

December 18, 2013

Results of the Board of Directors on December 16, 2013

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on December 16, 2013.

The Board of Directors approved the list of the Company's insurers for 2014:

| No. | Type of insurance | Insurer |
|------------|--|---|
| 1 | Property insurance | JSC SOGAZ Address: 107078, Moscow, AkademikaSakharova Prospect, 10 |
| 2 | Insurance against construction and assembly risks | OJSCI Ingosstrakh Address: 117997, Moscow, Pyatnitskayast., 12/2 |
| 3 | Construction liability insurance. Voluntary liability insurance of property owner. | "SAK "ENERGOGARANT", JSC Address: 115035, Moscow, SadovnicheskayaNaberezhnaya, 23 |
| 4 | Voluntary medical insurance | OJSC IC Allianz Address: 115184, Moscow, OzerkovskayaNaberezhnaya, 30 |
| 5 | Accident and sickness insurance | OJSC IC Allianz Address: 115184, Moscow, OzerkovskayaNaberezhnaya, 30 |
| 6 | Mandatory liability insurance of hazardous facilities owners from damage caused by the accidents | JSC AlfaStrakhovanie Address: 115162, Moscow, Shabolovkast., 31B |
| 7 | Terrorism general liability insurance | JSC SOGAZ Address: 107078, Moscow, AkademikaSakharova Prospect, 10 |
| 8 | Mandatory liability insurance of vehicle owners | "SAK "ENERGOGARANT", JSC Address: 115035, Moscow, SadovnicheskayaNaberezhnaya, 23 |
| 9 | Voluntary liability insurance of vehicle owner | "SAK "ENERGOGARANT", JSC Address: 115035, Moscow, SadovnicheskayaNaberezhnaya, 23 |
| 10 | Auto insurance | "SAK "ENERGOGARANT", JSC Address: 115035, Moscow, SadovnicheskayaNaberezhnaya, 23 |
| 11 | Voluntary liability insurance of ship owner | "SAK "ENERGOGARANT", JSC |

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| | | Address: 115035, Moscow, Sadovnicheskaya Naberezhnaya, 23 |
| 12 | Water carriers insurance | "SAK "ENERGOGARANT", JSC Address: 115035, Moscow, Sadovnicheskaya Naberezhnaya, 23 |
| 13 | Directors' and officers' liability insurance | Ingosstrakh Insurance Company Address: 117997, Moscow, Pyatnitskayast., 12/2 |

The Board of Directors approved the Insurance Program of RusHydro for 2014.

The insurance coverage expenses for the next year increased by 0.5% according to the document. The slight increase in insurance expenses is driven by the coverage extension, increase in the Company's assets, insurance cost and expenses for additional health insurance of employees.

The Board of Directors approved payment of the membership fee to the National sectorial association of power industry employers in the amount of RUR 2.1 mn in 2013 and RUR 5.6 mn in 2014 aimed at development of 11 professional electric power standards describing the key types of operations at hydropower facilities. These standards should be developed in accordance with the requirements of the federal legislation and labor code of the Russian Federation.

The Board of Directors approved voluntary medical insurance agreement between RusHydro and SK Alliance, qualified as an interested party transaction, and determined the price limit of the agreement in the amount of RUR 49,833,925.50, VAT free.

The Board of Directors approved the agreement on voluntary group health and accident insurance between RusHydro and SK Alliance, qualified as an interested party transaction, and determined the price limit of the agreement in the amount of RUR 3,422,178.20, VAT free.

These agreements will be effective from January 1 to December 31, 2014.

The Board of Directors approved the agreement between RusHydro and JSC Lenhydroproject for R&D and technological works aimed at creation and testing of experimental asynchronous generator for HPPs and PSPPs with variable speed (1st stage), qualified as an interested party transaction, and determined the price limit of the agreement in the amount of RUR 135,328,421.16, including VAT in the amount of RUR 20,643,318.48).

According to the agreement structures of RusHydro's PSPPs both under operation and under construction should be adjusted to implement the asynchronous generators. These works are aimed to increase power efficiency and reliability of hydropower units and pumped storage plants of RusHydro. JSC Lenhydroproject has been selected for based on the results of tender.

The Board of Directors approved the addendum to the agreement between RusHydro and JSC Lenhydroproject, qualified as an interested party transaction, and determined the price of the

agreement together with the addendum in the amount of RUR 302,227,358.77 (including VAT in the amount of RUR 46,102,478.46).

According to the agreement Lenhydroproject develops the project of comprehensive reconstruction of Maynskiy hydropower complex of the Sayano-Shushenskaya HPP. The comprehensive reconstruction of Maynskiy hydropower complex is included in the Company's Investment program; the works are financed in 2013.

The Board of Directors approved the agreement between RusHydro and JSC Lenhydroproject for pre-project studies and project development of automatic seismic network for power facilities of Dagestansky branch of RusHydro: the Irganayskaya, Miatlinskaya, Gelbakhskaya, Gergebilskaya, Gubnibskaya HPPs, Chiruyrtskaya HPP-1, Chiruyrtskaya HPP-2, qualified as an interested party transaction, and determined the price of this agreement in the amount of RUR 7,669,998.82, including VAT in the amount of RUR 1,169,999.82.

The Board of Directors approved the agreement between RusHydro and JSC Lenhydroproject for pre-project studies and project development of replacement of repair gates of deep-water service spillway with emergency spillways; and implementation of automated system of water level control in the reservoir of the Gubninskaya HPP, qualified as an interested party transaction, and determined the price of this agreement in the amount of RUR 3,538,742.12, including VAT in the amount of RUR 539,808.12.

The Board of Directors approved the agreement between RusHydro and JSC Lenhydroproject for project development of reconstruction of water receiver set floor in order to protect the Irganayskaya HPP from rock fall and flow, qualified as an interested party transaction, and determined the price of this agreement in the amount of RUR 11,771,338.47, including VAT in the amount of RUR 1,795,627.90.

The Board of Directors approved the agreement between RusHydro and JSC Lenhydroproject for pre-project studies and project development of automatic seismic network for the Gubnibskaya, Gergebilskaya and Miatlinskaya HPP, qualified as an interested party transaction, and determined the price of this agreement in the amount of RUR 7,080,000.00, including VAT in the amount of RUR 1,080,000.00.

The Board of Directors approved the agreement between RusHydro and JSC Lenhydroproject for pre-project studies and project development of drainage barrier and piezometric system installation in the dam site of the Gergebilskaya HPP, qualified as an interested party transaction, and determined the price of this agreement in the amount of RUR 1,769,641.28, including VAT in the amount of RUR 269,945.28.

The Board of Directors approved the agreement between RusHydro and JSC Lenhydroproject for project development of modernization of vibration monitoring of the Bureyskaya HPP hydropower units, qualified as an interested party transaction, and determined the price of this agreement in the amount of RUR 7,628,493.50, including VAT in the amount of RUR 1,163,668.50.

The Board of Directors approved RusHydro's procurement plan for 2014.

Earlier the procurement plan was recommended for approval by the management of the Company. The procurement plan was developed in compliance with the latest changes in Russian legislation and is aimed to increase the transparency and control of procurement process.

The Board of Directors commissioned Evgeny Dod, Chairman of the Management Board of RusHydro to:

- Establish within 45 days an advisory body responsible for examination of the procurements efficiency.
- Ensure maximum transparency of the Advisory Body;
- Develop, with the participation of representatives of the Advisory Body, adopt and put into force the provisions for the procedure and the rules for implementation of innovative solutions in the activities of the customer;
- Monitor the effectiveness of the "one window" system of JSC RusHydro for the introduction of innovative products and results of research, development and engineering operations of small and medium-sized businesses, as well as ensure the mutual exchange of technologies;
- Include in the provisions for procurement or other administrative documents of JSC RusHydro, while approving the specifics of procurement from small and medium businesses in separate documents, an obligation concerning the annual allocation in the structure of procurement for the purchase of lots of innovative products instead of traditional ones in an amount not less than 20% of the annual procurement type (kind) of standard products, which may be substituted with innovative products developed by small and medium-sized businesses that pass an assessment of compliance with safety and reliability in accordance with the provisions on the procedure and the rules for implementation of innovative solutions, as well as under the following conditions:
 - In the absence of innovative proposals under the procurement procedures, standard products shall be purchased, which shall be specified in the procurement documentation;
 - Information on plans for the formation of lots for the purchase of innovative products instead of traditional ones shall be made freely available on the website of JSC RusHydro and on the federal website of support and development of small and medium enterprises in the Russian Federation.
- Incorporate changes in the provisions for procurement or other administrative documents of JSC RusHydro, in which the participants making purchases are only small and medium businesses, stipulating:
 - The customer is required to provide small and medium-sized businesses with the right to select conditions to secure an application between a bank guarantee and cash collateral, and also introduce additional (to the bank guarantee and cash collateral) conditions to ensure the application and provision to small and medium-sized businesses of the choice of conditions to ensure the application;
 - The customer is required to return applications not later than 7 business days after the day of summing up all procurement participants being small and medium-sized businesses, except those winning 1st and 2nd place in the procurement results;

- The customer is required to return the applications of the small and medium-sized businesses that took 1st and 2nd place in the procurement results within 7 business days after signing the contract;
 - The customer is obliged to limit the period from the date of summarizing the procurement results to signing the contract with small and medium-sized businesses to no more than 20 business days;
 - The customer is obliged to establish the maximum period of payment for works performed after signing the closing documents for contracts under which the contractor is a small and medium-sized business at no more than 10 business days, and for products that provide deferred payment as security for the obligations of the supplier (contractor, performer), at no more than 10 business days from the date of fulfillment of obligations secured by deferred payment;
 - Provide the possibility to ensure the transfer of claims under contracts with small and medium-sized businesses and customers in favor of financial/credit institutions (factoring);
- Develop, in conjunction with the Ministry of Energy of Russia and associations of small and medium-sized businesses, pilot partnership programs taking into consideration methodological recommendations on the implementation of pilot partnership programs between customers and small and medium businesses within 45 days after their approval by federal executive authorities. Ensure the expeditious adoption of pilot programs and the Start of their implementation with small and medium-sized businesses.
 - Develop and implement for the management of JSC RusHydro a mandatory performance indicator criterion - the share of purchases from small and medium-sized businesses, including the procurement of innovative goods (works, services), research, development and engineering operations (hereinafter, the share of purchases). The share purchases must be determined based on customer generated quarterly statistical information on the participation of small and medium enterprises in the procurement of customers, including the procurement of innovative goods (works, services), research, development and engineering operations. In this regard, systemic incentives (penalties) must be introduced for the performance (non-performance) of the performance indicator criteria for the management (in conjunction with the financial performance of JSC RusHydro);
 - Edit the documents of JSC RusHydro on the formation of relevant statistical information and inclusion in the performance indicator criteria for the top management of JSC RusHydro of mandatory parameters characterizing the innovative development of the company:
 - Labor productivity growth of at least 5% per year until achieving in 2018 industry-average values typical for similar foreign companies;
 - Energy savings of at least 5 % per year until achieving in 2018 industry-average values typical for similar foreign companies;
 - A level of environmentalism in the production of goods and performance of works at a level not lower than the values typical of similar foreign companies.
 - Increase the share of electronic procurement in the total annual amount of public competitive procurement:
 - in an amount no less than 40% by 12/31/2014,
 - in an amount no less than 45 % by 12/31/2015,

- in an amount no less than 50 % by 12/31/2016,
- in an amount no less than 60 % by 12/31/2017,
- in an amount no less than 70 % by 12/31/2018.
- Develop proposals for simplification for small and medium-sized businesses in the procurement procedures of JSC RusHydro by abridging, simplifying and reducing to standardized forms the documentation required for the participation of small and medium-sized businesses in the procurement of customers.
- Develop a methodology for determining the life cycle of products, operations and services that are the subject of procurement;
- Develop and implement procurement procedure criteria for evaluating and comparing applications on the "life cycle cost of the goods or objects created as a result of work", with the ability to conclude, based on the results, a life cycle procurement contract on the basis of a developed methodology for procurement of innovative products (including in place of traditional ones), and for the procurement of high-tech and/or the technically complex products;
- Ensure the procurement of innovative products (including in place of traditional ones), as well as high-tech, technically complex products using the criterion of "life cycle cost of the goods or objects created as a result of work", with the ability to conclude a life cycle contract;
- Ensure the formation of the corresponding section in the Company's annual report on the effectiveness of the customer's procurement system, including in respect to purchases from small and medium-sized businesses.

The Board of Directors approved the amendments to the decision on issue of series 09 and 10 bonds in the amount of 20 mn with par value of RUR 1,000 each and total value of RUR 20 bn, and also approved the amendments to the securities Prospectus.

The amendments provide for extension of bonds placement period for one calendar year till December 27, 2014, following changes in the legislation on securities market.

This extension will allow the Company to place bonds timely in case of favorable market conditions in 2014.

The Board of Directors commissioned RusHydro's representatives to approve at the General Meeting of shareholders of the following subsidiaries the agreements with general contractors for construction of new generating facilities in the Far East; and determined the price limits of these agreements:

- CJSC TPP in Sovetskaya Gavan' with the price limit of the agreement in the amount of RUR 15,983,138,140.00, including VAT;
- CJSC Blagoveschenskaya TPP with the price limit of the agreement in the amount of RUR 7,916,507,675.00, including VAT;
- CJSC Yakutskaya HPP No.2 with the price limit of the agreement in the amount of RUR 19,687,878,450.00, including VAT.

The Board of Directors commissioned RusHydro's representatives to approve at the General Meeting of shareholders of CJSC Yakutskaya HPP No.2 the agreement with supplier of the

equipment and determined the price limits of this agreement in the amount of RUR 4,008,863,898.73, including VAT.

The general contractors and supplier of the equipment will be determined in December 2013 based on the results of tenders. The agreements with the winners of tenders will be signed after approval of project documentation by the Federal main directorate for government expert evaluation (Glagosexpertisa). The payment for services of the general contractors and suppliers of the equipment from the federal funds, allocated by the government in accordance with the President's decree, will start after all necessary examinations and approvals.

The Board of Directors approved the collective agreement of RusHydro's branches for 2014-2016 and commissioned the Directors of these branches to hold the conferences in order to approve the collective agreements until December 31, 2013.

Current collective agreement for 2011-2013 was approved by the Board of Directors in 2010; all collective agreements of RusHydro's branches expire on December 31, 2013.

About RusHydro:

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 36.5 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 67.1% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on the MICEX and RTS stock exchanges, and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

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The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of RusHydro. One can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might," the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially from these statements.

We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia and rapid technological and market changes in our industries, as well as many other risks specifically related to RusHydro and its operations.