of the Russian Federation. Management of the Company conducts analysis of impact of new rules on Companies' activity and takes necessary measures to meet new requirements of Russian Tax legislation. Likelihood of claims from Russian tax authorities (and probability of positive resolution of disputes) can't be reliably measured because there's no practice of new tax rules. Financial statements of the Company can be affected if tax disputes arise.

3.15 Financial risk management

The primary objectives of the financial risk management function are to provide reasonable assurance of achieving the Company's goals by developing a methodology of risk identification, analysis and assessment, as well as to establish risk limits, and then ensure that exposure to risks stays within these limits and if the limits are exceeded – to treat this risk accordingly.

Market risks

The Company is subject to market risks that arise from open positions in foreign currencies, interest bearing assets and liabilities, all of which are exposed to general and specific market movements. The Company establishes acceptable risk limits and monitors them on a daily basis. However, this approach may not prevent losses incurred due to overlimits caused by significant market fluctuations.

There was the significant rise in the exchange rate and depreciation of the Russian rouble in the latter half of the year 2015 but the Company's financial position, its liquidity, sources of financing and performance largely are not impacted by currency exchange rates and interest rates.

Currency risk. The Company sells its produced electricity and capacity in the Russian domestic

market at prices denominated in national currency, settlements with resources suppliers, charge and acceptance of payments from the customers are made specifically in Russian roubles. Liabilities of the Company are denominated in national currency; share of liabilities denominated in foreign currency is amounted to less than 15%. As a result effect of changes in currency exchange rates on the Company's financial position and activities is estimated as insignificant. The Company's operations are planned and carried out in such a way that all its assets and liabilities are denominated in the national currency.

Information on the Company's exposure to currency risk is presented in line with its use for the preparation of RusHydro Group's IFRS financial statements as defined in IFRS 7:

	Monetary financial assets	Monetary financial liabilities	Net balance sheet position
31 December 2015			
US Dollars	3,096	-	3,096
Euro	-	(15,426)	(15,426)
Total	3,096	(15,426)	(12,330)
31 December 2014			
US Dollars	1,700	-	1,700
Euro	2,321	(13,449)	(11,128)
Total	4,021	(13,449)	(9,428)
31 December 2013			
US Dollars	779	-	779
Euro	54	(3,280)	(3,226)
Total	833	(3,280)	(2,447)

The above analysis includes only monetary assets and liabilities. Investments in shares and non-monetary assets are not considered to give rise to significant currency risk.

Changes in exchange rates have no significant influence on the Company's financial position.

Interest rate risk. The Company's operating profits and cash flows from operating activity are substantially independent of the changes in market interest rates.

The effect of changes in the average market interest rates on the value of the Company's investments is insignificant as the rates of return on the Company's investments are fixed.

The fixed and floating interest rate loans received by the Company (see paragraph 3.4.1 of the Explanatory Notes) expose it to interest rate risks. Share of fixed interest rate loans is 81% of total credit portfolio.

The Company also receives loans with floating interest rates based on MOSPRIME, Euribor, OeKB rates. The influence of changes in these rates on the Company's profit is insignificant.

The Company monitors interest rate risk for its financial instruments. Effective interest rates as of the end of the period are presented in paragraph 3.4.1 of the Explanatory Notes.

To mitigate the interest rate risk, the Company takes the following measures:

- monitors the credit market to identify favourable terms of financing;
- diversifies credit portfolio by raising fixed and floating rate loans.

Price risk. The price risk determines the possible changes / fluctuations in the fair value or future cash flows due to changes in market prices (excluding changes leading to interest rate or currency risk).

The table below includes the Company's investments exposed to the price risk.

Category of investments	31 December 2015	31 December 2014	31 December 2013
Equity investments for which current market value can be determined, including:			
PAO Inter RAO	2,286	1,505	2,079
PAO Irkutskenergo	2,217	1,445	2,027
PAO Krasnoyarskaya GES	36	25	33
	33	35	19

Category of investments	31 December 2015	31 December 2014	31 December 2013
Equity investments to subsidiaries measured at current market value but not revalued as of the reporting date	20,204	20,204	20,204
Equity investments for which current market value cannot be determined	245,174	208,604	87,758
Total equity investments (see paragraph 3.1.2 of the Explanatory Notes)	267,664	230,313	110,041

Current market value of quoted securities is determined by market prices established on the stock exchange OAO MICEX-RTS (www.rts.micex.ru), according to the 'Procedure for determining market value of securities, estimated price of securities and the threshold for the fluctuations of securities' market price for the purpose of Chapter 23 of the Russian Tax Code approved by Order of the Federal Service for Financial Markets No. 10-65/pz-n of 9 November 2010.

Credit risk

Credit risk is the possibility of the Company's losses resulting from the counterparty's inability to meet its obligations under the contract. Exposure to credit risk arises as a result of the Company's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

Although collectability of receivables can be influenced by economic factors, management believe that there is no significant risk of loss to the Company beyond the provision for impairment of receivables already recorded.

Due to the absence of an independent assessment of customers' creditworthiness, the Company performs such an assessment at the contracting stage taking into account the customer's financial position and credit history, using internal rating. The Company regularly monitors existing receivables and undertakes actions to collect them and minimize losses.

Cash has been placed in financial institutions, which are considered at the time of deposit to have minimal risk of default. The Company approves deposit banks as well as rules for making cash deposits. The Company performs regular review of financial institutions, monitors their ratings assigned by independent agencies as well as other performance indicators of these financial institutions.

Summary information on cash deposits and their equivalents including names of banks and other financial institutions and their ratings as of the end of the reporting period is provided in paragraph 3.2.4 of the Explanatory Notes.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Efficient liquidity risk management implies maintaining sufficient cash and marketable securities, and ensuring the availability of additional funding through an adequate amount of committed credit facilities. The Group follows the balanced model of working capital financing when both long-term and short-term sources of finance are used. The Company places available cash to short-term financial instruments, mainly, bank deposits and short-term bank promissory notes. Short-term liabilities are represented mainly by trade accounts payable.

The Company has implemented controls over the contracting process by using standard financial procedures that include standard payment structure, standard payment time, standard correlation between the advance and final settlement amounts, etc. This way the Company controls the maturity structure of capital.

The ageing analysis for long term borrowings is presented in paragraph 3.4.1 of the Explanatory Notes.

3.16 Subsequent events

There are no significant events which have affected or could affect the Company's financial position, cash flows or its performance in the period between the reporting date and the date of signing the financial statements for 2015.

Chairman of Management Board - General Director
of PAO RusHydro

N.G.Shulginov

Chief Accountant of PAO RusHydro

D. V. Finkel

30 March 2016

***Appendix 2. Interim Accounting (Financial) Statements of the Issuer for
3 months of 2016***

**BALANCE SHEET
as at 31 March 2016**

	Form on OKUD	Codes
	Date (year, month, day)	0710001
Company Public Joint Stock Company Federal Hydro-Generating Company – RusHydro		2016/03/31
PJSC RusHydro)	OKPO	75782411
Taxpayer identification number	INN	2460066195
Field of activity Electricity generation by hydro power plants	OKVED	40.10.12
Legal form / form of ownership	OKOPF / OKFS	47 / 41
Public Joint Stock Company / mixed Russian property with a federal share	OKEI	385
Unit of measurement: millions of RR		
Address: Krasnoyarsk, the Krasnoyarsk Territory		

Note	ASSETS	Line code	As at 31 March 2016	As at 31 Desember 2015	As at 31 December 2014
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	826	893	1,032
	Results of research and development	1120	1,079	1,091	843
	Property, plant and equipment, incl.:	1150	394,348	392,723	378,027
	fixed assets	1151	343,593	344,986	321,645
	construction in process	1152	50,755	47,737	56,382
	Income-bearing investments in tangible assets	1160	7,034	7,065	7,189
	Financial investments	1170	322,337	320,097	264,352
	Other non-current assets	1190	3,119	3,287	3,538
	Total Section I	1100	728,743	725,156	654,981
	II. CURRENT ASSETS				
	Inventories	1210	4,910	4,115	3,437
	Value added tax on goods purchased	1220	23	40	105
	Accounts receivable, incl.:	1230	128,080	129,291	144,565
	accounts receivable (payments expected later than 12 months after the reporting date), incl.:	1231	61,140	62,549	62,341
	buyers and customers	1231.1	777	976	409
	advances issued	1231.2	26,803	28,524	31,099
	other debtors	1231.3	33,560	33,049	30,833
	accounts receivable (payments expected within 12 months after the reporting date), incl.:	1232	66,940	66,742	82,224
	buyers and customers	1232.1	6,297	6,741	5,840
	advances issued	1232.2	14,826	14,495	12,870
	other debtors	1232.3	45,817	45,506	63,514
	Financial investments (excl. cash equivalents)	1240	9,714	15,879	43,446
	Cash and cash equivalents	1250	35,803	18,139	9,032
	Other current assets	1260	12	11	14
	Total Section II	1200	178,542	167,475	200,599
	TOTAL	1600	907,285	892,631	855,580

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.

Note	LIABILITIES	Line code	As at 31 March 2016	As at 31 Desember 2015	As at 31 December 2014
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Charter capital	1310	386,255	386,255	386,255
	Revaluation of non-current assets	1340	52,908	52,928	53,111
	Additional capital (excl. revaluation)	1350	58,424	58,424	58,424
	Reserve capital	1360	9,776	9,776	8,240
	Retained earnings (loss), incl.:	1370	250,357	235,086	212,430
	undistributed profit of previous years	1371	235,108	205,064	181,701
	undistributed profit of the current year	1372	15,249	30,022	30,729
	Total Section III	1300	757,720	742,469	718,460
	IV. LONG-TERM LIABILITIES				
	Borrowings and bank loans	1410	104,712	105,070	92,262
	Deferred tax liabilities	1420	9,756	12,402	9,672
	Other liabilities	1450	2,065	2,195	2,335
	Total Section IV	1400	116,533	119,667	104,269
	V. SHORT-TERM LIABILITIES				
	Borrowings and bank loans	1510	18,642	18,940	21,915
	Accounts payable, incl.:	1520	12,434	9,822	8,575
	suppliers and contractors	1521	4,307	5,492	5,295
	payables to employees	1522	245	669	823
	payables to state non-budgetary funds	1523	108	135	119
	taxes payable	1524	6,342	3,103	1,923
	dividends payable	1525	67	67	65
	other creditors	1526	1,365	356	350
	Income of future periods	1530	73	70	75
	Estimated liabilities	1540	690	601	1,405
	Other liabilities	1550	1,193	1,062	881
	Total Section V	1500	33,032	30,495	32,851
	TOTAL	1700	907,285	892,631	855,580

Chairman of Management Board – General Director

(signature)

N. G. Shulginov

(print full name)

Chief Accountant

(signature)

D. V. Finkel

(print full name)

29 April 2016

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.

STATEMENT OF FINANCIAL RESULTS
for the three months ended 31 March 2016

Company Open Joint Stock Company Federal Hydro-Generating Company – RusHydro
(OJSC RusHydro)
Taxpayer identification number
Field of activity Electricity generation by hydro power plants
Legal form / form of ownership
Open Joint Stock Company / mixed Russian property with a federal share
Unit of measurement: millions of RR

	Codes
Form on OKUD	0710002
Date (year, month, day)	2016/03/31
OKPO	75782411
INN	2460066195
OKVED	40.10.12
OKOPF / OKFS	12247 / 41
OKEI	385

Note	Narrative	Line code	Three months ended 31 March 2016	Three months ended 31 March 2015
1	2	3	4	5
	Revenue	2110	27,093	23,703
	Cost of sales	2120	(12 609)	(13 844)
	Gross profit	2100	14,484	9,859
	Profit from sales	2200	14,484	9,859
	Income from participation in other companies	2310	-	-
	Interest income	2320	2,046	2,614
	Interest expense	2330	(2 014)	(1 821)
	Other income	2340	3,673	5,354
	Other expense	2350	(2 716)	(4 155)
	Profit before tax	2300	15,473	11,851
	Current income tax, incl.:	2410	(2 869)	(2 388)
	permanent tax liabilities (assets)	2421	119	781
	Change in deferred tax liabilities	2430	(634)	(705)
	Change in deferred tax assets	2450	3 279	(33)
	Other	2460	-	19
	Net profit	2400	15,249	8,743
	REFERENCE			
	Gain or loss from other operations not included in the net profit of the period	2520	-	-
	Total financial result for the period	2500	15,249	8,743
	Basic earnings per share, RR	2900	0.03948	0.02264

Chairman of Management Board – General Director

(signature)

N. G. Shulginov

(print full name)

Chief Accountant

(signature)

D. V. Finkel

(print full name)

29 April _____ 2016

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.

Appendix 3. Consolidated Financial Statements of the Issuer prepared in accordance with IFRS and the auditor's report for the year ended on December 31, 2015 and as at that date



RUSHYDRO GROUP

**Consolidated Financial Statements
prepared in accordance with IFRS
with independent auditor's report**

As at and for the year ended 31 December 2015

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Independent Auditor's Report

To the Shareholders and Board of Directors of Public Joint Stock Company Federal Hydro-Generating Company – RusHydro (PJSC RusHydro)

We have audited the accompanying consolidated financial statements of PJSC RusHydro and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for 2015, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the fair presentation of these consolidated financial statements based on our audit. We conducted our audit in accordance with Russian Federal Auditing Standards and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to express an opinion on the fair presentation of these consolidated financial statements.



Independent Auditor's Report (Continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015, and its financial performance and its cash flows for 2015 in accordance with International Financial Reporting Standards.

AO PricewaterhouseCoopers Audit

23 March 2016

Moscow, Russian Federation



T.V. Sirotinskaya, Director (licence no. 01-000527),
AO PricewaterhouseCoopers Audit

Audited entity: PJSC RusHydro

Certificate of inclusion in the Unified State Register of Legal Entities issued on 26 December 2004 under registration № 1042401810494

Krasnoyarsk, Krasnoyarsk Territory, Russian Federation, 660017

Independent auditor: AO PricewaterhouseCoopers Audit

State registration certificate № 008.890, issued by the Moscow Registration Bureau on 28 February 1992

Certificate of inclusion in the Unified State Register of Legal Entities № 1027700148431 issued on 22 August 2002

Certificate of membership in self regulated organisation non-profit partnership "Audit Chamber of Russia" № 870. ORNZ 10201003683 in the register of auditors and audit organizations

RusHydro Group
Consolidated Statement of Financial Position
(in millions of Russian Rubles unless noted otherwise)



	Note	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	7	744,585	686,190
Investments in associates and joint ventures	8	14,142	14,032
Available-for-sale financial assets	9	6,094	4,132
Deferred income tax assets	16	5,486	5,355
Other non-current assets	10	21,402	25,021
Total non-current assets		791,709	734,730
Current assets			
Cash and cash equivalents	11	48,025	34,394
Income tax receivable		1,396	1,965
Accounts receivable and prepayments	12	49,646	48,012
Inventories	13	23,999	22,133
Other current assets	14	22,574	41,872
		145,640	148,376
Non-current assets and assets of disposal group classified as held for sale		788	664
Total current assets		146,428	149,040
TOTAL ASSETS		938,137	883,770
EQUITY AND LIABILITIES			
Equity			
Share capital	15	386,255	386,255
Treasury shares	15	(26,092)	(26,092)
Share premium		39,202	39,202
Retained earnings and other reserves		203,114	179,556
Equity attributable to the shareholders of PJSC RusHydro		602,479	578,921
Non-controlling interest		11,440	16,230
TOTAL EQUITY		613,919	595,151
Non-current liabilities			
Deferred income tax liabilities	16	37,034	35,891
Non-current debt	18	135,179	119,187
Other non-current liabilities	19	14,551	11,195
Total non-current liabilities		186,764	166,273
Current liabilities			
Current debt and current portion of non-current debt	18	62,214	57,843
Accounts payable and accruals	20	60,307	51,558
Current income tax payable		898	536
Other taxes payable	21	14,035	11,913
		137,454	121,850
Liabilities of disposal group classified as held for sale		-	496
Total current liabilities		137,454	122,346
TOTAL LIABILITIES		324,218	288,619
TOTAL EQUITY AND LIABILITIES		938,137	883,770

Chairman of Management Board – General Director

N. G. Shulginov

Chief Accountant



D. V. Finkel

23 March 2016

RusHydro Group
Consolidated Income Statement
(in millions of Russian Rubles unless noted otherwise)



	Note	Year ended 31 December 2015	Year ended 31 December 2014
Revenue	22	347,512	329,560
Government grants	23	14,314	12,428
Other operating income	7	8,230	697
Operating expenses (excluding impairment losses)	24	(315,103)	(290,838)
Operating profit excluding impairment losses		54,953	51,847
Impairment of property, plant and equipment	7	(12,593)	(8,884)
Impairment of accounts receivable, net		(4,011)	(6,603)
Impairment of other non-current assets	10	(3,220)	-
Impairment of available-for-sale financial assets	9	-	(2,478)
Impairment of goodwill of subsidiary	10	(448)	-
Operating profit		34,681	33,882
Finance income	25	12,313	9,319
Finance costs	25	(9,744)	(10,668)
Profit / (loss) in respect of associates and joint ventures	8	428	(342)
Profit before income tax		37,678	32,191
Total income tax expense	16	(10,519)	(8,060)
Profit for the year		27,159	24,131
Attributable to:			
Shareholders of PJSC RusHydro		31,539	25,606
Non-controlling interest		(4,380)	(1,475)
Earnings per ordinary share for profit attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	26	0.0865	0.0689
Weighted average number of shares outstanding – basic and diluted (thousands of shares)	26	364,468,853	371,494,140

The accompanying notes are an integral part of these Consolidated Financial Statements

RusHydro Group
Consolidated Statement of Comprehensive Income

(in millions of Russian Rubles unless noted otherwise)



	Note	Year ended 31 December 2015	Year ended 31 December 2014
Profit for the year		27,159	24,131
Other comprehensive income / (loss), net of tax:			
<i>Items that will not be reclassified to profit or loss</i>			
Impairment of revalued property, plant and equipment	7	(994)	(6,178)
Remeasurement of pension benefit obligations	17	(1,495)	1,392
Total items that will not be reclassified to profit or loss		(2,489)	(4,786)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Profit / (loss) arising on available-for-sale financial assets	9	1,962	(121)
Accumulated loss on available-for-sale financial assets recycled to the Income Statement	9	-	163
Other comprehensive loss		(85)	(332)
Total items that may be reclassified subsequently to profit or loss		1,877	(290)
Other comprehensive loss		(612)	(5,076)
Total comprehensive income for the year		26,547	19,055
Attributable to:			
Shareholders of PJSC RusHydro		31,364	20,004
Non-controlling interest		(4,817)	(949)

The accompanying notes are an integral part of these Consolidated Financial Statements

RusHydro Group
Consolidated Statement of Cash Flows
(in millions of Russian Rubles unless noted otherwise)



	Note	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		37,678	32,191
Depreciation of property, plant and equipment and intangible assets	7, 24	22,477	21,340
Loss on disposal of property, plant and equipment, net	24	3,366	1,288
(Profit) / loss in respect of associates and joint ventures	8	(428)	342
Other operating income	7	(8,230)	(697)
Finance income	25	(12,313)	(9,319)
Finance costs	25	9,744	10,668
Impairment of property, plant and equipment	7	12,593	8,884
Impairment of accounts receivable, net		4,011	6,603
Impairment of other non-current assets	10	3,220	-
Impairment of goodwill of subsidiary	10	448	-
Impairment of available-for-sale financial assets		-	2,478
Curtailment in pension payment and pension plan	17, 24	(717)	(501)
Pension expenses		84	368
Other (income) / loss		(298)	222
Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities		71,635	73,867
Working capital changes:			
Decrease / (increase) in accounts receivable and prepayments		1,992	(8,085)
Increase in inventories		(2,047)	(864)
Increase / (decrease) in accounts payable and accruals		1,450	(413)
Increase in other taxes payable		2,122	130
Decrease / (increase) in other non-current assets		967	(427)
Increase in other non-current liabilities		1,630	34
Income tax paid		(7,949)	(6,316)
Net cash generated by operating activities		69,800	57,926
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(79,238)	(78,577)
Proceeds from sale of property, plant and equipment		3,386	116
Investment in bank deposits and purchase of other investments		(56,789)	(156,320)
Redemption of bank deposits and proceeds from sale of other investments		75,817	167,639
Purchase of subsidiaries from third parties, net of cash acquired		(651)	(86)
Contribution to share capital of associates and joint ventures		-	(70)
Proceeds from sale of investments in associates		81	-
Proceeds from sale of subsidiaries, net of disposed cash		60	-
Interest received		8,953	6,865
Net cash used in investing activities		(48,381)	(60,433)

The accompanying notes are an integral part of these Consolidated Financial Statements

RusHydro Group
Consolidated Statement of Cash Flows
(in millions of Russian Rubles unless noted otherwise)



	Note	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from current debt	18	83,896	85,600
Proceeds from non-current debt	18	36,487	28,176
Repayment of debt	18	(102,851)	(92,870)
Interest paid		(19,498)	(13,708)
Dividends paid to the shareholders of PJSC RusHydro		(5,712)	(5,127)
Dividends paid by subsidiaries to non-controlling interest holders		(102)	(80)
Finance lease payments		(804)	(900)
Net cash (used in) / generated by financing activities		(8,584)	1,091
Foreign exchange gain on cash balances		796	1,338
Increase / (decrease) in cash and cash equivalents		13,631	(78)
Cash and cash equivalents at the beginning of the year		34,394	34,472
Cash and cash equivalents at the end of the year	11	48,025	34,394

RusHydro Group
Consolidated Statement of Changes in Equity

(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve	Available-for-sale financial assets	Remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
As at 1 January 2014		386,255	(10,662)	39,202	(135,075)	(3)	198,015	(12)	875	100,935	579,530	17,177	596,707
Profit for the year		-	-	-	-	-	-	-	-	25,606	25,606	(1,475)	24,131
Loss arising on impaired available-for-sale financial assets	9	-	-	-	-	-	-	(121)	-	-	(121)	-	(121)
Accumulated loss on available-for-sale financial assets recycled to the Income Statement	9	-	-	-	-	-	-	163	-	-	163	-	163
Remeasurement of pension benefit obligations	17	-	-	-	-	-	-	-	846	-	846	546	1,392
Impairment of revalued property, plant and equipment	7	-	-	-	-	-	(6,130)	-	-	-	(6,130)	(48)	(6,178)
Other comprehensive loss		-	-	-	-	(359)	-	(30)	-	29	(360)	28	(332)
Total other comprehensive loss		-	-	-	-	(359)	(6,130)	12	846	29	(5,602)	526	(5,076)
Total comprehensive income		-	-	-	-	(359)	(6,130)	12	846	25,635	20,004	(949)	19,055
Exchange of shares of PJSC Krasnoyarskaya HPP for treasury shares	8, 15	-	(15,430)	-	-	-	-	-	-	-	(15,430)	-	(15,430)
Effect of changes in non-controlling interest	15	-	-	-	-	-	-	-	-	(78)	(78)	78	-
Dividends	15	-	-	-	-	-	-	-	-	(5,130)	(5,130)	(80)	(5,210)
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(1,409)	-	-	1,409	-	-	-
Other movements		-	-	-	-	-	-	-	-	25	25	4	29
As at 31 December 2014		386,255	(26,092)	39,202	(135,075)	(362)	190,476	-	1,721	122,796	578,921	16,230	595,151

The accompanying notes are an integral part of these Consolidated Financial Statements

RusHydro Group
Consolidated Statement of Changes in Equity

(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve	Available-for-sale financial assets	Remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
As at 1 January 2015		386,255	(26,092)	39,202	(135,075)	(362)	190,476	-	1,721	122,796	578,921	16,230	595,151
Profit for the year		-	-	-	-	-	-	-	-	31,539	31,539	(4,380)	27,159
Profit arising on available-for-sale financial assets	9	-	-	-	-	-	-	1,952	-	-	1,952	10	1,962
Remeasurement of pension benefit obligations	17	-	-	-	-	-	-	-	(1,032)	-	(1,032)	(463)	(1,495)
Impairment of revalued property, plant and equipment	7	-	-	-	-	-	(994)	-	-	-	(994)	-	(994)
Other comprehensive loss		-	-	-	-	(112)	18	-	-	(7)	(101)	16	(85)
Total other comprehensive loss		-	-	-	-	(112)	(976)	1,952	(1,032)	(7)	(175)	(437)	(612)
Total comprehensive income		-	-	-	-	(112)	(976)	1,952	(1,032)	31,532	31,364	(4,817)	26,547
Dividends	15	-	-	-	-	-	-	-	-	(5,710)	(5,710)	(102)	(5,812)
Offer for shares of PJSC RAO ES East	15	-	-	-	-	-	-	-	-	(2,108)	(2,108)	-	(2,108)
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(948)	-	-	948	-	-	-
Effect of changes in non-controlling interest	15	-	-	-	-	-	-	-	-	12	12	129	141
As at 31 December 2015		386,255	(26,092)	39,202	(135,075)	(474)	188,552	1,952	689	147,470	602,479	11,440	613,919

The accompanying notes are an integral part of these Consolidated Financial Statements



Note 1. The Group and its operations

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015 for PJSC RusHydro (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter referred to as the “Group”).

The Company was incorporated and is domiciled in the Russian Federation. The Company is a joint stock company limited by shares and was set up in accordance with Russian regulations.

The Group’s primary activities are generation and sale of electricity and capacity on the Russian wholesale and retail markets, as well as generation and sale of heat energy.

Economic environment in the Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations (Note 28). During 2015 the Russian economy was negatively impacted by low oil prices, ongoing political tension in the region and continuing international sanctions against certain Russian companies and individuals, all of which contributed to the country’s economic recession characterised by a decline in gross domestic product. The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. Russia’s credit rating was downgraded to below investment grade.

This operating environment has a significant impact on the Group’s operations and financial position. Management is taking necessary measures to ensure sustainability of the Group’s operations. However, the future effects of the current economic situation are difficult to predict and management’s current expectations and estimates could differ from actual results.

Relations with the Government and current regulation. As at 31 December 2015 the Russian Federation owned 66.84 percent of the total voting ordinary shares of the Company (31 December 2014: 66.84 percent).

The Group’s major customer base includes a large number of entities controlled by, or related to the Government. Furthermore, the Government controls contractors and suppliers, which provide the Group with electricity dispatch, transmission and distribution services, and a number of the Group’s fuel and other suppliers (Note 6).

In addition, the Government affects the Group’s operations through:

- participation of its representatives in the Company’s Board of Directors;
- regulation of tariffs for electricity, capacity and heating;
- approval and monitoring of the Group’s investment programme, including volume and sources of financing.

Economic, social and other policies of the Russian Government could have a material effect on operations of the Group.

Overview of the electricity and capacity market. Capacity and electricity, while interrelated, are treated as separate economic products. The capacity market represents the obligation and ability to keep sufficient generation capability in reserve in order to satisfy a target level of potential demand, while the sale of electricity represents the actual delivery of electricity to the purchaser.

The Russian electricity and capacity market consists of wholesale and retail markets.

Participants of the wholesale market include: generating companies, electricity sales companies (including guaranteeing suppliers), electricity export / import operator, Federal Grid Company (in terms of electricity purchases to cover transmission losses), large electricity consumers. Participants of the wholesale market can act as electricity and capacity sellers and buyers.

Participants of the retail markets include: consumers, providers of public utilities, guaranteeing suppliers, electricity sales (supply) companies, electricity generators of retail markets, grid companies, participants of electricity dispatch.

Wholesale electricity and capacity market. The wholesale electricity and capacity market operates in accordance with the Resolution of the Russian Government No. 1172 dated 27 December 2010.

A wholesale market for electricity and capacity functions on the territory of the regions, which are integrated in pricing areas. European Russia and Urals are included in the first pricing area, Siberia is included in the second pricing area. In non-pricing areas (Arkhangelsk and Kaliningrad regions, Komi Republic, regions of the Far East), where the competitive market relationships are not possible due to technological reasons,



sales of electricity and capacity are carried out based on especial rules.

In the isolated energy systems which are not technically integrated into the country's unified energy system, there is no electricity and capacity wholesale market and electricity is supplied through the regulated markets.

Wholesale electricity market

The wholesale electricity market has a number of sectors varying in contractual terms, conditions and delivery time frames: sector of regulated contracts, day-ahead market, sector of unregulated bilateral contracts and the balancing market.

During 2015 the electricity traded in pricing zones of wholesale market was sold at unregulated prices excluding of volumes designated for delivery to population, groups of customers equivalent to population and customers located in North Caucasus and Republic of Tyva.

Electricity and capacity supply tariffs for the Russian Federation are calculated using the price indexing formulas determined by the Federal Tariff Service (hereinafter referred to as "the FTS").

Electricity and capacity supply volumes are determined based on the estimated consolidated balance of electricity production and supply prepared by the FTS, so that for the electricity and capacity generator supply under regulated contracts does not exceed 35 percent of the total electricity and capacity supply to the wholesale market determined by the decision on balance for such generator.

Electricity volumes that are not covered by the regulated contracts are sold at unregulated prices on the day-ahead market (DAM) and balancing market (BM).

DAM is a competitive selection of seller and buyer price bids on the day ahead of actual electricity supply, including prices and volumes for each of 24 hours. The selection is managed by the Commercial Operator of the wholesale market (JSC TSA). On DAM, the price is determined by balancing the demand and supply, and such price is applied to all market participants. To mitigate the price manipulation risk, DAM introduced a system encouraging the participants to submit competitive price bids – in accordance with the trading rules, the lowest price bids for electricity supply are satisfied first.

Price indices and trade volumes in DAM are published daily on the web-site of JSC TSA.

Electricity volumes sold under bilateral contracts and on DAM constitute scheduled electricity consumption. However, actual consumption is inevitably different from the planned one. Deviations from scheduled production / consumption are traded on a real-time basis on BM, and the System Operator of the wholesale market (OJSC SO UES) holds additional tenders to select bids every three hours.

Under unregulated bilateral contracts, the market participants independently determine supply counter parties, prices and volumes.

Wholesale capacity market

Capacity is traded based on the following trading mechanisms:

- purchase / sale of capacity under capacity sales contracts, concluded as a result of capacity competitive selection of bids;
- purchase / sale of capacity under unregulated contracts;
- purchase / sale of capacity under contracts to provide capacity and under sale contracts of new nuclear power plants and hydroelectric power plants, similar to capacity sale contracts;
- purchase / sale of capacity produced by forced generators;
- purchase / sale of capacity under regulated contracts (within the volumes for delivery to population and groups of customers equivalent to population);
- purchase / sale of capacity produced by qualified renewable energy projects under contracts to provide capacity concluded on the results of the tender for the construction of renewable energy projects.

Competitive capacity selection (CCS) held by OJSC SO UES is the basis of capacity market and determines which power will be paid on the wholesale market.

Before 2015 CCS was held just for one year ahead (for the next year). The Resolution of the Russian Government No. 893 dated 27 August 2015 approved new rules for CCS and improved capacity trading principles on the wholesale market.

In 2015, the CCSs are conducted for 2016-2019. Starting from 2016, capacity under the CCS will be



annually selected for the year which is in three calendar years' time from the year of the respective CCS. The CCS procedures are performed for the pricing zones not separated into free power transfer zones. Indexation is performed if CCS is conducted for more than one year ahead. The CCS price is indexed for CPI decreased by 1 percent for the period from 1 January of the year following the year when the CCS was conducted to 1 January of the year of supply.

The CCS price represents the maximum of prices in the selected bids and the price at which the demand function takes a value equal to the cumulative volume of the capacity selected (including the capacity to be paid irrespective of the CCS results). The CCS price for each pricing zone is the same for all selected generating facilities. Non-selected capacity that failed to pass through the competitive selection is not paid for.

If the actual demand for capacity exceeds the volume of generating capacity selected, an adjusting CCS procedure can be conducted. Capacity commissioned under capacity supply contracts (CSC) entered into with heating generation sites and contracts with nuclear power plants and hydropower plants similar to CSC and that of generating sites that are required to maintain the technological operating modes of the energy system or supply heat ("forced" generators) is paid for irrespective of the CCS results.

During 2015, similar to trading operations with electricity, capacity is supplied under regulated contracts only in the volumes required for supply to the population, equivalent consumer categories and consumers operating in some parts of the wholesale market pricing zones, consisting Russian constituent territories as determined by the Russian Government (North Caucasus and Republic of Tyva).

During 2013 and until 1 May 2014 the volumes of capacity of hydropower plants located in the second pricing area (Siberia) were supplied for tariffs approved by the FTS. According to the Resolution of the Russian Government No. 374 dated 28 April 2014 approving changes to the regulations of the wholesale electricity and capacity market since 1 May 2014 35 percent of capacity are supplied for tariffs and 65 percent – at the price of capacity competitive selection of bids. The Resolution also provides phased increase in share of capacity of hydropower plants located in the second pricing area (Siberia) supplied at the price of capacity competitive selection of bids to 80 percent by 1 January 2016, to 100 percent by 1 January 2017.

Non-pricing zone of the Far East

Territories of the Amur Region, Primorsky Region, Khabarovsk Region, Jewish Autonomous Region and the Southern District of the Sakha Republic (Yakutia) are integrated into a single non-pricing zone of the wholesale electricity and capacity market of the Far East. There are specific features of managing electricity and capacity trading operations due to limitations in the competition among electricity suppliers and grid-imposed limitations for electricity flow.

Tariffs for electricity supplied by the Far East energy companies to the consumer (end-consumer tariffs) are approved by regional regulatory authorities based on the threshold tariff levels approved by the FTS for the regulated period.

The threshold tariff levels for electricity supplied to population or equivalent consumer categories and other consumers in the Russian constituent territories are determined by the FTS in accordance with the forecast of social and economic development in the Russian Federation for the regulated period.

The single buyer wholesale market model is implemented in the Far East non-pricing zone. Suppliers of the wholesale market supply electricity and capacity to the wholesale market using the tariffs established for them by the FTS.

The single buyer purchases electricity and capacity on the wholesale market at indicative prices calculated by JSC TSA based on the tariffs for suppliers of wholesale market approved by the FTS.

JSC TSA makes sure settlements between the electricity generators and buyers. Functions of the single buyer are assigned to PJSC DEK on the territory of Amur Region, Jewish Autonomous Region, Khabarovsk Region, Primorsky Region and the Southern District of the Sakha Republic (Yakutia).

However there are regions with only retail market operations – they are isolated energy systems of Kamchatsky Region, Magadan Region, Chukotsk Autonomous Region, Western and Central Regions of Sakha Republic (Yakutia) and Sakhalin Region where systems are not technically integrated into the unified energy system.

Retail electricity market. In the retail electricity markets the sales of electricity purchased on the wholesale electricity and capacity market and electricity of generating companies which are not participants of the wholesale market are carried out.



The retail market rules were approved by Resolution of the Government No. 442 dated 4 May 2013 “On functioning of retail electricity markets, complete and (or) partial constraint of electricity consumption” (hereinafter referred to as “the retail market rules”).

In the territories of the constituent regions of the Russian Federation integrated into pricing zones of the wholesale market electricity is sold at unregulated prices except for electricity sales to population and equivalent consumer categories.

Electricity is supplied to population and groups of customers equivalent to population at regulated prices (tariffs) approved by executive authorities of the constituent regions of the Russian Federation in terms of state tariff regulation.

Regulated prices are established based on forecast of social and economic development of Russian Federation for the next year approved by the Government. The FTS determines the threshold levels for regulated tariffs for electricity supplied to population and equivalent consumer categories.

The guaranteeing suppliers sell electricity at unregulated prices within the threshold limits of unregulated prices determined and applied according to the retail market rules. Electricity sales (supply) companies sell electricity at unregulated prices. Electricity generators in the retail markets sell electricity at unregulated prices.

In the territories of the constituent regions of the Russian Federation integrated into non-pricing zones of the wholesale market for determination of prices for electricity supplied to final customers in the retail markets principles of prices translation of wholesale market are applied. Translation of prices of wholesale market is performed for all final customers except for population and equivalent consumer categories.

Translation prices calculated by electricity sales companies according to the Rules of application of the prices (tariffs) are determined based on regulated tariffs set up for the respective group of customers and cost of purchase of electricity and capacity by guaranteeing supplier (electricity sales company) in the wholesale market. Population and equivalent consumer categories pay for electricity under the tariffs set up by executive authorities of the constituent regions of the Russian Federation.

In the territories of isolated energy systems – sales of electricity to all consumer categories are carried out at regulated prices approved by the FTS and executive authorities of the constituent regions of the Russian Federation in terms of state tariff regulation in the territories where such energy systems are located.

Heating market. Operations of the heating market are regulated by Federal Law No.190-FZ “On Heating” dated 27 July 2010 and Resolution of the Government No. 1075 dated 22 October 2012 “On pricing of heating supply”.

The Group’s entities that are included into the segment RAO ES East Group are participants on the retail heating markets in the territories of their presence. Heat energy is supplied on the centralised basis from the heat power plants and boiling houses operated by the energy systems. And a number of energy systems are involved in supplies of heat, generating and distributing heat energy, while others – just generate heat energy.

Heating market provides for:

- supply of heat and heat transfer public utilities relating to hot water and heating supply needs;
- supply of heat for the entities’ technological needs.

According to the Russian legislation, sales of heat energy are fully regulated.

Prices (tariffs) for heat supplied by utilities for all consumer groups are approved by executive authorities in the Russian constituent regions responsible for state regulation of prices (tariffs) within the threshold limits of tariffs approved by the FTS.

Service fee for maintenance of spare heat capacity when there is no heat consumption and fee for connection to the system of heating supply are also regulated by executive authorities in the Russian constituent regions responsible for state regulation of prices.

Note 2. Summary of significant accounting policies

Basis of preparation. These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as “IFRS”) under the historical cost convention, as modified by the financial instruments initially recognised at fair value, revaluation of property, plant and equipment and available-for-sale financial assets. The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been



consistently applied to all the periods presented, unless otherwise stated.

Each company of the Group individually maintains its own books of accounts and prepares its statutory financial statements in accordance with Russian standards of accounting (hereinafter referred to as "RSA"). The accompanying consolidated financial statements are based on the statutory records with adjustments and reclassifications made for the purpose of fair presentation in accordance with IFRS.

Functional and presentation currency. The functional currency of the Company and its subsidiaries, and the Group's presentation currency, is the national currency of the Russian Federation, Russian Rubles.

Foreign currency translation. Monetary assets and liabilities, which are held by the Group's entities and denominated in foreign currencies at the end of the reporting period, are translated into Russian Rubles at the exchange rates prevailing at that date. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

As at 31 December 2015, the official rate of exchange, as determined by the Central Bank of the Russian Federation, between Russian Ruble and US Dollar (hereinafter referred to as "USD") was RR 72.88: USD 1.00 (31 December 2014: RR 56.26: USD 1.00), between Russian Ruble and Euro was RR 79.70: EUR 1.00 (31 December 2014: RR 68.34: EUR 1.00).

Consolidated financial statements. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns.

The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries other than those acquired from parties under common control. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and the fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill" or a "bargain purchase") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all the liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealised gains on transactions between the Group's entities are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.



Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Company. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Group applies the economic entity model to account for transactions with owners of non-controlling interest in transactions that do not result in a loss of control. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and the carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

Acquisition of subsidiaries from parties under common control. Acquisitions of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method the consolidated financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or the date when the combining entities were first brought under common control if later. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts. The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these consolidated financial statements as an adjustment to merger reserve within equity. Under this method the consolidated financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented, i.e. retrospectively except for acquisition of subsidiaries acquired exclusively with a view for resale which are accounted for using predecessor values method prospectively from the acquisition date.

Investments in associates and joint ventures. Investments in associates and joint ventures are accounted for using the equity method of accounting, based upon the percentage of ownership held by the Group. Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as profit or loss in respect of associates and joint ventures, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, and (iii) all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the profit or loss in respect of associates and joint ventures.

However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is defined by making of decisions about the relevant activities required the unanimous consent of the parties sharing control.

The Group discontinues the use of the equity method from the date on which it ceases to have joint control over, or have significant influence on joint ventures and associates.

Unrealised gains on transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss



where appropriate.

Property, plant and equipment. Property, plant and equipment in the statement of financial position includes assets under construction for future use as property, plant and equipment. Property, plant and equipment except for office buildings, land and assets under construction are stated at revalued amounts less accumulated depreciation and provision for impairment (where required). Office building, land and assets under construction owned by the Group are stated at cost.

Property, plant and equipment except for office buildings, land and assets under construction are subject to revaluation with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. Any accumulated depreciation at the date of revaluation is eliminated against the gross amount of the asset.

The revaluation surplus included in equity is transferred directly to retained earnings when the revaluation surplus is realised on disposal of the asset.

The Group charges deferred tax liabilities directly to other comprehensive income in respect of revaluation of property, plant and equipment that are recorded directly in other comprehensive income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired.

Social assets are not capitalised if they are not expected to result in future economic benefits to the Group. Costs associated with fulfilling the Group's social responsibilities are expensed as incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year.

Depreciation. Depreciation on items of property, plant and equipment (except for land and assets under construction) is calculated using the straight-line method over their estimated useful lives.

The useful lives of property, plant and equipment are subject to annual assessment by management and if expectations differ from previous estimates, the changes of useful lives are accounted for as a change in an accounting estimate prospectively.

The average useful lives of property, plant and equipment by type of facility, in years, were as follows:

Type of facility	Average useful lives
Production buildings	25–80
Facilities	10–100
Plant and equipment	5–40
Other	3–30

Depreciation is charged once an asset is available for service. Land and assets under construction are not depreciated.

Impairment of property, plant and equipment. Impairment reviews for property, plant and equipment are carried out when there is an indication that impairment may have occurred, or where it is otherwise required to ensure that property, plant and equipment are not carried above their estimated recoverable amounts (Note 7). If such indication exists, management estimates the recoverable amount which is determined as the higher of an asset's fair value less costs of disposal and its value in use. Fair value less costs of disposal represents the amount that can be generated through the sale of assets. Value in use represents the present value of expected future cash flows discounted on a pre-tax basis, using the estimated cost of capital of the cash-generating unit.

The carrying amount of the asset is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year to the extent it exceeds the previous revaluation surplus in equity. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs of disposal.



Investment property. Investment property is property held by the Group to earn rental income which is not occupied by the Group (Note 10). Investment properties are stated at cost. If any indication exists that investment properties may be impaired, the Group estimates the recoverable amount as the higher of value in use and fair value less costs of disposal. The carrying amount of an investment property is written down to its recoverable amount through a charge to profit or loss for the year. An impairment loss recognised in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Intangible assets and goodwill. The Group's intangible assets other than goodwill have definite useful lives and primarily include customer base acquired in business combination (Note 10), which is amortised over 5 years, and capitalised computer software. Intangible assets are amortised using the straight-line method over their useful lives. If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs of disposal. Goodwill is carried at cost less accumulated impairment losses, if any. The Group tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the operation disposed of, generally measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit which is retained.

Financial instruments – key measurement terms. Depending on their classification financial instruments are carried at fair value or amortised cost as described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. The Group uses such valuation techniques of fair value which are the most acceptable in the circumstances and as much as possible use the observable basic data.

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- level 3 measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

For disclosure of information on fair value the Group classified assets and liabilities on the basis of an appropriate level of hierarchy of fair value as it is stated above (Note 31).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.



The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the net carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Classification of financial assets. Financial assets have the following categories: (i) loans and receivables; (ii) available-for-sale financial assets; (iii) financial assets held to maturity and (iv) financial assets at fair value through profit or loss. The description of categories of financial assets of the Group is given below.

Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments.

Financial assets at fair value through profit or loss. This category is presented by derivative financial instruments which are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Group does not apply hedge accounting.

All other financial assets are included in the *available-for-sale* category, which includes investment securities which the Group intends to hold for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Classification of financial liabilities. Financial liabilities have the following measurement categories: (i) financial liabilities at fair value through profit or loss and (ii) other financial liabilities. All financial liabilities of the Group including loans are categorised as other and carried at amortized cost.

Initial recognition of financial instruments. Trading investments, derivatives and other financial instruments at fair value through profit or loss are initially recorded at fair value. All other financial instruments are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Derecognition of financial assets. The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Available-for-sale financial assets. Available-for-sale financial assets are carried at fair value. Interest income on available-for-sale debt securities is calculated using the effective interest method and recognised in profit or loss for the year as finance income. Dividends on available-for-sale equity instruments are recognised in profit or loss for the year as finance income when the Group's right to receive payment is established and it is probable that the dividends will be collected. All other elements of changes in the fair value are recognised in other comprehensive income until the investment is derecognised or impaired at which time the cumulative gain or loss is reclassified from other comprehensive income to finance income in profit or loss for the year.

Impairment losses are recognised in profit or loss for the year when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of available-for-sale financial assets. A significant or prolonged decline in the fair value of an equity security below its cost is an indicator that it is impaired. The cumulative impairment loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that asset previously recognised in profit or loss – is reclassified from other comprehensive income to finance costs in profit or loss for the year. Impairment losses on equity instruments are not reversed and any subsequent gains are recognised in other comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss



was recognised in profit or loss, the impairment loss is reversed through current period's profit or loss.

Cash and cash equivalents. Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method.

Trade and other receivables. Trade and other receivables are carried at amortised cost using the effective interest method.

Impairment of financial assets carried at amortised cost. Impairment losses are recognised in profit or loss when incurred as a result of one or more events ("loss events") that occurred after the initial recognition of the financial asset and which have an impact on the amount or timing of the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Group determines that no objective evidence exists that impairment was incurred for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. The primary factors that the Group considers in determining whether a financial asset is impaired are its overdue status and realisability of related collateral, if any. The following other principal criteria are also used to determine whether there is objective evidence that an impairment loss has occurred: (i) any portion or instalment is overdue and the late payment cannot be attributed to a delay caused by the settlement systems; (ii) the counterparty experiences a significant financial difficulty as evidenced by its financial information that the Group obtains; (iii) the counterparty considers bankruptcy or a financial reorganisation; (iv) there is adverse change in the payment status of the counterparty as a result of changes in the national or local economic conditions that impact the counterparty; or (v) the value of collateral, if any, significantly decreases as a result of deteriorating market conditions.

If the terms of an impaired financial asset held at amortised cost are renegotiated or otherwise modified because of financial difficulties of the counterparty, impairment is measured using the original effective interest rate before the modification of terms. The renegotiated asset is then derecognised and a new asset is recognised at its fair value only if the risks and rewards of the asset substantially changed. This is normally evidenced by a substantial difference between the present values of the original cash flows and the new expected cash flows.

Impairment losses are always recognised through an allowance account to write down the asset's carrying amount to the present value of expected cash flows (which exclude future credit losses that have not been incurred) discounted at the original effective interest rate of the asset. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account through profit or loss for the year.

Uncollectible assets are written off against the related impairment loss provision after all the necessary procedures to recover the asset have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to the impairment loss account within the profit or loss for the year.

Prepayments. Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Inventories. Inventories are recorded at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. Cost of inventory that is expensed is determined on the weighted average basis.

Non-current assets classified as held for sale. Discontinued operations. Non-current assets and disposal groups (which may include both non-current and current assets) are classified in the consolidated statement of financial position as "non-current assets classified as held for sale" if their carrying amount will be recovered principally through a sale transaction (including loss of control of a subsidiary holding the assets) within 12 months after the reporting period. Assets are reclassified when all of the following conditions are met: (i) the assets are available for immediate sale in their present condition; (ii) the Group's



management approved and initiated an active programme to locate a buyer; (iii) the assets are actively marketed for a sale at a reasonable price; (iv) the sale is expected within one year; and (v) it is unlikely that significant changes to the plan to sell will be made or that the plan will be withdrawn.

Non-current assets or disposal groups classified as held for sale in the current period's consolidated statement of financial position are not reclassified or re-presented in the comparative consolidated statement of financial position to reflect the classification at the end of the current period.

A disposal group is a group of assets (current and / or non-current) to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Goodwill is included if the disposal group includes an operation within a cash-generating unit to which goodwill has been allocated on acquisition. If reclassification is required, both the current and non-current portions of an asset are reclassified.

Held for sale disposal groups as a whole are measured at the lower of their carrying amount and fair value less costs of disposal. Held for sale property, plant and equipment, investment property and intangible assets are not depreciated or amortised. Reclassified non-current financial instruments and deferred taxes are not subject to the write down to the lower of their carrying amount and fair value less costs of disposal.

Liabilities directly associated with the disposal group that will be transferred in the disposal transaction are reclassified and presented separately in the consolidated statement of financial position.

A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operations; (ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (iii) is a subsidiary acquired exclusively with a view to resale. Earnings and cash flows of discontinued operations, if any, are disclosed separately from continuing operations with comparatives being re-presented.

Disposal groups or non-current assets that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset or disposal group was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and (ii) its recoverable amount at the date of the subsequent decision not to sell.

Income taxes. Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within operating expenses. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantially enacted at the end of the reporting period which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from



subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

Uncertain tax positions. The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions are recorded within the income tax charge.

Debt. Debt is recognised initially at its fair value. Fair value is determined using the prevailing market rate of interest for a similar instrument, if significantly different from the transaction price. In subsequent periods, debt is stated at amortised cost using the effective interest method; any difference between the fair value of the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement as an interest expense over the period of the debt obligation.

Capitalisation of borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets, if the commencement date for capitalisation is on or after 1 January 2009.

The commencement date for capitalisation is when (i) the Group incurs expenditures for the qualifying asset; (ii) it incurs borrowing costs; and (iii) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale. The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the group's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred less any investment income on the temporary investment of those borrowings are capitalised.

Interest payments capitalised as part of the cost of an assets are classified as cash outflows from financing activities in Consolidated Statement of Cash Flows.

Employee benefits. Wages, salaries, contributions to the Russian Federation state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are accrued in the year in which the associated services are rendered by the employees of the Group.

Defined benefit plans. The Group operates defined benefit plans that cover the majority of its employees. Defined benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, minimum tariff rate of remuneration and others.

The net liability recognised in the statement of financial position in respect of defined benefit pension plans operated by the Group is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets.

The defined benefit obligations are calculated by independent actuary using the projected unit credit method. The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid associated with the operation of the plans, and that have terms to maturity approximating the terms of the related pension liabilities.

Actuarial gains and losses arising from remeasurement of pension benefit obligations are recognised in other comprehensive income. Past service cost is immediately recognised in profit or loss within operating expenses.

Defined contribution plans. For defined contribution plans, the Group pays contributions and has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. In the normal course of business the Group contributes to the Russian Federation defined contribution state pension scheme on behalf of its employees. Mandatory contributions to



the governmental pension scheme are expensed when incurred and included in employee benefit expenses and payroll taxes in the consolidated income statement.

Other post-employment benefit obligations. The Group pays a one-off financial aid on occasion of an employee's jubilee. The amount of the benefit depends on one or more factors, such as the age, length of service in the company and salary used in the Group companies and others.

For the purpose of calculating benefit obligations of these types, actuarial gains and losses arising as a result of adjustments or changes in actuarial assumptions are recognised within profit or loss in the consolidated statement of income in the period when they arise. All other aspects of accounting for these obligations are similar to those of accounting for defined benefit obligations.

Finance lease liabilities. Where the Group is a lessee in a lease which transferred substantially all the risks and rewards incidental to ownership to the Group, the assets leased are capitalised in property, plant and equipment at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of future finance charges, are included in borrowings. The interest cost is charged to profit or loss over the lease period using the effective interest method. The assets acquired under finance leases are depreciated over their useful life or the shorter lease term if the Group is not reasonably certain that it will obtain ownership by the end of the lease term.

Operating leases. Where the Group is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Group, the total lease payments are charged to profit or loss for the year on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

When assets are leased out under an operating lease, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term.

Environmental liabilities. Liabilities for environmental remediation are recorded where there is a present obligation, the payment is probable and reliable estimates exist.

Revenue recognition. Revenue is recognised on the delivery of electricity and heat, provisioning for capacity, supply of non-utility services and on the dispatch of goods during the period. Revenue from retail operations is recognised on delivery of electricity and heat to the customer. Revenue amounts are presented exclusive of value added tax.

Revenue transactions under free bilateral contracts are shown net of related purchases of equivalent electricity volumes which the market participant is obliged to make in accordance with the industry regulations. Additional turnover in the amount of RR 6,288 million for the year ended 31 December 2015 (for the year ended 31 December 2014: RR 10,064 million) is shown net for presentation purposes to reflect the economic substance of transactions.

Government grants. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets. Government grants are included in cash flows from operating activities.

Earnings per share. The earnings per share are determined by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, excluding the average number of treasury shares held by the Group.

Share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the placement value over the par value of shares issued is recorded as share premium in equity.

Treasury shares. Where the Company or its subsidiaries purchase the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's owners until the equity instruments are reissued, disposed of or cancelled. In case the consideration paid is non-cash asset, the treasury shares received are recognised at the fair value of this asset. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.



Dividends. Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved. Any dividends declared after the reporting period and before the financial statements are authorised for issue are disclosed in the subsequent events note.

Provisions for liabilities and charges. Provisions for liabilities and charges are non-financial liabilities of uncertain timing of amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

Social expenditure. To the extent that the Group's contributions to social programmes benefit the community at large without creating constructive obligations to provide such benefits in the future and are not restricted to the Group's employees, they are recognised in the income statement as incurred.

Financial guarantees. Financial guarantees are irrevocable contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the remaining unamortised balance of the amount at initial recognition, and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period.

Segment reporting. Segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. Segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

Critical accounting estimates and judgments in applying accounting policies

The Group makes estimates and assumptions that affect the amounts recognised in the Consolidated Financial Statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the Consolidated Financial Statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment of non-financial assets. At each reporting date management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs of disposal and its value in use. The carrying amount of the asset is reduced to the recoverable amount and the impairment loss is recognised in the consolidated income statement to the extent it exceeds any previous revaluation surplus held in equity. An impairment loss recognised for an asset in prior years may be reversed if there has been a positive change in the estimates used to determine the asset's value in use or fair value less costs of disposal.

Accounting for impairment of non-financial assets includes impairment of property, plant and equipment and impairment of investments in associates.

The effect of these critical accounting estimates and assumptions is disclosed in Notes 7 and 8.

Recognition of deferred tax assets. At each reporting date management assesses recoverability of deferred tax assets arising from operating losses and asset impairments in the context of the current economic environment, particularly when current and expected future profits have been adversely affected by market conditions. Management considers first the future reversal of existing deferred tax liabilities and then considers future taxable profits when evaluating deferred tax assets. The assessment is made on a tax payer basis. The future taxable profits and the amount of tax benefits that are probable in the future are



based on the medium term business plans of the Group companies prepared by management and extrapolated results thereafter.

Management considered the recoverability of recognised deferred tax assets, including those on tax losses carried forward, as probable (Note 16).

Useful life of property, plant and equipment. The estimation of the useful life of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets and other factors. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear, warranty terms as well as the environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates which can affect the reported income.

Reclassifications

Certain reclassifications have been made to prior year data to conform to the current year presentation. These reclassifications are not material.

Adoption of New or Revised Standards and Interpretations

The following new standards and interpretations became effective from 1 January 2015 but did not have any material impact on the Group's consolidated financial statements:

- Amendments to IAS 19 – “Defined benefit plans: Employee contributions” (issued in November 2013 and effective for annual periods beginning 1 July 2014).
- Annual Improvements to IFRSs 2012 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014).
- Annual Improvements to IFRSs 2013 (issued in December 2013 and effective for annual periods beginning on or after 1 July 2014).

Note 3. New accounting pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2016 or later, and which the Group has not early adopted. These standards and interpretations have been approved for adoption in the Russian Federation unless noted otherwise.

IFRS 9, Financial Instruments: Classification and Measurement (amended in July 2014 and effective for annual periods beginning on or after 1 January 2018). Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.



- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a “three stage” approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.
- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

The Group is currently assessing the impact of the new standard on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers (issued in May 2014 and effective for the periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The Group is currently assessing the impact of the new standard on its financial statements.

IFRS 16, Leases (issued in January 2016 and effective for annual periods beginning on or after 1 January 2019; this standard has not been approved for adoption in the Russian Federation). The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently assessing the impact of the new standard on its consolidated financial statements.

The following other new pronouncements are not expected to have any material impact on the Group when adopted:

- Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 (issued in May 2014 and effective for the periods beginning on or after 1 January 2016).
- Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38 (issued in May 2014 and effective for the periods beginning on or after 1 January 2016).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued in September 2014 and effective for annual periods beginning on or after 1 January 2016; these amendments have not been approved for adoption in the Russian Federation).
- Annual Improvements to IFRSs 2014 (issued in September 2014 and effective for annual periods beginning on or after 1 January 2016).
- Disclosure Initiative Amendments to IAS 1 (issued in December 2014 and effective for annual periods on or after 1 January 2016).
- Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12 (issued in January 2016 and effective for annual periods beginning on or after 1 January 2017; these amendments have not been approved for adoption in the Russian Federation).



(in millions of Russian Rubles unless noted otherwise)

- Disclosure Initiative - Amendments to IAS 7 (issued in January 2016 and effective for annual periods beginning on or after 1 January 2017; these amendments have not been approved for adoption in the Russian Federation).

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

Note 4. Principal subsidiaries

All principal subsidiaries are incorporated and operate in the Russian Federation. Differences between the ownership interest and voting interest held by some subsidiaries represent the effect of preference shares and / or effects of indirect ownership, or non-corporate partnership (LLC).

The Group operates in the three main reportable segments one of which is presented by the Group's parent company – PJSC RusHydro (Note 5). The principal subsidiaries are presented below according to their allocation to the reportable segments as at 31 December 2015 and 31 December 2014.

ESC RusHydro subgroup segment

ESC RusHydro subgroup segment includes the Group's subsidiaries which sell electricity to final customers. All the entities included in this segment with the exception of JSC ESC RusHydro have the guaranteeing supplier status and are obliged to sign contracts on supplies with all final consumers of their region upon their request.

	31 December 2015		31 December 2014	
	% of ownership	% of voting	% of ownership	% of voting
JSC ESC RusHydro	100.00%	100.00%	100.00%	100.00%
PJSC Krasnoyarskenergosbyt	65.81%	69.40%	65.81%	65.81%
PJSC Ryazan Power Distributing Company	90.52%	90.52%	90.52%	90.52%
JSC Chuvashskaya energy retail company	100.00%	100.00%	100.00%	100.00%
LLC ESC Bashkortostan	100.00%	-	100.00%	-

RAO ES East subgroup segment

RAO ES East subgroup segment consists of PJSC RAO ES East and its subsidiaries that generate, distribute and sell electricity and heat in the Far East region of the Russian Federation and render transportation, distribution, construction, repair and other services.

Principal subsidiaries of this segment are presented below:

	31 December 2015		31 December 2014	
	% of ownership	% of voting	% of ownership	% of voting
PJSC RAO ES East*	85.92%	86.20%	85.92%	86.20%
PJSC DEK	44.92%	52.17%	44.92%	52.17%
JSC DGK	44.92%	100.00%	44.92%	100.00%
JSC DRSK	44.92%	100.00%	44.92%	100.00%
PJSC Kamchatskenergo	84.83%	98.74%	84.83%	98.74%
PJSC Magadanenergo**	42.10%	49.00%	42.10%	49.00%
OJSC Sakhalinenergo	49.67%	57.82%	47.72%	55.55%
PJSC Yakutskenergo	72.21%	79.16%	72.21%	79.16%

* Voting and ownership percent interests in PJSC RAO ES East include 1.80 percent interest held by the Group's subsidiary LLC Vostok-Finance.

** Control over PJSC Magadanenergo is achieved by the majority of votes on the shareholders meeting because the remaining part of the shares not owned by the Group are distributed among a large number of shareholders the individual stakes of which are insignificant.



(in millions of Russian Rubles unless noted otherwise)

Other segments

Other segments include:

- the Group's subsidiaries with production and sale of electricity and capacity;
- the Group's subsidiaries primarily engaged in research and development related to the utilities industry and construction of hydropower facilities;
- the Group's subsidiaries engaged in repair, upgrade and reconstruction of equipment and hydropower facilities;
- the Group's subsidiaries engaged primarily in hydropower plants construction;
- minor segments which do not have similar economic characteristics.

Principal subsidiaries included in all other segments are presented below:

	31 December 2015		31 December 2014	
	% of ownership	% of voting	% of ownership	% of voting
JSC Blagoveschensk HPP	100.00%	100.00%	100.00%	100.00%
JSC VNIIG	100.00%	100.00%	100.00%	100.00%
JSC Geotherm	99.65%	99.65%	99.65%	99.65%
JSC Gidroremont-VKK	100.00%	100.00%	100.00%	100.00%
JSC Zagorskaya GAES-2	100.00%	100.00%	100.00%	100.00%
JSC Zaramag HS	99.75%	99.75%	99.75%	99.75%
JSC Institute Hydroproject	100.00%	100.00%	100.00%	100.00%
PJSC Kolimaenergo	98.76%	98.76%	98.76%	98.76%
JSC Lenhydroproject	100.00%	100.00%	100.00%	100.00%
JSC NIIES	100.00%	100.00%	100.00%	100.00%
JSC Nizhne-Bureiskaya HPP	100.00%	100.00%	100.00%	100.00%
JSC Sahalin GRES-2	100.00%	100.00%	100.00%	100.00%
JSC Sulak GidroKaskad	100.00%	100.00%	100.00%	100.00%
JSC HPP in Sovetskaya Gavan	100.00%	100.00%	100.00%	100.00%
JSC Ust'-Srednekangesstroy	98.76%	100.00%	98.76%	100.00%
JSC Ust'-Srednekanskaya HPP	99.63%	100.00%	99.63%	100.00%
JSC Chirkeigesstroy	100.00%	100.00%	100.00%	100.00%
JSC ESCO UES	100.00%	100.00%	100.00%	100.00%
JSC Yakutskaya GRES-2	100.00%	100.00%	100.00%	100.00%



(in millions of Russian Rubles unless noted otherwise)

Non-controlling interest

Summarised financial information related to subsidiaries with significant amount of non-controlling interest before elimination of operations between the Group's subsidiaries are presented below:

Financial position	RAO ES East subgroup		including DEK subgroup	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Percent of non-controlling interest	14.08%	14.08%	55.08%	55.08%
Percent of voting rights, attributable to non-controlling interest	13.80%	13.80%	47.83%	47.83%
Non-current assets	104,873	95,072	57,183	55,443
Current assets	57,638	55,749	23,993	23,610
Non-current liabilities	(57,768)	(54,965)	(35,095)	(34,610)
Current liabilities	(88,518)	(68,768)	(54,549)	(44,090)
Net assets	16,225	27,088	(8,468)	353
Carrying value of non-controlling interest	9,732	14,660	(2,656)	2,193
	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Financial results				
Revenue	162,713	150,286	109,327	100,807
Loss for the year	(7,518)	(2,181)	(8,756)	(3,821)
Total comprehensive loss for the year	(8,410)	(1,193)	(9,402)	(3,101)
Loss for the year, attributable to non-controlling interest	(4,621)	(1,632)	(4,522)	(2,334)
Changes in other comprehensive (loss) / income, attributable to non-controlling interest	(446)	526	(59)	393
Cash flows				
Cash generated by operating activities	10,919	12,452	5,592	2,425
Cash used in investing activities	(14,854)	(13,292)	(6,406)	(6,951)
Cash generated / (used) by financing activities	1,786	5,103	(191)	4,437
(Decrease) / increase in cash and cash equivalents	(2,149)	4,263	(1,005)	(89)

The rights of the non-controlling shareholders of the presented subgroups are determined by the Federal Law "On Joint Stock Companies" and the charter documents of PJSC RAO ES East and PJSC DEK.

Note 5. Segment information

Operating segments are components of the Group engaged in operations from which they may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Group. The individual financial information of the operating segments, which based on the same principles as the present consolidated financial statements, is available and is regularly reviewed by the chief operating decision maker (CODM) to make operating decisions about resources to be allocated and the performance of segments' operating activities.

The CODM analyses the information concerning the Group by the groups of operations which are aggregated in operating segments presented by the following separate reportable segments: PJSC RusHydro (the Group's parent company), ESC RusHydro subgroup, RAO ES East subgroup and other segments (Note 4). Transactions of other segments are not disclosed as reportable segments as the performance is based on quantitative indicators for the periods presented.

Management of operating activities of segments is performed with direct participation of individual segment managers accountable to the CODM. Segment managers on a regular basis submit for approval to the CODM results of operating activities and financial performance of segments. The CODM approves the annual business plan at the level of reportable segments as well as analyses actual financial performance of segments. Management bears responsibility for execution of approved plan and management of operating activities at the level of segments.



The segments' operational results are estimated on the basis of EBITDA, which is calculated as operating profit / loss excluding insurance indemnity, depreciation of property, plant and equipment and intangible assets, impairment of property, plant and equipment, impairment of other non-current assets, impairment of goodwill, impairment of available-for-sale financial assets, accounts receivable, long-term promissory notes, loss on disposal of property, plant and equipment, loss on remeasurement of net assets of subsidiary acquired exclusively with a view for resale, curtailment in pension payment and pension plan and other non-monetary items of operating expenses. This method of definition of EBITDA may differ from the methods applied by other companies. CODM believes that EBITDA represents the most useful means of assessing the performance of ongoing operating activities of the Company and the Group's subsidiaries, as it reflects the earnings trends without showing the impact of certain charges.

Segment information also contains capital expenditures and the amount of debt as these indicators are analysed by the CODM. Intersegment debt's balances are excluded.

Other information provided to the CODM complies with the information presented in the consolidated financial statements.

Intersegment sales are carried out at market prices.

Segment information for the years ended 31 December 2015 and 31 December 2014 and as at 31 December 2015 and 31 December 2014 is presented below:

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Year ended 31 December 2015	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	100,826	86,955	162,713	28,113	378,607	(31,095)	347,512
<i>including:</i>							
<i>from external companies</i>	90,960	86,925	162,441	7,186	347,512	-	347,512
<i>sales of electricity</i>	64,198	85,850	104,021	449	254,518	-	254,518
<i>sales of heat and hot water sales</i>	154	-	35,227	-	35,381	-	35,381
<i>sales of capacity</i>	25,611	-	7,047	380	33,038	-	33,038
<i>other revenue</i>	997	1,075	16,146	6,357	24,575	-	24,575
<i>from intercompany operations</i>	9,866	30	272	20,927	31,095	(31,095)	-
Government grants	-	-	14,268	46	14,314	-	14,314
Other operating income	-	-	498	800	1,298	(4)	1,294
Operating expenses (excluding depreciation and other non-monetary items)	(41,387)	(84,075)	(164,682)	(29,206)	(319,350)	29,613	(289,737)
EBITDA	59,439	2,880	12,797	(247)	74,869	(1,486)	73,383
Insurance indemnity	-	-	-	6,471	6,471	-	6,471
Depreciation of property, plant and equipment and intangible assets	(12,523)	(826)	(7,624)	(1,769)	(22,742)	265	(22,477)
Other non-monetary items of operating income and expenses	(12,586)	(1,387)	(3,547)	(5,014)	(22,534)	(162)	(22,696)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(9,747)	-	(1,953)	(893)	(12,593)	-	(12,593)
<i>impairment of other non-current assets</i>	(3,220)	-	-	-	(3,220)	-	(3,220)
<i>impairment of goodwill of subsidiary</i>	-	-	-	(448)	(448)	-	(448)
<i>reversal / (impairment) of accounts receivable, net</i>	1,078	(1,345)	(3,021)	(723)	(4,011)	-	(4,011)
<i>(loss) / profit on disposal of property, plant and equipment, net</i>	(537)	(42)	59	(2,950)	(3,470)	104	(3,366)
<i>curtailment in pension payment and pension plan</i>	-	-	717	-	717	-	717
<i>(loss) / gain on disposal of subsidiaries and associates</i>	(160)	-	651	-	491	(266)	225
Operating profit / (loss)	34,330	667	1,626	(559)	36,064	(1,383)	34,681
Finance income							12,313
Finance costs							(9,744)
Profit in respect of associates and joint ventures							428
Profit before income tax							37,678
Total income tax expense							(10,519)
Profit for the year							27,159
Capital expenditure	35,206	223	19,554	41,956	96,939	4,896	101,835
31 December 2015							
Non-current and current debt	121,861	1,847	68,019	5,666	197,393	-	197,393

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	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Year ended 31 December 2014							
Revenue	98,581	82,230	150,286	29,664	360,761	(31,201)	329,560
<i>including:</i>							
<i>from external companies</i>							
<i>sales of electricity</i>	89,177	82,211	149,935	8,227	329,550	10	329,560
<i>sales of heat and hot water sales</i>	64,016	81,307	93,888	332	239,543	-	239,543
<i>sales of capacity</i>	144	-	33,912	3	34,059	-	34,059
<i>other revenue</i>	23,467	-	4,268	277	28,012	-	28,012
<i>from intercompany operations</i>	1,550	904	17,867	7,615	27,936	10	27,946
	9,404	19	351	21,437	31,211	(31,211)	-
Government grants	-	-	12,413	15	12,428	-	12,428
Operating expenses (excluding depreciation and other non-monetary items)	(41,233)	(81,092)	(147,301)	(27,881)	(297,507)	28,768	(268,739)
EBITDA	57,348	1,138	15,398	1,798	75,682	(2,433)	73,249
Depreciation of property, plant and equipment and intangible assets	(12,173)	(695)	(7,289)	(1,411)	(21,568)	228	(21,340)
Other non-monetary items of operating income and expenses	(9,560)	(560)	(5,372)	(2,386)	(17,878)	(149)	(18,027)
<i>including:</i>							
<i>other operating income</i>	697	-	-	-	697	-	697
<i>impairment of property, plant and equipment</i>	(7,138)	-	(1,746)	-	(8,884)	-	(8,884)
<i>impairment of accounts receivable, net</i>	(1,677)	(524)	(3,635)	(767)	(6,603)	-	(6,603)
<i>impairment of available-for-sale financial assets</i>	(1,366)	-	(82)	(1,030)	(2,478)	-	(2,478)
<i>loss on disposal of property, plant and equipment, net</i>	(40)	(36)	(474)	(589)	(1,139)	(149)	(1,288)
<i>curtailment in pension payment and pension plan</i>	-	-	501	-	501	-	501
<i>(loss) / gain on disposal of subsidiaries and associates</i>	(36)	-	64	-	28	-	28
Operating profit / (loss)	35,615	(117)	2,737	(1,999)	36,236	(2,354)	33,882
Finance income							9,319
Finance costs							(10,668)
Loss in respect of associates and joint ventures							(342)
Profit before income tax							32,191
Total income tax expense							(8,060)
Profit for the year							24,131
Capital expenditure	42,496	146	19,486	34,441	96,569	(3,547)	93,022
31 December 2014							
Non-current and current debt	113,060	3,403	54,496	6,071	177,030	-	177,030



Note 6. Related party transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's principal related parties for the years ended 31 December 2015 and 31 December 2014 were joint ventures, associates of the Group (Note 8) and government-related entities.

Joint ventures

The Group had the following balances with its joint ventures:

	Note	31 December 2015	31 December 2014
Promissory notes	10	5,711	5,203
Loans issued		2,725	1,492
Loans received		750	-

The Group had the following transactions with its joint ventures:

	Year ended 31 December 2015	Year ended 31 December 2014
Sales of electricity and capacity	851	146
Other revenue	778	569
Purchased electricity and capacity	2,149	1,049

Associates

The Group had the following balances with its associates:

	Year ended 31 December 2015	Year ended 31 December 2014
Trade and other receivables	440	293
Accounts payable	481	352

The Group had the following transactions with its associates:

	Year ended 31 December 2015	Year ended 31 December 2014
Sales of electricity and capacity	2,351	2,671
Other revenue	258	150
Construction services	447	285
Purchased electricity and capacity	19	161

Government-related entities

In the normal course of business the Group enters into transactions with the entities controlled by the Government.

The Group had transactions during the years ended 31 December 2015 and 31 December 2014 and balances outstanding as at 31 December 2015 and 31 December 2014 with the following government-related banks: SC Vnesheconombank, PJSC Sberbank, Bank GPB (JSC), PJSC VTB Bank, PJSC VTB24, OJSC Bank of Moscow, JSC Rosselkhozbank (Notes 11, 14, 18). All transactions are carried out on market rates.

The Group's sales of electricity, capacity and heat to government-related entities comprised approximately 30 percent of total sales of electricity, capacity and heat for the year ended 31 December 2015 (for the year ended 31 December 2014: approximately 30 percent). Sales of electricity and capacity under the regulated contracts are conducted directly to the consumers, within the day-ahead market (DAM) – through commission agreements with JSC Centre of Financial Settlements (CFS). Electricity and capacity supply tariffs under the regulated contracts and electricity and heating supply tariffs in non-pricing zone of the Far East are approved by FTS and by regional regulatory authorities of the Russian Federation. On DAM the price is determined by balancing the demand and supply and such price is applied to all market participants. During the period the Group received government subsidies in amount of RR 14,314 million (in 2014 in the amount of RR 12,428 million) (Note 23).



The Group's purchases of electricity, capacity and fuel from government-related entities comprised approximately 20 percent of total expenses on purchased electricity, capacity and fuel for the year ended 31 December 2015 (for the year ended 31 December 2014: approximately 25 percent).

Electricity distribution services provided to the Group by government-related entities comprised approximately 50 percent of total electricity distribution expenses for the year ended 31 December 2015 (for the year ended 31 December 2014: approximately 60 percent). The distribution of electricity is subject to tariff regulations.

Key management of the Group. Key management of the Group includes members of the Board of Directors of the Company, members of the Management Board of the Company, heads of the business subdivisions of the Company and their deputies, key management of subsidiaries of RAO ES East subgroup segment.

Remuneration to the members of the Board of Directors of the Company for their services in their capacity and for attending Board meetings is paid depending on the results for the year and is calculated based on specific remuneration policy approved by the Annual General Shareholders Meeting of the Company.

Remuneration to the members of the Management Board and to other key management of the Group is paid for their services in full time management positions and is made up of a contractual salary and performance bonuses depending on the results of the work for the period based on key performance indicators approved by the Board of Directors of the Company.

Main compensation for Key management of the Group generally is short-term excluding future payments under pension plans with defined benefits. Pension benefits for key management of the Group are provided on the same terms as for the rest of employees.

Short-term remuneration paid to the key management of the Group for the year ended 31 December 2015 comprised RR 2,174 million (for the year ended 31 December 2014: RR 2,365 million).

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Note 7. Property, plant and equipment

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
Balance as at 31 December 2014	81,110	378,702	226,137	256,121	14,925	956,995
Impairment of revalued property, plant and equipment	(26)	(1,160)	(56)	-	-	(1,242)
Reclassification	(55)	89	(1,806)	2,597	(825)	-
Additions	979	808	1,611	97,417	1,020	101,835
Reclassification to non-current assets and assets of disposal group classified as held for sale	(880)	-	-	-	-	(880)
Transfers	2,925	20,357	43,503	(67,292)	507	-
Disposals and write-offs	(166)	(103)	(876)	(3,551)	(1,981)	(6,677)
Balance as at 31 December 2015	83,887	398,693	268,513	285,292	13,646	1,050,031
Accumulated depreciation (including impairment)						
Balance as at 31 December 2014	(29,504)	(116,411)	(89,161)	(29,062)	(6,667)	(270,805)
Impairment charge	(644)	(4,318)	(2,180)	(6,143)	(55)	(13,340)
Reversal of impairment	346	94	299	8	-	747
Charge for the period	(2,152)	(8,302)	(11,782)	-	(1,439)	(23,675)
Reclassification to non-current assets and assets of disposal group classified as held for sale	92	-	-	-	-	92
Transfers	12	(2,741)	(3,607)	5,819	517	-
Disposals and write-offs	47	22	550	186	730	1,535
Balance as at 31 December 2015	(31,803)	(131,656)	(105,881)	(29,192)	(6,914)	(305,446)
Net book value as at 31 December 2015	52,084	267,037	162,632	256,100	6,732	744,585
Net book value as at 31 December 2014	51,606	262,291	136,976	227,059	8,258	686,190

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
Balance as at 31 December 2013	78,712	377,429	191,377	214,999	14,620	877,137
Impairment of revalued property, plant and equipment	(20)	(6,183)	(1,539)	-	(4)	(7,746)
Reclassification	(310)	(2,731)	(1,637)	4,692	(14)	-
Additions	202	1,646	620	89,444	1,110	93,022
Reclassification to non-current assets and assets of disposal group classified as held for sale	(14)	(1)	(50)	(130)	(630)	(825)
Transfers	2,718	8,840	39,569	(51,418)	291	-
Disposals and write-offs	(178)	(298)	(2,203)	(1,466)	(448)	(4,593)
Balance as at 31 December 2014	81,110	378,702	226,137	256,121	14,925	956,995
Accumulated depreciation (including impairment)						
Balance as at 31 December 2013	(27,139)	(108,005)	(75,665)	(26,904)	(5,578)	(243,291)
Impairment charge	(281)	(639)	(2,617)	(5,405)	(49)	(8,991)
Charge for the period	(1,740)	(7,300)	(10,259)	-	(1,636)	(20,935)
Reclassification to non-current assets and assets of disposal group classified as held for sale	13	1	25	92	269	400
Transfers	(439)	(585)	(2,055)	3,125	(46)	-
Disposals and write-offs	82	117	1,410	30	373	2,012
Balance as at 31 December 2014	(29,504)	(116,411)	(89,161)	(29,062)	(6,667)	(270,805)
Net book value as at 31 December 2014	51,606	262,291	136,976	227,059	8,258	686,190
Net book value as at 31 December 2013	51,573	269,424	115,712	188,095	9,042	633,846

As at 31 December 2015 included in the net book value of the property, plant and equipment are office buildings and plots of land owned by the Group in the amount of RR 7,793 million (31 December 2014: RR 7,869 million) which are stated at cost.

Assets under construction represent the expenditures for property, plant and equipment that are being



constructed, including hydropower plants under construction, and advances to construction companies and suppliers of property, plant and equipment. As at 31 December 2015 such advances amounted to RR 59,531 million (31 December 2014: RR 51,785 million).

Additions to assets under construction included capitalised borrowing costs in the amount of RR 14,706 million, the capitalisation rate was 11.28 percent (for the year ended 31 December 2014: RR 9,347 million, the capitalisation rate was 8.77 percent).

Additions to assets under construction included capitalised depreciation in the amount of RR 1,088 million (for the year ended 31 December 2014: RR 149 million).

Other property, plant and equipment include motor vehicles, land, office fixtures and other equipment.

Management of the Group considers that the carrying amount of property, plant and equipment as at 31 December 2015 and 31 December 2014 does not differ materially from their fair value at the end of the reporting period.

Process of fair value of property, plant and equipment assessment

Management of the Group determines the fair value of property, plant and equipment according to the following procedures.

The Group's property, plant and equipment are mainly represented by specialised property: the Group's key assets are represented by unique hydro engineering structures and power equipment manufactured under certain technical specifications for each power plant; such equipment is rarely sold in the market.

The Group's management determines the value of the specialised property on a regular basis, using the cost approach. The cost approach is based on the economic concept which implies that a buyer will pay no more for an asset than it would cost to develop or obtain another asset with the same functionality. The total costs of replacement or reproduction of the analysed asset resulting from such measurement are decreased by the amount of physical, functional and economic depreciation.

The replacement costs are determined based on specialised reference books, regulatory documents, construction rates, manufacturer's prices in effect as of the valuation date; physical and functional depreciation is measured based on the age of the assets, their actual condition and operating mode, etc.

To determine the economic depreciation of specialised assets, the Group's management calculates the recoverable amount using the income approach. It is based on discounted cash flow method, and the Group uses certain assumptions when building the cash flow forecast. In particular, these assumptions are used to determine the expected cash flows, capital expenditures and discount rates for each cash generating unit. The Group's management determines the forecast horizon, and net cash inflows from the asset's operation are calculated for each period of this horizon. The recoverable amount of the cash generating unit is determined by recalculating the discounted net cash flows. The Group's management believes that the Group subsidiaries and Company's branches are separate cash generating units.

When the recoverable amount of the cash generating unit is higher than the replacement cost less physical and functional depreciation of property, plant and equipment included in this cash generating unit, it is concluded that there is no economic depreciation. If this is not the case and if the recoverable amount is less than the carrying amount of cash generating unit, the economic impairment is determined as the difference between the recoverable amount and the carrying amount.



Impairment of property, plant and equipment as at 31 December 2015 and 31 December 2014

The following key assumptions were used when the cash flow testing was performed for the years ended 31 December 2015 and 31 December 2014:

Key assumptions used in the cash flow testing	Year ended 31 December 2015	Year ended 31 December 2014
Information used	Actual operating results for 2015 and business plans for 2016–2021	Actual operating results for 2014 and business plans for 2015–2020
Forecast period*	For existing plants 10 years (2016–2025) For plants under construction - 20 years after commissioning and before the completion of capacity sale contracts (2016–2039) For cash-generating units of the Far East - 11-25 years (2016–2041)	For existing plants 10 years (2015–2024) For plants under construction - 20 years after commissioning and before the completion of capacity sale contracts (2015–2038) For cash-generating units of the Far East - 11-25 years (2015–2040)
Forecasted growth rates in terminal period	4.0 percent	4.0–4.1 percent, depending on the length of the forecast period
Discount rate before tax (based on weighted average cost of capital)	14.97–16.8 percent (RR)	14.4–17.8 percent (RR)
Forecast of electricity and capacity tariffs in the isolated energy systems and in non-pricing zone of the Far East	Based on methodology of tariffs calculation adopted by regulatory authority	
Forecast of electricity and capacity prices in competitive market	Based on the forecast of JSC TSA and forecast rates on energy prices growth prepared by the Ministry of Economic Development of RF	
Forecast of capacity prices related to competitive capacity selection	For 2016–2019 – based on the results of competitive capacity selection, except for stations, where regulated tariffs are used For 2017 and after – adjusted on consumer index price and forecasts of JSC TSA	For 2015 – based on the results of competitive capacity selection, except for stations, where regulated tariffs are used For 2016 and after – adjusted on consumer index price and forecasts of JSC TSA
Forecast of electricity and capacity volumes	Based on the Company's management assessment of future trends in the business	
Forecast of capital expenditures	Based on the management valuation of capital expenditures on modernisation and reconstruction programme	

* Management considers that a forecast period greater than five years is appropriate as the wholesale electricity and capacity market is expected to change significantly over the forecast period and cash flow projections will not be stabilised within five years. However a forecast period of cash flows was mainly defined by remaining useful life of assets tested. For hydroelectric power plants this period may amount up to 100 years due to the fact that key asset is a dam. In this regard the recoverable amount of assets was defined based on cash flows during the forecast period and terminal values.

The values assigned to the key assumptions represent management's assessment of future trends in the business and are based on both external and internal sources.

Loss was recognized mainly in respect of receipt of fixed assets as a cash-generating unit means impaired in prior periods. As a result, impairment loss in the amount of RR 12,593 million was recognised in Consolidated Income Statement and decrease of previous revaluation reserve in the amount of RR 1,242 million (before income tax of RR 248 million) – in other comprehensive loss.

As a result of property, plant and equipment impairment as at 31 December 2015 its net book value decreased for the total amount of RR 13,835 million, the effects relate mainly to the following cash-generating units:

- Kabardino-Balkarian branch – impairment loss in the amount of RR 2,420 million and decrease of previous revaluation reserve in the amount of RR 1,216 million;
- Karachaevo-Cherkessia branch – impairment loss in the amount of RR 2,833 million and decrease of previous revaluation reserve in the amount of RR 6 million;
- Bureiskaya HPP – impairment loss in the amount of RR 2,541 million and decrease of previous revaluation reserve in the amount of RR 20 million;



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- Cascade of Kubanskiye HPPs – impairment loss in the amount of RR 704 million and decrease of previous revaluation reserve in the amount of RR nil million;
- Zeiskaya HPP – impairment loss in the amount of RR 680 million and decrease of previous revaluation reserve in the amount of RR nil million;
- Zagorskaya GAES – impairment loss in the amount of RR 415 million and decrease of previous revaluation reserve in the amount of RR nil million.

The sensitivity analysis of the recoverable amounts of cash-generating units for the key assumptions is presented in Note 31.

As a result of property, plant and equipment impairment as at 31 December 2014 its net book value decreased for the total amount of RR 16,737 million. As a result, impairment loss in the amount of RR 8,991 million was recognised in Consolidated Income Statement and decrease of previous revaluation reserve in the amount of RR 7,746 million (before income tax of RR 1,549 million) – in other comprehensive loss.

The carrying amount of each class of property, plant and equipment that would have been recognised had the assets been carried under the cost model is as follows:

	Production buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
Net book value as at 31 December 2015	29,793	111,249	152,336	260,080	1,492	554,950
Net book value as at 31 December 2014	28,409	103,047	124,524	231,039	1,914	488,933

Events on Zagorskaya GAES-2. On 17 September 2013 there was a partial flooding at Zagorskaya GAES-2 which is under construction in the Moscow Region. The flooding of the GAES building originated from the lower reservoir via functional joints of the station block and a newly formed cavity in the right junction of the GAES-2 building foundation. Construction and assembly works as well as property, including equipment, were insured by PIJSC Ingosstrakh, JSC AlfaStrakhovanie and JSC SOGAZ. As at 31 December 2015 all insurance companies have recognized the technical incident at Zagorskaya GAES-2 as an insured event.

Other operating income for the year ended 31 December 2015 include insurance indemnity received from JSC AlfaStrakhovanie in the amount of RR 847 million (the maximum insurance amount under the contract with JSC AlfaStrakhovanie is RR 1,200 million) and from JSC SOGAZ in the amount of RR 868 million (the maximum insurance amount under the contract with JSC SOGAZ is RR 2,633 million), as well as insurance indemnity from PIJSC Ingosstrakh in the amount of RR 4,756 million.

For the year ended 31 December 2015 a loss on disposal of damaged equipment and assets under construction which are not recoverable was recognised in Operating expenses in the amount of RR 2,706 million. Also for the year ended 31 December 2015 the Group has carried expenses on recovery works in the total amount of RR 2,243 million which are recognized in the following items of Operating expenses: services of subcontracting companies, other third parties services, other materials, employee benefit expenses, rent expenses.

Currently management of the Group cannot reliably estimate future expenses that may be necessary to eliminate consequences of the technical incident. However, these expenses may be material for the Group.

Management of the Group believes that there are no indications of property, plant and equipment impairment as at 31 December 2015 there were capacity supply contracts concluded in respect of new power generation facilities of Zagorskaya GAES-2, that guarantee the payback period of 20 years for all capital expenses invested in construction in the period.

Leased equipment. As at 31 December 2015 the net book value of assets held under finance lease and included in property, plant and equipment was RR 3,107 million (31 December 2014: RR 4,639 million). Assets held under finance lease were mainly represented by plant and equipment.

Operating lease. The Group leases a number of land areas owned by local governments and production buildings under non-cancellable operating lease agreements. Land lease payments are determined by lease agreements. The land areas leased by the Group are the territories on which the Group's hydropower plants and other assets are located. According to the Land Code of the Russian Federation such land areas are limited in their alienability and cannot become private property. The Group's operating leases typically run for an initial period of 5–49 years with an option to renew the lease after that date. Lease payments are

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reviewed regularly.

The future payments under non-cancellable operating leases in accordance with rates as at the reporting period end are as follows:

	31 December 2015	31 December 2014
Less than one year	2,309	2,174
Between one and five years	3,826	4,169
After five years	38,852	40,028
Total	44,987	46,371

Pledged assets. As at 31 December 2015 RR no property, plant and equipment have been pledged as collateral for borrowings (31 December 2014: RR 3 million).

Note 8. Investments in associates and joint ventures

The Group's interests in associates and joint ventures and its carrying value were as follows:

	Place of business	% held		Carrying value	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Associates					
OJSC Irkutsk Electronetwork Company (OJSC IENC)	Russia	42.75%	42.75%	7,777	8,060
OJSC Sakhalin Energy Company (OJSC SEC)	Russia	36.09%	36.09%	3,429	3,441
Other				172	343
Total associates				11,378	11,844
Joint ventures					
BoGES Group	Russia	50.00%	50.00%	1,229	1,048
BALP Group	Russia	50.00%	50.00%	-	-
Other				1,535	1,140
Total joint ventures				2,764	2,188
Total investments in associates and joint ventures				14,142	14,032

The amounts in respect of associates and joint ventures recognised in the Income Statement are as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
Associates		
OJSC IENC	(283)	(360)
OJSC SEC	(12)	101
PJSC Krasnoyarskaya HPP	-	293
Other	(19)	76
Total associates	(314)	110
Joint ventures		
BoGES Group	684	(467)
BALP Group	-	-
Other	58	15
Total joint ventures	742	(452)
Profit / (loss) in respect of associates and joint ventures	428	(342)

Associates

OJSC Irkutsk Electronetwork Company (OJSC IENC)

OJSC IENC maintains 0.4–500 kW electric grids of the Irkutsk region with the total length of over 40,000 km and more than 9,600 transforming substations with total capacity of over 27,900 MVA. The core activities of OJSC IENC are provision of services of electricity transmission via electric grids in the interests of large consumers and utilities companies, i.e. entities operating in the wholesale electricity and capacity market. OJSC IENC is controlled by EN+ Group.

The Group's investments in OJSC IENC represent its strategic assets and allow the Group to use them in the acquisition and asset exchange transactions; in addition, they represent a source of dividends.



OJSC Sakhalin Energy Company (OJSC SEC)

OJSC SEC is the customer-developer of a number of electricity sector assets in the Sakhalin region as part of the federal special purpose program Economic and Social Development of the Far East and Transbaikalia until 2014 and the oblast's special purpose program Power Sector Development in the Sakhalin Region until 2010 and for the Long-term Period until 2020. OJSC SEC's major investment project was the Construction of Power Generating Unit No. 4 at Yuzhno-Sakhalinsk Thermal Power Plant-1, which is operated by OJSC Sakhalinenergo, the Group's subsidiary, under a lease agreement. Other OJSC SEC's shareholders, in addition to the Group, are the Russian Government and the government of the Sakhalin region represented by the Ministry of Land and Property Affairs of Sakhalin region

The Group's investments in OJSC SEC represent strategic assets which allow a more efficient joint operation of the assets of OJSC Sakhalinenergo and OJSC SEC.

PJSC Krasnoyarskaya HPP

In July 2014 25 percent minus 1 share of PJSC Krasnoyarskaya HPP were transferred by the Group's subsidiary JSC HydroInvest to JSC EuroSibEnergo in exchange of 3.39 percent of treasury shares (Note 15). Remaining 0.12 percent of shares of PJSC Krasnoyarskaya HPP were reclassified to available-for-sale financial assets.

Summarised financial information for significant associates for the years ended 31 December 2015 and 31 December 2014 and as at 31 December 2015 and 31 December 2014:

	OJSC SEC		OJSC IENC		PJSC Krasnoyarskaya HPP	
	2015	2014	2015	2014	2015	2014
As at 31 December						
Non-current assets	11,242	10,519	24,862	25,848	-	-
Current assets	761	1,516	1,037	2,478	-	-
Non-current liabilities	(12)	-	(1,571)	(5,334)	-	-
Current liabilities	(54)	(1,063)	(8,350)	(6,353)	-	-
Net assets	11,937	10,972	15,978	16,639	-	-
For the year ended 31 December						
Revenue	449	285	16,995	15,674	-	7,673
Reversal of impairment of property, plant and equipment	-	-	-	-	-	-
(Loss) / profit for the year	(35)	(69)	(661)	(843)	-	1,166
Total comprehensive (loss) / income for the year	(35)	(69)	(661)	(843)	-	1,166

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Reconciliation of the summarised financial information presented to the carrying value of interest in associates:

	OJSC SEC	OJSC IENC	PJSC Krasnoyars kaya HPP	Others	Total
Net assets as at 31 December 2013	10,691	17,482	55,199	814	84,186
(Loss) / profit for the year	(69)	(843)	1,166	212	466
Additional share issue	350	-	-	-	350
Disposal	-	-	(56,103)	-	(56,103)
Reclassification to available-for-sale financial assets	-	-	(262)	-	(262)
Net assets as at 31 December 2014	10,972	16,639	-	1,026	28,637
Interest in associates	3,960	7,114	-	335	11,409
Goodwill	-	946	-	-	946
Additional share issues	(519)	-	-	-	(519)
Accumulated losses	-	-	-	8	8
Carrying value as at 31 December 2014	3,441	8,060	-	343	11,844
Net assets as at 31 December 2014	10,972	16,639	-	1,026	28,637
Loss for the year	(35)	(661)	-	(32)	(728)
Additional share issue	1,000	-	-	-	1,000
Disposal	-	-	-	(402)	(402)
Reclassification to subsidiaries	-	-	-	19	19
Net assets as at 31 December 2015	11,937	15,978	-	611	28,526
Interest in associates	4,308	6,831	-	172	11,311
Goodwill	-	946	-	-	946
Additional share issues	(879)	-	-	-	(879)
Carrying value as at 31 December 2015	3,429	7,777	-	172	11,378

Joint ventures

BoGES Group and BALP Group

Starting from 2006 the Company and RUSAL Group have been jointly implementing the BEMA project based on an agreement for mutual financing, completion and subsequent operation of Boguchanskaya HPP and Boguchansky aluminium plant. Within the BEMA project on parity basis joint ventures BoGES Ltd (Cyprus) and BALP Ltd (Cyprus) were formed, which have controlling interests in OJSC Boguchanskaya HPP and CJSC Boguchansky Aluminium Plant.

BoGES Ltd and OJSC Boguchanskaya GES together form BoGES Group. BALP Ltd and CJSC Boguchansky Aluminium Plant together form BALP Group.

BoGES Ltd and BALP Ltd provide corporate governance of Boguchanskaya HPP and Boguchansky Aluminium Plant in line with the parity of interests of the investors and are not engaged in other operations.

Starting from November 2012 Boguchanskaya HPP sells electricity and capacity to large consumers and utilities companies. An installed capacity of Boguchanskaya HPP is 2,997 MW, long-term average project production – 17 600 million kWh.

The construction of 1-st series of Boguchansky Aluminium Plant is ongoing. Project capacity of Boguchansky Aluminium Plant is 600 thousand tonnes of aluminium per annum. Manufacturing plant complex consists of two series of capacity 296 thousand tonnes each. Boguchansky Aluminium Plant will become a key consumer of energy generated by Boguchanskaya HPP.

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Summarised financial information for significant joint ventures for the years ended 31 December 2015 and 31 December 2014 and as at 31 December 2015 and 31 December 2014:

As at 31 December	BoGES Group		BALP Group	
	2015	2014	2015	2014
Non-current assets	45,007	44,551	1,475	17,290
Current assets including:	3,681	3,103	6,315	756
<i>Cash and cash equivalents</i>	442	765	498	130
Non-current liabilities including:	(44,343)	(43,629)	(100,750)	(5,952)
<i>Non-current financial liabilities (excluding trade payables)</i>	(37,715)	(37,347)	(96,872)	(3,337)
Current liabilities including:	(1,918)	(1,973)	(3,877)	(61,729)
<i>Current financial liabilities (excluding trade payables)</i>	(678)	(731)	(3)	(60,157)
Net assets	2,427	2,052	(96,837)	(49,635)
For the year ended 31 December	2015	2014	2015	2014
Revenue	14,632	6,571	11,558	275
Depreciation of property, plant and equipment	(1,191)	(1,066)	(111)	(55)
Impairment of promissory notes	(5,780)	-	-	-
Interest income	489	53	7	15
Interest expense	(2,849)	(2,730)	(6,460)	(3,407)
Foreign exchange differences	(10)	(5)	(19,118)	(24,197)
Impairment of property, plant and equipment	-	-	(3,869)	(5,521)
Loss before income tax	(125)	(2,146)	(30,123)	(33,584)
Income tax benefit / (expense)	500	226	(17,079)	6,656
Profit / (loss) for the year	375	(1,920)	(47,202)	(26,928)
Other comprehensive income / (loss) for the year	-	-	-	-
Total comprehensive income / (loss) for the year	375	(1,920)	(47,202)	(26,928)

Reconciliation of the summarised financial information presented to the carrying value of interest in joint ventures:

	BoGES Group	BALP Group	Others	Total
Net assets as at 31 December 2013	3,972	(22,707)	2,241	(16,494)
Net assets at the date of the purchase	-	-	23	23
Loss for the year	(1,920)	(26,928)	(159)	(29,007)
Net assets as at 31 December 2014	2,052	(49,635)	2,105	(45,478)
Interest in joint ventures	1,026	(24,818)	1,036	(22,756)
Non-controlling interest	22	-	-	22
Accumulated losses	-	24,818	104	24,922
Carrying value as at 31 December 2014	1,048	-	1,140	2,188
Net assets as at 31 December 2014	2,052	(49,635)	2,105	(45,478)
Increase of share capital	-	-	1,003	1,003
Profit / (loss) for the year	375	(47,202)	(623)	(47,450)
Net assets as at 31 December 2015	2,427	(96,837)	2,485	(91,925)
Interest in joint ventures	1,214	(48,419)	1,129	(46,076)
Non-controlling interest	15	-	-	15
Accumulated losses	-	48,419	406	48,825
Carrying value as at 31 December 2015	1,229	-	1,535	2,764

The Group has issued guarantees for OJSC Boguchanskaya HPP for the loan facility in favour of the State Corporation Vnesheconombank (Note 28).



(in millions of Russian Rubles unless noted otherwise)

Note 9. Available-for-sale financial assets

	31 December 2015		31 December 2014	
	% of ownership	Fair value	% of ownership	Fair value
PJSC Inter RAO	4,92%	5,606	4,92%	3,654
PJSC Russian Grids	0,28%	228	0,28%	212
PJSC FGC UES	0,13%	99	0,13%	76
Other	-	161	-	190
Total available-for-sale financial assets		6,094		4,132

The fair values of available-for-sale financial assets were calculated based on quoted market prices, for those which are not publicly traded fair values were estimated by reference to the discounted cash flows of the investees (Note 31).

Profit arising on available-for-sale financial assets for the year ended 31 December 2015 totaled RR 1,962 million, including revaluation of PJSC Inter RAO – RR 1,953 million, was recorded within other comprehensive income (for the year ended 31 December 2014 loss totaled RR 2,436 million and was recorded within other comprehensive income in amount of RR 42 million net of tax and in profit or loss in amount of RR 2,478 million).

Note 10. Other non-current assets

	31 December 2015	31 December 2014
Long-term promissory notes	38,189	37,047
Discount	(16,946)	(16,864)
Impairment provision	(14,025)	(14,025)
Long-term promissory notes, net	7,218	6,158
VAT recoverable	2,546	3,226
Dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs	2,164	5,478
Customer base of LLC ESC Bashkortostan	553	1,109
Goodwill	481	929
Other non-current assets	8,440	8,121
Total other non-current assets	21,402	25,021

	Rating*	Rating agency	Effective interest rate	Maturity date	31 December 2015	31 December 2014
Long-term promissory notes						
OJSC Boguchanskaya HPP	-	-	9.75%	2029	5,711	5,203
		Fitch				
PJSC ROSBANK	BBB-	Ratings	10.90–14.58%	2020–2022	784	446
JSC Alfa Bank	Ba2	Moody's	11.90–16.35%	2016–2022	673	466
Other					50	43
Total long-term promissory notes					7,218	6,158

Promissory notes of OJSC Boguchanskaya HPP. As at 31 December 2015 the amortised cost of interest-free long-term promissory notes of OJSC Boguchanskaya HPP (payable not earlier than 31 December 2029 with total nominal value of RR 21,027 million) pledged as collateral to the State Corporation Vnesheconombank amounted to RR 5,711 million (31 December 2014: RR 5,203 million) (Note 8).

Dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs. The recoverable amount of dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs owned by the Group received in 2011 in the course of additional share issue of the Company is estimated by management based on future cash flows. Key assumption used for the cash flows analysis is estimation of the annual consideration, received from PJSC Irkutskenergo and respective to market value of right of temporary ownership and use this property. Due to the deterioration of estimation of the annual consideration as at 31 December 2015 the Group recognised impairment of dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs in the amount of RR 3,220 million.

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Goodwill and customer base. Presented below is the carrying value of goodwill:

	Year ended 31 December 2015	Year ended 31 December 2014
Carrying amount as of 1 January	929	929
Impairment loss	(448)	-
Carrying amount as of 31 December	481	929

Goodwill of JSC Institute Hydroproject. Goodwill of RR 929 million was recognised at the date of the acquisition of JSC Institute Hydroproject in October 2010 as the Group was able to receive economic benefits from the expected synergy from the high qualification of engineering specialists and long-term relationships between JSC Institute Hydroproject and customers, including the Group entities.

As at 31 December 2015 and 31 December 2014, the Group tested goodwill related to JSC Institute Hydroproject for its potential impairment. For the testing purposes, JSC Institute Hydroproject was considered as a single cash generating asset.

Presented below are key assumptions used for the impairment testing purposes for the years ended 31 December 2015 and 31 December 2014:

Key assumptions used for the impairment testing purposes	For the year ended 31 December 2015	For the year ended 31 December 2014
Information used	Actual performance for 2015 and results of business plans for 2016-2020	Actual performance for 2014 and results of business plans for 2015-2019
Forecast period	5 years	5 years
Growth interest rate after the forecast period	4.0 percent	4.3 percent
Discount rate	15.6 percent	16.1 percent
Net cash inflow after the forecast period	Minimum expectation: RR 148 million in 2016, RR 67 million in 2017, RR 94 million in 2018, RR 110 million in 2019, RR 122 million in 2020	Minimum expectation: RR 167 million in 2015, RR 175 million in 2016, RR 182 million in 2017, RR 193 million in 2018, RR 201 million in 2019
Net cash inflow after the forecast period	Minimum expectation: RR 114 million per year	Minimum expectation: RR 178 million per year

Based on the above assumptions, as at 31 December 2015 recoverable amount of JSC Institute Hydroproject as a cash generating asset was less than the carrying amount and the Group recognised impairment if goodwill in the amount of RR 448 million. As at 31 December 2014 there was no economic impairment.

Customer base of LLC ESC Baskortostan. As at 31 December 2015 and 31 December 2014 the Group tested customer base of LLC ESC Baskortostan for potential impairment. For the testing purposes LLC ESC Baskortostan was considered as a single cash generating unit.



(in millions of Russian Rubles unless noted otherwise)

Presented below are key assumptions used for the impairment testing purposes:

Key assumptions used for the impairment testing purposes	For the year ended 31 December 2015	For the year ended 31 December 2014
Information used	Actual performance for 2015 and results of business plans for 2016-2020	Actual performance for 2014 and results of business plans for 2015-2019
Forecast period*	10 years (2016-2025)	10 years (2015-2024)
Growth interest rate after the forecast period	3.8 percent	4.0 percent
Discount rate	15.3 percent	15.2 percent
Forecast electricity sales	Based on management forecast	
Forecast electricity tariffs	2016 – based on tariffs set by regulators 2017-2025 – based on the consumer price index	2015 – based on tariffs set by regulators 2016-2024 – based on the consumer price index

* The management believes that the forecast period exceeding five years is more reliable as the electricity and capacity market is expected to undergo significant changes during the forecast period, and cash flows will not flatten out within five years.

As at 31 December 2015 and 31 December 2014 the recoverable amount of LLC ESC Baskortostan exceeded the carrying amount – no loss on impairment related to the customer base of LLC ESC Baskortostan was recognised.

Note 11. Cash and cash equivalents

	31 December 2015	31 December 2014
Cash at bank	11,857	14,960
Cash equivalents (contractual interest rate: 3.76-16.40%)	36,137	19,417
Cash in hand	31	17
Total cash and cash equivalents	48,025	34,394

Cash equivalents held as at 31 December 2015 and 31 December 2014 comprised short-term bank deposits with original maturities of three months or less.

Cash and cash equivalents balances denominated in US Dollars as at 31 December 2015 were RR 2,801 million (31 December 2014: RR 767 million). Cash and cash equivalents balances denominated in Euros as at 31 December 2015 were RR 61 million (31 December 2014: RR 2,310 million).

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Cash and cash equivalents are deposited in several institutions as follows:

	Rating*	Rating agency	31 December 2015	31 December 2014
Cash at banks				
PJSC Sberbank	BBB-	Fitch Ratings	4,630	5,354
Bank GPB (JSC)	BB+	Fitch Ratings	3,573	5,996
Peresvet Bank	B+	Fitch Ratings	1,405	1,228
PJSC Bank VTB	BB+	Standard & Poor's	719	83
JSC Alfa-Bank	Ba2	Moody's	364	12
PJSC VTB24	Ba1	Moody's	230	200
CJSC ARDSHINBANK	B+	Fitch Ratings	170	8
PJSC Bank Vozrozhdenie	BB-	Standard & Poor's	135	68
PJSC ROSBANK	BBB-	Fitch Ratings	124	158
UBS AG	A	Fitch Ratings	105	526
LLC Creditinvestbank	-	-	-	262
JSC Bank Severny Morskoy Put	-	-	-	187
PJSC Kamchatkomargoprombank	-	-	-	170
JSC InvestCapitalBank	-	-	-	159
Other	-	-	402	549
Total cash at banks			11,857	14,960
Bank deposits				
PJSC Sberbank	BBB-	Fitch Ratings	8,992	5,613
PJSC Bank FK Otkritie	BB-	Standard & Poor's	7,753	65
Peresvet Bank	B+	Fitch Ratings	6,280	7,319
PJSC Bank VTB	BB+	Standard & Poor's	4,832	65
Sviaz-Bank	BB-	Standard & Poor's	2,724	-
Bank GPB (JSC)	BB+	Fitch Ratings	2,084	2,892
JSC Bank Severny Morskoy Put	-	-	1,875	-
GLOBEXBANK	BB-	Fitch Ratings	1,000	-
JSC Rosselkhozbank	BB+	Fitch Ratings	519	39
PJSC ROSBANK	BBB-	Fitch Ratings	22	507
JSC UniCredit Bank	-	-	-	2,347
PJSC Asian-Pacific Bank	-	-	-	278
PJSC Promsvyazbank	-	-	-	103
Other	-	-	56	189
Total cash equivalents			36,137	19,417



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Note 12. Accounts receivable and prepayments

	31 December 2015	31 December 2014
Trade receivables	55,075	50,931
Provision for impairment of trade receivables	(20,158)	(18,643)
Trade receivables, net	34,917	32,288
VAT recoverable	8,156	8,683
Advances to suppliers and other prepayments	3,540	3,957
Provision for impairment of advances to suppliers and other prepayments	(1,021)	(670)
Advances to suppliers and other prepayments, net	2,519	3,287
Other receivables	7,248	6,637
Provision for impairment of other receivables	(3,194)	(2,883)
Other receivables, net	4,054	3,754
Total accounts receivable and prepayments	49,646	48,012

The provision for impairment of accounts receivable has been determined based on specific customer identification, customer payment trends, subsequent receipts and settlements and the analysis of expected future cash flows (Note 2). The Group believes that the Group's subsidiaries will be able to realise the net receivable amount through direct collections and other non-cash settlements, and the carrying value approximates their fair value.

Movements in the impairment provision for accounts receivables and prepayments are as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
As at 1 January	21,526	17,779
Charge for the year	6,650	8,534
Reversal of impairment	(3,808)	(3,230)
Trade receivables written-off as uncollectible	(1,016)	(1,557)
As at 31 December	23,352	21,526

The ageing analysis of trade and other finance accounts receivable is as follows:

	31 December 2015	Provision as at 31 December 2015	31 December 2014	Provision as at 31 December 2014
Not past due	29,622	(2,426)	26,143	(967)
Past due for less than 3 months	6,655	(1,260)	6,229	(953)
Past due for 3 months to 1 year	7,499	(2,834)	8,139	(3,838)
Past due for more than 1 year	17,959	(16,832)	16,127	(15,768)
Total	61,735	(23,352)	56,638	(21,526)

The majority of trade debtors which are neither past due nor impaired could be aggregated in several groups based on similarities in their credit quality: large industrial consumers – participants of the wholesale and retail electricity and capacity market as well as public sector entities and population.

The Group does not hold any accounts receivable pledged as collateral.

Note 13. Inventories

	31 December 2015	31 December 2014
Fuel	14,291	13,229
Materials and supplies	6,555	6,383
Spare parts	2,782	2,085
Other materials	606	645
Total inventories before provision for impairment	24,234	22,342
Provision for impairment of inventories	(235)	(209)
Total inventories	23,999	22,133

There are no inventories pledged as collateral for borrowings as at 31 December 2015 and as at 31 December 2014.



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Note 14. Other current assets

				31 December 2015	31 December 2014
Deposits and promissory notes				19,532	40,122
Loans issued				2,728	1,484
Other short-term investments				314	266
Total other current assets				22,574	41,872
	Rating*	Rating agency	Effective interest rate	31 December 2015	31 December 2014
Deposits					
PJSC Sberbank	BBB-	Fitch Ratings	8.80–12.81%	18,322	38,915
CJSC Ameriabank	B+	Fitch Ratings	7.10%	728	-
CJSC ARDSHINBANK	B+	Fitch Ratings	3.00–16.00%	186	-
Peresvet Bank	B+	Fitch Ratings	12.50%	176	166
Other deposits	-	-	-	78	768
Promissory notes					
JSC Alfa-Bank	Ba2	Moody's	-	35	195
Other promissory notes	-	-	-	7	78
Total deposits and promissory notes				19,532	40,122

Note 15. Equity

	Number of issued and fully paid ordinary shares (Par value of RR 1.00)
As at 31 December 2015	386,255,464,890
As at 31 December 2014	386,255,464,890
As at 31 December 2013	386,255,464,890

Treasury shares. As at 31 December 2015 treasury shares were represented by 21,786,611,933 ordinary shares in the amount of RR 26,092 million (31 December 2014: 21,786,611,933 ordinary shares in the amount of RR 26,092 million).

In July 2014 3.39 percent of treasury shares were received by the Group's subsidiary JSC HydroInvest from JSC EuroSibEnergo in exchange of 25 percent minus 1 share of PJSC Krasnoyarskaya HPP.

Treasury shares carry voting rights in the same proportion as other ordinary shares. Voting rights of ordinary shares of the Company held by entities within the Group are effectively controlled by management of the Group.

Effect of changes in non-controlling interest of subsidiaries. In March 2015 the Group's share in subsidiaries OJSC Daltehenenergo and OJSC Gubеровskiy machinery and repair plant was sold. In October 2015 share in JSC Kamchatskenergoremont was sold. During the year ended 31 December 2015 LLC Energokomfort Amur electricity wholesale company and JSC Amyrskaya Zhemchuzhina went bankrupt, also in June 2015 OJSC Kamchatskenergoremsevis was liquidated. As a result non-controlling interest increased by RR 141 million due to decrease of share in losses of these subsidiaries previously absorbed by shareholders of the Group.

As a result of increasing of share in OJSC Sakhalinenergo from 55,55 percent to 57,82 percent non-controlling interest was reduced by RR 12 million.

Dividends. On 26 June 2015 the Company declared dividends for the year ended 31 December 2014 of RR 0.0156 per share in the total amount of RR 6,033 million (RR 5,710 million excluding dividends to subsidiaries).

On 27 June 2014 the Company declared dividends for the year ended 31 December 2013 of RR 0.0136 per share in the total amount of RR 5,248 million (RR 5,130 million excluding dividends to subsidiaries).

Declared dividends of the Group's subsidiaries in favour of non-controlling interest holders amounted to RR 102 million for the year ended 31 December 2015 (for the year ended 31 December 2014: RR 80 million).

Offer for shares of PJSC RAO ES East. On 3 November 2015 in accordance with decision of the Board of Directors of the Company the subsidiary of the Group - LLC Vostok - Finance declared voluntary offer to purchase shares of PJSC RAO ES East. According to the voluntary offer the shareholders of PJSC RAO



ES East may choose between the sales of ordinary and preferred shares of PJSC RAO ES East owned by them or their exchange for ordinary shares of the Company. Offer for shares of PJSC RAO ES East is a commitment to purchase its own equity instruments for cash or other financial asset, and was recorded as a financial liability in the amount of discounted value of the cash to be paid. Since the offer involves the acquisition of a fixed number of the own equity instruments for a fixed amount of cash, this transaction was accounted for in equity. As at 31 December 2015 the Group recognised the obligation to purchase PJSC RAO ES East shares in the amount of RR 2,108 million (Note 20).

Note 16. Income tax

Income tax expense is as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
Current income tax expense	8,881	7,450
Deferred income tax expense	1,638	610
Total income tax expense	10,519	8 060

The income tax rate applicable to the majority of the Group's entities for the year ended 31 December 2015 is 20 percent (for the year ended 31 December 2014: 20 percent).

A reconciliation between the expected and actual income tax expense is provided below:

	Year ended 31 December 2015	Year ended 31 December 2014
Profit before income tax	37,678	32,191
Theoretical tax expense at a statutory rate of 20 percent	(7,536)	(6,438)
Tax effect of items which are not deductible or assessable for taxation purposes	(1,230)	(1,469)
Increase in other unrecognised deferred tax assets	(2,465)	(1,053)
Unrecognised deferred tax assets related to impairment of available-for-sale financial assets (Note 9)	-	(334)
Other	712	1,234
Total income tax expense	(10,519)	(8,060)

The total amount of deductible temporary differences for which deferred income tax assets have not been recognised by the Group as at 31 December 2015 comprised RR 64,285 million (31 December 2014: RR 51,960 million). These temporary differences mainly relate to accumulated impairment of property, plant and equipment, assets under construction and pension liabilities of several Group's subsidiaries.

Deferred income tax. Differences between IFRS and statutory taxation regulations in the Russian Federation give rise to temporary differences between the carrying amount of certain assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below and is recorded at the rate of 20 percent (for the year ended 31 December 2014: 20 percent).

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	31 December 2014	Income tax charge	Charged directly to other comprehensive income	Other movement	31 December 2015
Deferred income tax assets	5,355	(142)	259	14	5,486
Property, plant and equipment	3,425	76	-	15	3,516
Accounts receivable	5,799	704	-	6	6,509
Losses carried forward	1,574	(217)	-	(7)	1,350
Other	2,622	914	259	-	3,795
<i>Deferred tax offset</i>	<i>(8,065)</i>	<i>(1,619)</i>	-	-	<i>(9,684)</i>
Deferred income tax liabilities	(35,891)	(1,496)	353	-	(37,034)
Property, plant and equipment	(43,303)	(2,977)	239	-	(46,041)
Accounts receivable	(122)	63	-	-	(59)
Loans and borrowings	(115)	(263)	-	-	(378)
Other	(416)	62	114	-	(240)
<i>Deferred tax offset</i>	<i>8,065</i>	<i>1,619</i>	-	-	<i>9,684</i>
				Reclassification of discontinued operations and disposal of subsidiaries	
	31 December 2013	Income tax charge	Charged directly to other comprehensive income		31 December 2014
Deferred income tax assets	4,066	1,621	(211)	(121)	5,355
Property, plant and equipment	3,284	166	-	(25)	3,425
Accounts receivable	5,631	179	-	(11)	5,799
Losses carried forward	1,199	453	-	(78)	1,574
Other	2,229	611	(211)	(7)	2,622
<i>Deferred tax offset</i>	<i>(8,277)</i>	<i>212</i>	-	-	<i>(8,065)</i>
Deferred income tax liabilities	(35,066)	(2,231)	1,406	-	(35,891)
Property, plant and equipment	(42,452)	(2,395)	1,544	-	(43,303)
Accounts receivable	(78)	(44)	-	-	(122)
Loans and borrowings	(404)	289	-	-	(115)
Other	(409)	131	(138)	-	(416)
<i>Deferred tax offset</i>	<i>8,277</i>	<i>(212)</i>	-	-	<i>8,065</i>

Under existing Group' structure tax losses and current income tax assets of different Group's entities may not be offset against current income tax liabilities and taxable profits of other Group's entities and, accordingly, taxes may be accrued even where there is a consolidated tax loss. Therefore, deferred income tax assets and liabilities are offset only when they relate to the same taxable entity and the entity has legal rights to offset it.

Note 17. Pension benefit obligations

The tables below provide information about the benefit obligations and actuarial assumptions used for the years ended 31 December 2015 and 31 December 2014.

Amounts recognised in the Group's Consolidated Statement of Financial Position among other non-current liabilities (Note 19):

	31 December 2015	31 December 2014
Fair value of plan assets	(1,084)	(986)
Present value of defined benefit obligations	9,470	7,874
Net liability	8,386	6,888

The movements in the defined benefit liability for the years ended 31 December 2015 and 31 December 2014 are presented in the tables below:

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	Present value of defined benefit obligations	Fair value of plan assets	Total
At 1 January 2015	7,874	(986)	6,888
Current service cost	338	-	338
Interest expense / (income)	968	(128)	840
Past service cost	(58)	-	(58)
Curtailement in pension payment	(717)	-	(717)
Decrease in liabilities as a result of curtailments	(83)	-	(83)
Remeasurement effects (for other long-term benefits):			
Actuarial loss - changes in actuarial assumptions	86	-	86
Actuarial gain - experience adjustment	(1)	-	(1)
Recognised in profit or loss for the year ended 31 December 2015	533	(128)	405
Remeasurements (for post-employment benefits):			
Actuarial loss - change in demographic assumptions	112	-	112
Actuarial loss - change in financial assumptions	1,435	-	1,435
Actuarial loss - experience adjustments	249	72	321
Recognised other comprehensive income for the year ended 31 December 2015 before income tax charge of RR 374 million	1,796	72	1,868
Employer contributions for funded pension plan	-	(297)	(297)
Benefit payments (Funding NSPF pensions)	(438)	255	(183)
Benefit payments (Non-funded pension plan)	(295)	-	(295)
At 31 December 2015	9,470	(1,084)	8,386

	Present value of defined benefit obligations	Fair value of plan assets	Total
At 1 January 2014	9,243	(856)	8,387
Recognition assets related to the JSC DGK agreements	-	(35)	(35)
Current service cost	407	-	407
Interest expense / (income)	725	(70)	655
Past service cost	343	-	343
Curtailement in pension payment	(501)	-	(501)
Remeasurement effects (for other long-term benefits):			
Actuarial gain - changes in actuarial assumptions	(74)	-	(74)
Actuarial loss - experience adjustment	203	-	203
Recognised in profit or loss for the year ended 31 December 2014	1,103	(70)	1,033
Remeasurements (for post-employment benefits):			
Actuarial loss - change in demographic assumptions	72	-	72
Actuarial gain - change in financial assumptions	(2,190)	-	(2,190)
Actuarial loss - experience adjustments	361	18	379
Recognised other comprehensive income for the year ended 31 December 2014 before income tax charge of RR 347 million	(1,757)	18	(1,739)
Employer contributions for funded pension plan	-	(270)	(270)
Benefit payments (Funding NSPF pensions)	(400)	227	(173)
Benefit payments (Non-funded pension plan)	(315)	-	(315)
At 31 December 2014	7,874	(986)	6,888



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In December 2015 JSC DGK decided to partially reduce payments to the unemployed pensioners. Also in accordance with the new collective agreement some conditions and the amount of benefits to employees have changed. As a result the Group recognized RR 717 million gain for the year ended 31 December 2015 (RR 501 million for the year ended 31 December 2014) (Note 24).

Principal actuarial assumptions for the Group are as follows:

	31 December 2015	31 December 2014
Nominal discount rate	9.80%	13.00%
Inflation rate	6.00%	7.00%
Wage growth rate	7.50%	8.50%
Staff turnover	Staff turnover depending on age based on statistics for three years	
Mortality table	Russia-2013*	Russia-2011*

* Taking into account the pull down adjustment calculated based on statistical data of mortality for employees of the Group of age till 60 years old for years 2012–2015 (31 December 2014: 2012–2013)

The sensitivity of the defined benefit obligation to changes in the principal actuarial assumptions as at 31 December 2015 is presented below:

	Change in assumption	Effect on net liability	Effect on net liability, %
Nominal discount rate	+ 1%	(726)	-8%
	- 1%	852	9%
Inflation rate	+ 1%	548	6%
	- 1%	(469)	-5%
Wage growth rate	+ 1%	327	3%
	- 1%	(287)	-3%
Staff turnover	+ 3%	(940)	-10%
	- 3%	1,375	15%
Mortality Rates	+ 10%	(134)	-1%
	- 10%	145	2%

The Group expects to contribute RR 613 million to the defined benefit plans in 2015.

The weighted average duration of the defined benefit obligation of the Group is 9 years.

Retirement benefit plan parameters and related risks. The Group has liabilities under retirement benefit plans in Russia. The retirement benefit plan includes benefits of the following types: lump sum payment upon retirement, jubilee benefits paid at certain age or upon completion of a certain number of years of service, financial aid and compensation to cover funeral expenses in the event of an employee's or pensioner's death, financial aid provided to pensioners, pension benefits paid to former employees through the non-state pension fund (hereinafter referred to as the "NPF").

The amount of benefits depends on the period of the employees' service (years of service), salary level over the recent years preceding retirement, predetermined fixed amount or minimum tariff rate of remuneration or salary or a combination of these factors.

As a rule, the above benefits are indexed according to the inflation rate and salary growth for benefits that depend on the salary level, excluding the retirement benefits paid through NPF, which are not indexed for the inflation rate at the time the payment is made (following the retirement of employees, all risks are borne by NPF).

In addition to the inflation risk, all retirement benefit plans of the Group are exposed to mortality and survival risks.

Plan assets held on NPF's accounts are governed in accordance with the local legislation and regulatory practices.

The Group and NPF are severally liable for plans management, including investments decisions and the contribution schedule.

NPF invests the Group's funds in a diversified portfolio. When investing pension savings and placing the pension reserves, NPF is guided by the Russian legislation that provides a strict regulation with respect to the possible list of financial instruments and restricts their utilisation, which also leads to diversification and reduces investment risks.



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The Group transfers the obligation to pay lifelong non-state pension benefits to the Group's former employees to NPF and funds these obligations when awarding the pension. Therefore, the Group insures the risks related to payment of non-state pensions (investment risks and survival risks).

Note 18. Current and non-current debt

Non-current debt

	Effective interest rate	Due date	31 December 2015	31 December 2014
PJSC Sberbank	7.99–13.20% / MosPrime	2016–2027	47,865	48,473
Russian bonds (PJSC RusHydro) issued in February 2013	3M+2.10%			
	8.50%	2018*	20,635	20,628
EBRD	MosPrime 3M+1.50–3.45% / LIBOR6M+3.45%	2016–2027	20,280	18,560
Russian bonds (PJSC RusHydro) issued in July 2015	11.85%	2018	15,840	-
Russian bonds (PJSC RusHydro) issued in April 2011	8.00%	2016*	15,240	15,233
Russian bonds (PJSC RusHydro) issued in April 2015	12.75%	2017*	10,214	-
UniCredit Bank Austria AG	3.35%**	2017–2026	6,585	5,580
Crédit Agricole Corporate and Investment Bank Deutschland	Euribor 6M+0.625%	2018–2029	6,252	5,211
PJSC ROSBANK	10.40–12.34%	2016–2017	4,909	4,481
PJSC Bank VTB	8.39%	2018	4,522	4,522
ASIAN Development bank	LIBOR 6M+3.45%	2017–2026	1,787	1,437
Municipal authority of Kamchatka region	8.57%	2016–2034	1,535	2,526
Bayerische Landesbank	Euribor 6M+0.85%	2016–2025	1,212	965
Bank GPB (JSC)	12.49–14.49%	2016–2018	469	1,179
PJSC Bank Vozrozhdenie	15.00%	2017	440	-
Eurobonds (RusHydro Finance Ltd)	-	-	-	20,281
OJSC Bank of Moscow	-	-	-	7,536
Other long-term debt	-	-	964	1,112
Finance lease liabilities	-	-	2,262	2,313
Total			161,011	160,037
Less current portion of non-current			(25,159)	(39,937)
Less current portion of finance lease liabilities			(673)	(913)
Total non-current debt			135,179	119,187

* The bonds mature in 10 years with a put option to redeem them in 2018, 2016 and 2017 respectively.

** Fixed interest rate applied to 90 percent of the credit facility, to the rest 10 percent of the facility the quarterly variable export finance rate published by OeKB (Oesterreichische Kontrollbank AG) less 0.25 percent is applied.

Bonds issue (April 2015). In April 2015 the Group placed non-convertible ten years interest bearing bonds of series 09 with a nominal amount of RR 10,000 million. The term of the offer (period of redemption of bonds on request of their owners) – 2.5 years, coupon rate of 12.75 percent per annum was determined for the first 2.5 years only.

Bonds issue (July 2015). In July 2015 the Group placed market bonds with a nominal amount of RR 15,000 million for the purpose of refinancing the eurobonds issued in October 2010 and financing the investment programme of the Company. The maturity of the bonds – 3 years, coupon rate is 11.85 percent per annum.

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Current debt

	Effective interest rate	31 December 2015	31 December 2014
PJSC Sberbank	11.84–19.00%	19,668	3,331
Bank GPB (JSC)	12.14–16.80%	7,038	2,076
PJSC ROSBANK	12.00–22.00%	6,776	4,096
Bank «RRDB» (JSC)	12.77–14.00%	966	727
LLC AlstomRusHydroEnergy	-*	750	-
JSC Alfa-Bank	14.00%	501	851
PJSC Bank VTB	-	-	4,921
JSC Raiffeisenbank	-	-	598
Current portion of non-current debt	-	25,159	39,937
Current portion of finance lease liabilities	-	673	913
Other current debt	-	683	393
Total current debt and current portion of non-current debt		62,214	57,843
<i>Reference:</i>			
Interest payable		2,942	2,190

* The loan received from a related party, the joint venture of the Group (Note 6), the interest rate on this loan - 0.00 percent per annum.

Compliance with covenants. The Group is subject to certain covenants related primarily to its debt. As at 31 December 2015 and 31 December 2014 and during the reporting period the Group met all required covenant clauses of the credit agreements.

Finance lease liabilities. Minimum lease payments under finance leases and their present values are as follows:

	Due in 1 year	Due between 2 and 5 years	Due after 5 years	Total
Minimum lease payments as at 31 December 2015	706	1,116	4,546	6,368
Less future finance charges	(33)	(475)	(3,598)	(4,106)
Present value of minimum lease payments as at 31 December 2015	673	641	948	2,262
Minimum lease payments as at 31 December 2014	979	1,135	3,169	5,283
Less future finance charges	(66)	(276)	(2,628)	(2,970)
Present value of minimum lease payments as at 31 December 2014	913	859	541	2 313

Note 19. Other non-current liabilities

	31 December 2015	31 December 2014
Pension benefit obligations (Note 17)	8,386	6,888
Other non-current liabilities	6,165	4,307
Total other non-current liabilities	14,551	11,195

Note 20. Accounts payable and accruals

	31 December 2015	31 December 2014
Trade payables	33,475	31,914
Advances received	9,849	7,824
Settlements with personnel	8,410	7,714
Accounts payable under factoring agreements	4,071	1,376
Obligation to PJSC RAO ES East shares purchase (Note 15)	2,108	-
Dividends payable	86	88
Other accounts payable	2,308	2,642
Total accounts payable and accruals	60,307	51,558

All accounts payable and accruals are denominated in Russian Rubles.



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Note 21. Other taxes payable

	31 December 2015	31 December 2014
VAT	8,085	5,855
Insurance contributions	2,864	2,717
Property tax	2,159	2,404
Other taxes	927	937
Total other taxes payable	14,035	11,913

Note 22. Revenue

	Year ended 31 December 2015	Year ended 31 December 2014
Sales of electricity	254,518	239,543
Sales of heat and hot water	35,381	34,059
Sales of capacity	33,038	28,012
Other revenue	24,575	27,946
Total revenue	347,512	329,560

Other revenue includes revenue earned from transportation of electricity and heat, connections to the grid, rendering of construction, repairs and other services.

Note 23. Government grants

In accordance with legislation of the Russian Federation several companies of the Group are entitled to government subsidies for compensation of the difference between approved economically viable electricity and heat tariffs and actual reduced tariffs and for compensation of losses on purchased fuel. During the year ended 31 December 2015 the Group received government subsidies in the amount of RR 14,314 million (for the year ended 31 December 2014: RR 12,428 million) in the following subsidised territories: Kamchatsky territory, the Sakha Republic (Yakutia), Magadan Region and other Far East regions.



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Note 24. Operating expenses (excluding impairment losses)

	Year ended 31 December 2015	Year ended 31 December 2014
Employee benefit expenses (including payroll taxes and pension benefit expenses)	72,871	65,504
Purchased electricity and capacity	60,805	57,504
Fuel expenses	54,087	46,639
Electricity distribution expenses	42,663	41,282
Depreciation of property, plant and equipment and intangible assets	22,477	21,340
Taxes other than on income	9,792	9,008
Other materials	9,202	9,786
Third parties services, including:		
Repairs and maintenance	5,186	3,958
Services of subcontracting companies	4,438	3,742
Provision of functioning of electricity and capacity market	3,737	3,598
Security expenses	3,279	3,122
Purchase and transportation of heat power	3,102	2,874
Rent	2,111	2,033
Consulting, legal and information expenses	1,850	2,437
Insurance cost	1,572	1,229
Transportation expenses	1,108	1,007
Other third parties services	5,962	5,811
Loss on disposal of property, plant and equipment, net	3,366	1,288
Water usage expenses	2,844	2,656
Travel expenses	1,798	1,780
Social charges	1,445	2,274
Purchase of oil products for sale	673	425
Loss / (gain) on disposal of subsidiaries and associates	240	(28)
Curtailment in pension payment and pension plan	(717)	(501)
Other expenses	1,212	2,070
Total operating expenses (excluding impairment losses)	315,103	290,838

Note 25. Finance income, costs

	Year ended 31 December 2015	Year ended 31 December 2014
<i>Finance income</i>		
Interest income	9,620	7,407
Foreign exchange gain	2,316	1,404
Gain on derivative financial instruments	162	309
Income on discounting	132	109
Other income	83	90
Total finance income	12,313	9,319
<i>Finance costs</i>		
Interest expense	(5,762)	(4,879)
Foreign exchange loss	(1,744)	(3,218)
Expense on discounting	(885)	(1,438)
Finance lease expense	(241)	(115)
Loss on derivative financial instruments	(202)	-
Other costs	(910)	(1,018)
Total finance costs	(9,744)	(10,668)



Note 26. Earnings per share

	Year ended 31 December 2015	Year ended 31 December 2014
Weighted average number of ordinary shares issued (thousands of shares)	364,468,853	371,494,140
Profit for the period attributable to the shareholders of PJSC RusHydro	31,539	25,606
Earnings per share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	0.0865	0.0689

Note 27. Capital commitments

Capital commitments. In accordance with investment programme of the Company and separate investment programmes of subsidiaries, the Group has to invest RR 325,764 million for the period 2016-2018 for reconstruction of the existing and construction of new power plants (RR 341,208 million for the period 2015-2017). Currently there are plans on revision of investment programs of the Company and subsidiaries of the Group.

Capital commitments of the Group as at 31 December 2015 are as follows: 2016 year – RR 138,444 million, 2017 year – RR 111,909 million, 2018 year – RR 75,411 million.

Future capital expenditures are mainly related to reconstruction of equipment of power plants: Saratovskaya HPP in the amount of RR 21,228 million, Volzhskaya HPP in the amount of RR 19,108 million, Zhigulevskaya HPP in the amount of RR 12,720 million; and to construction of power plants: Sakhalin GRES-2 in the amount of RR 25,068 million, Zaramagskie HPP in the amount of RR 23,761 million, Ust'-Srednekanskaya HPP in the amount of RR 14,489 million, Nizhne-Bureiskaya HPP in the amount of RR 10,282 million, HPP in Sovetskaya Gavan in the amount of RR 9,838 million, Yakutskaya GRES-2 in the amount of RR 9,231 million.

Note 28. Contingencies

Social commitments. The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services, recreation and other social needs in the geographical areas in which it operates.

Insurance. The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed for those risks for which it does not have insurance.

Legal proceedings. The Group's subsidiaries are parties to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the position of the Group.

Tax contingencies. Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities, in particular, the way of accounting for tax purposes of some income and expenses of the Group as well as deductibility of input VAT from suppliers and contractors. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is to a large extent aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). This legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length.

During 2015 the Group's subsidiaries had controlled transactions and transactions which highly probably will be considered by tax authorities to be controlled based on the results of the year 2015. Management has implemented internal controls to be in compliance with the new transfer pricing legislation.



Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

Management believes that as at 31 December 2015 its interpretation of the relevant legislation was appropriate and the Group's tax position would be sustained.

New provisions aimed at deoffshorisation of Russian economy have been added to the Russian tax legislation and are effective from 1 January 2015. Specifically, they introduce new rules for controlled foreign companies, a concept of beneficiary owner of income for the purposes of application of preferential provisions of taxation treaties of the Russian Federation, a concept of tax residency for foreign persons and taxation of indirect sale of Russian real estate assets.

The Group is currently assessing the effects of new tax rules on the Group's operations and takes necessary steps to comply with the new requirements of the Russian tax legislation. However, in view of the recent introduction of the above provisions and insufficient related administrative and court practice, at present the probability of claims from Russian tax authorities and probability of favourable outcome of tax disputes (if they arise) cannot be reliably estimated. Tax disputes (if any) may have an impact on the Group's financial position and results.

Environmental matters. The Group's subsidiaries and their predecessor entities have operated in the utilities industry in the Russian Federation for many years. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group's subsidiaries periodically evaluate their obligations under environmental regulations. Group accrued assets retirement obligation for ash dumps used by the Group which is included in other non-current liabilities and other accounts payable and comprised RR 683 million as at 31 December 2015 (31 December 2014: RR 653 million).

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Guarantees. The Group has issued guarantees for CJSC Boguchansky Aluminium Plant in favour of its suppliers for future equipment deliveries and for OJSC Boguchanskaya HPP in favour of the State Corporation Vnesheconombank for the loan facility:

Counterparty	31 December 2015	31 December 2014
<i>for OJSC Boguchanskaya HPP:</i>		
State Corporation Vnesheconombank	27,398	28,106
<i>for CJSC Boguchansky Aluminium Plant:</i>		
ALSTOM Grid SAS	77	134
Total guarantees issued	27,475	28,240

Note 29. Financial risk management

The risk management function within the Group is carried out in respect of financial and operational risks. Financial risk comprise market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to provide reasonable assurance for achievement of the Group's objectives by establishing Group's overall framework, identifying, analyzing and evaluating risks, establishing risk limits, and then ensuring that exposure to risks stays within these limits and in case of exceeding these limits to impact on the risks.

In order to optimise the Group's exposure to risks, the Company constantly works on their identification, assessment and monitoring, as well as the development and implementation of activities which impact on the risks, business continuity management and insurance, seeks to comply with international and national standards of advanced risk management (COSO ERM 2004, ISO 31000 and others), increases the culture of risk management and continuously improves risk management.



Credit risk. Credit risk is the risk of financial loss for the Group in the case of non-fulfillment by the Contractor of the obligations on the financial instrument under the proper contract. Exposure to credit risk arises as a result of the Group's sales of products on credit terms and other transactions with counterparties giving rise to financial assets.

The Group's maximum exposure to credit risk by class of assets is reflected in the carrying amounts of financial assets in the Note 32.

Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provision for impairment of receivables already recorded.

There is no independent rating for the Group's customers and therefore the Group considers the credit quality of customers at the contract execution stage. The Group considers their financial position and credit history. The Group monitors the existing receivables on a continuous basis and takes actions regularly to ensure collection or to minimise losses.

To reduce the credit risk in the wholesale electricity and capacity markets the Group has introduced marketing policy and procedure to calculate internal ratings of counterparties in the unregulated market, based on the frequency of default, and to establish limits based on the rating of the customers' portfolio.

The Group's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Management therefore considers it appropriate to provide past due accounts receivable and other information about credit risk as disclosed in Note 12.

Cash has been deposited in the financial institutions with no more than minimal exposure to the default risk at the time of account opening. Management of the Group approved the list of banks for deposits, as well as rules for their placement. Moreover, management constantly evaluates the financial condition, ratings assigned by independent agencies, background and other factors of such banks.

The tables in Notes 10, 11 and 14 show deposits with banks and other financial institutions and their ratings at the end of the reporting period.

Credit risk for financial guarantees is defined as the possibility of sustaining a loss as a result of another party to a financial instrument failing to perform in accordance with the terms of the contract. The Group uses the same credit policies in assuming conditional obligations as it does for other financial instruments, through established credit approvals, risk control limits and monitoring procedures.

The Group's maximum exposure to credit risk for financial guarantees was RR 27 475 million as at 31 December 2015 (31 December 2014: RR 28,240 million) (Note 28).

Market risk. The Group takes on exposure to market risks. Market risks arise from open positions in (i) foreign currencies, (ii) interest bearing assets and liabilities, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated.

Currency risk. Electricity and capacity produced by the Group is sold on the domestic market of the Russian Federation at the prices fixed in Russian Rubles. Hence, the Group does not have significant foreign currency exchange risk. The financial condition of the Group, its liquidity, financing sources and the results of operations do not considerably depend on currency rates as the Group operations are planned to be performed in such a way that its assets and liabilities are to be denominated in the national currency.



The table below summarises the Group's exposure to foreign currency exchange rate risk:

	31 December 2015			31 December 2014		
	Monetary financial assets	Monetary financial liabilities	Net balance sheet position	Monetary financial assets	Monetary financial liabilities	Net balance sheet position
USD	6,409	(3,735)	2,674	3,300	(5,464)	(2,164)
EUR	61	(14,335)	(14,274)	2,310	(12,292)	(9,982)
Other	114	-	114	25	-	25
Total	6,584	(18,070)	(11,486)	5,635	(17,756)	(12,121)

The above analysis includes only monetary assets and liabilities. Equity investments and non-monetary assets are not considered to give rise to any material currency risk.

There is no significant effect of the changes of foreign currency rates on the Group's financial position.

Interest rate risk. The Group's operating profits and cash flows from operating activities are not dependent largely on the changes in the market interest rates. Borrowings issued at variable rates (Note 18) expose the Group to cash flow interest rate risk.

The Group obtains debt financing with floating rates, which are established on the basis of the MOSPRIME, Euribor, Libor rates.

As at 31 December 2015, had interest rates at that date been 3 percent higher (31 December 2014: 6 percent higher), with all other variables held constant, profit for the year ended 31 December 2015 and the amount of capital that the Group managed as at 31 December 2015 would have been RR 889 million (31 December 2014: RR 2 093 million) lower, mainly as a result of higher interest expense on variable interest liabilities.

The Group monitors interest rates for its financial instruments. Effective interest rates are disclosed in Note 18.

For the purpose of interest risk reduction the Group makes the following arrangements:

- credit market monitoring to identify favourable credit conditions,
- diversification of credit portfolio by raising of borrowings with fixed rates and floating rates.

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding from an adequate amount of committed credit facilities. The Group adheres to the balanced model of financing of working capital – both at the expense of short-term sources and long-term sources. Temporarily free funds are placed into short-term financial instruments, mainly bank deposits and short-term bank promissory notes. Current liabilities are represented mainly by the accounts payable to suppliers and contractors.

The Group has implemented a control system under its contract conclusion process by introducing and applying typical financial arrangements which include standardised payment structure, payment deadlines, percentage ratio between advance and final settlement, etc. In such a manner the Group controls capital maturity.

The table below shows liabilities as at 31 December 2015 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges). Such undiscounted cash flows differ from the amount included in the Consolidated Statement of Financial Position because this amount is based on the discounted cash flows.



(in millions of Russian Rubles unless noted otherwise)

The maturity analysis of financial liabilities as at 31 December 2015 is as follows:

	2016 year	2017 year	2018 year	2019 year	2020 year	Starting from year 2021
Liabilities						
Current and non-current debt	74,633	33,577	65,664	8,313	28,242	38,978
Trade payables (Note 20)	33,475	-	-	-	-	-
Accounts payable under factoring agreements (Note 20)	4,071	-	-	-	-	-
Obligation to PJSC RAO ES East shares purchase (Note 20)	2,108	-	-	-	-	-
Financial guarantees (Note 28)	712	771	1,008	1,269	1,537	22,178
Dividends payable (Note 20)	86	-	-	-	-	-
Finance lease liabilities (Note 18)	706	442	267	203	204	4,546
Net settled derivatives	32	26	17	10	4	-
Total future payments, including principal and interest payments	115,823	34,816	66,956	9,795	29,987	65,702

The maturity analysis of financial liabilities as at 31 December 2014 is as follows:

	2015 year	2016 year	2017 year	2018 year	2019 year	Starting from year 2020
Liabilities						
Current and non-current debt	67,650	30,036	10,676	44,154	12,325	64,984
Trade payables (Note 20)	31,914	-	-	-	-	-
Accounts payable under factoring agreements (Note 20)	1,376	-	-	-	-	-
Financial guarantees (Note 28)	842	636	771	1,008	1,269	23,714
Dividends payable (Note 20)	88	-	-	-	-	-
Finance lease liabilities (Note 18)	979	449	367	192	127	3,169
Net settled derivatives	103	118	65	36	20	7
Total future payments, including principal and interest payments	102,952	31,239	11,879	45,390	13,741	91,874
Liabilities of disposal group	496	-	-	-	-	-

Note 30. Management of capital

Compliance with Russian legislation requirements and capital cost reduction are key objectives of the Group's capital risk management.

The following capital requirements have been established for joint stock companies by the legislation of the Russian Federation:

- share capital cannot be lower than 1,000 minimum shares on the date of the company's registration;
- if the share capital of the entity is more than the statutory net assets of the entity, such entity must decrease its share capital to the value not exceeding its net assets;
- if the minimum allowed share capital is more than the statutory net assets of the entity, such entity is subject to liquidation.

As at 31 December 2015 and 31 December 2014 the Company was in compliance with the above share capital requirements.

The Group's objectives in respect of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The amount of capital that the Group managed as at 31 December 2015 was RR 613,919 million (31 December 2014: RR 595,151 million).

Consistent with others in the energy industry, the Group monitors the gearing ratio, that is calculated as the total debt divided by the total capital. Debt is calculated as a sum of non-current and current debt, as shown in the Consolidated Statement of Financial Position. Total capital is equal to the total equity, as shown in the



Consolidated Statement of Financial Position. The gearing ratio was 0.32 as at 31 December 2015 (31 December 2014: 0.30).

Note 31. Fair value of assets and liabilities

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) Level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) Level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) Level 3 measurements are valuations not based on observable market data (that is, unobservable inputs).

a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

31 December 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale financial assets	6,057	-	37	6,094
Non-financial assets				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	480,692	480,692
Total assets recurring fair value measurements	6,057	-	480,729	486,786
31 December 2014				
Financial assets				
Available-for-sale financial assets	4,055	-	77	4,132
Non-financial assets				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	451,262	451,262
Total assets recurring fair value measurements	4,055	-	451,339	455,394

As at 31 December 2015 and 31 December 2014 the Group's liabilities measured at fair value are not significant.

The valuation technique, inputs used in the fair value measurement for significant Level 3 measurements and related sensitivity to reasonably possible changes in those inputs are as follows at 31 December 2015:

	Fair value	Valuation technique	Significant unobservable inputs	Reasonable change	Sensitivity of fair value measurement
Non-financial assets					
Property, plant and equipment (except for construction in progress, office buildings and land)	480,692	Discounted cash flows	Electricity and capacity prices Discount rate Capital expenditures	-10% +1% +10%	(21,696) (14,628) (3,914)
Total recurring fair value measurements at Level 3	480,692				(40,238)

The above tables discloses sensitivity to valuation inputs for property, plant and equipment as changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly.

There were no changes in valuation technique for Level 3 recurring fair value measurements during the years ended 31 December 2015 and 31 December 2014.

(b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Financial assets carried at amortised cost. The Group considers that the fair value of cash, short term deposits (Level 1 of the fair value hierarchy) and accounts receivable (Level 3 of the fair value hierarchy) approximates their carrying value. The fair value of long term accounts receivable, other non-current and current assets is estimated based on future cash flows expected to be received including expected losses (Level 3 of the fair value hierarchy), the fair value of these assets approximates their carrying value.



(in millions of Russian Rubles unless noted otherwise)

Liabilities carried at amortised cost. The fair value of floating rate liabilities approximates their carrying value. The fair value of bonds is based on quoted market prices (Level 1 of the fair value hierarchy). Fair value of the fixed rate liabilities is estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity (Level 3 of the fair value hierarchy).

The fair value of current liabilities carried at amortised cost approximates their carrying value.

As at 31 December 2015 the carrying value of bonds exceeded their fair value by RR 763 million. As at 31 December 2014 the carrying value of bonds exceeded their fair value by RR 2,527 million.

As at 31 December 2015 the carrying value of non-current fixed rate debt exceeded their fair value by RR 7,121 million. As at 31 December 2014 the carrying value of non-current fixed rate debt exceeded their fair value by RR 7,319 million.

Note 32. Presentation of financial instruments by measurement category

The following table provides a reconciliation of classes of financial assets with the measurement categories of IAS 39, *Financial Instruments: Recognition and Measurement* as at 31 December 2015:

	Loans and receivables	Available-for-sale financial assets	Total
Assets			
Other non-current assets (Note 10)	7,896	-	7,896
Promissory notes	7,218	-	7,218
Long-term loans issued	633	-	633
Net settled derivatives	45	-	45
Available-for-sale financial assets (Note 9)	-	6,094	6,094
Trade and other receivables (Note 12)	38,383	-	38,383
Trade receivables	34,917	-	34,917
Promissory notes receivable	9	-	9
Other financial receivables	3,457	-	3,457
Other current assets (Note 14)	22,291	-	22,291
Deposits and promissory notes	19,532	-	19,532
Short-term loans issued	2,728	-	2,728
Net settled derivatives	31	-	31
Cash and cash equivalents (Note 11)	48,025	-	48,025
Total financial assets	116,595	6,094	122,689
Non-financial assets			814,660
Non-current assets and assets of disposal group classified as held for sale			788
Total assets			938,137

All of the Group's financial liabilities are carried at amortised cost. Financial liabilities are represented mainly by the current and non-current debt (Note 18), trade payables and other account payable (Note 20).

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The following table provides a reconciliation of financial assets with the measurement categories as at 31 December 2014:

	Loans and receivables	Available-for-sale financial assets	Total
Assets			
Other non-current assets (Note 10)	7,297	-	7,297
Promissory notes	6,158	-	6,158
Deposits	585	-	585
Long-term loans issued	373	-	373
Net settled derivatives	181	-	181
Available-for-sale financial assets (Note 9)	-	4,132	4,132
Trade and other receivables (Note 12)	35,113	-	35,113
Trade receivables	32,288	-	32,288
Promissory notes receivable	13	-	13
Other financial receivables	2,812	-	2,812
Other current assets (Note 14)	41,703	-	41,703
Deposits and promissory notes	40,122	-	40,122
Short-term loans issued	1,484	-	1,484
Net settled derivatives	97	-	97
Cash and cash equivalents (Note 11)	34,394	-	34,394
Total financial assets	118,507	4,132	122,639
Non-financial assets			760,467
Non-current assets and assets of disposal group classified as held for sale			664
Total assets			883,770

Note 33. Subsequent events

As at 28 January 2016 the Group subsidiary - PJSC RAO ES East accounted for the shares repurchased from shareholders who voted against decision on approval of large-scale deals or who did not participate in voting within the extraordinary General Shareholders meeting held at 12 November 2015. 22,282,264 ordinary nominal uncertified shares and 3,608,736 preference nominal uncertified shares were repurchased.

Shareholders accepted terms of the voluntary offer up to 18 January 2016 transferred PJSC RAO ES East shares to the account of LLC Vostok-Finance during the period from 19 January 2016 to 2 February 2016. Based on the voluntary offer LLC Vostok-Finance bought 4,707,066,939 ordinary shares and 341,828,698 preference shares of PJSC RAO ES East which amount to 11.11 percent of voting shares. PJSC RAO ES East shareholders received 2,934,258,766 shares of the Company and RR 30 million as a compensation for purchased shares.

The voluntary offer resulted to the Group share in PJSC RAO ES East capital exceeding 95 percent. According to legislation share in share capital of more than 95 percent entitles squeeze out to increase the Group share up to 100 percent, which right the Group is going to exercise.