



RUSHYDRO GROUP

**Condensed Consolidated Interim
Financial Information (Unaudited)
prepared in accordance with IAS 34**

As at and for the three months ended 31 March 2016

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RusHydro Group
Condensed Consolidated Interim Statement of Financial Position (unaudited)
(in millions of Russian Rubles unless noted otherwise)



	Note	31 March 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant and equipment	6	753,149	744,585
Investments in associates and joint ventures		14,495	14,142
Available-for-sale financial assets	7	9,978	6,094
Deferred income tax assets		5,531	5,486
Other non-current assets	8	21,099	21,402
Total non-current assets		804,252	791,709
Current assets			
Cash and cash equivalents	9	61,165	48,025
Income tax receivable		838	1,396
Accounts receivable and prepayments	10	54,478	49,646
Inventories	11	21,451	23,999
Other current assets	12	16,531	22,574
		154,463	145,640
Non-current assets and assets of disposal group classified as held for sale		-	788
Total current assets		154,463	146,428
TOTAL ASSETS		958,715	938,137
EQUITY AND LIABILITIES			
Equity			
Share capital	13	386,255	386,255
Treasury shares		(22,578)	(26,092)
Share premium		39,202	39,202
Retained earnings and other reserves		224,474	203,114
Equity attributable to the shareholders of PJSC RusHydro		627,353	602,479
Non-controlling interest		7,977	11,440
TOTAL EQUITY		635,330	613,919
Non-current liabilities			
Deferred income tax liabilities		37,814	37,034
Non-current debt	15	134,705	135,179
Other non-current liabilities		12,570	14,551
Total non-current liabilities		185,089	186,764
Current liabilities			
Current debt and current portion of non-current debt	15	61,534	62,214
Accounts payable and accruals	16	58,082	60,307
Current income tax payable		2,146	898
Other taxes payable	17	16,534	14,035
Total current liabilities		138,296	137,454
TOTAL LIABILITIES		323,385	324,218
TOTAL EQUITY AND LIABILITIES		958,715	938,137

Chairman of Management Board – General Director

N. G. Shulginov

Acting Chief Accountant

K. V. Permyakov



23 June 2016

RusHydro Group
Condensed Consolidated Interim Income Statement (unaudited)
(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2016	Three months ended 31 March 2015
Revenue	18	104,404	94,614
Government grants	19	3,303	3,054
Other operating income		241	933
Operating expenses (excluding impairment losses)	20	(86,951)	(84,797)
Operating profit excluding impairment losses		20,997	13,804
Impairment of accounts receivable, net		(1,362)	(1,291)
Impairment of property, plant and equipment		(777)	-
Operating profit		18,858	12,513
Finance income	21	2,590	4,258
Finance costs	21	(2,263)	(2,411)
Profit in respect of associates and joint ventures		484	615
Profit before income tax		19,669	14,975
Total income tax expense	14	(4,622)	(3,113)
Profit for the period		15,047	11,862
Attributable to:			
Shareholders of PJSC RusHydro		14,168	11,764
Non-controlling interest		879	98
Earnings per ordinary share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)			
	22	0.0387	0.0323
Weighted average number of shares outstanding – basic and diluted (millions of shares)			
	22	366,339	364,469

RusHydro Group
Condensed Consolidated Interim Statement of Comprehensive Income (unaudited)
(in millions of Russian Rubles unless noted otherwise)



	Three months ended 31 March 2016	Three months ended 31 March 2015
Profit for the period	15,047	11,862
Other comprehensive income / (loss), net of tax:		
<i>Items that will not be reclassified to profit or loss</i>		
Other comprehensive income / (loss)	731	(8)
Total items that will not be reclassified to profit or loss	731	(8)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Income arising on available-for-sale financial assets	3,865	1,955
Total items that may be reclassified subsequently to profit or loss	3,865	1,955
Other comprehensive income for the period	4,596	1,947
Total comprehensive income for the period	19,643	13,809
Attributable to:		
Shareholders of PJSC RusHydro	18,749	13,707
Non-controlling interest	894	102

RusHydro Group
Condensed Consolidated Interim Statement of Cash Flows (unaudited)
(in millions of Russian Rubles unless noted otherwise)



	Note	Three months ended 31 March 2016	Three months ended 31 March 2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		19,669	14,975
Depreciation of property, plant and equipment and intangible assets	6, 20	6,194	5,683
Loss on disposal of property, plant and equipment, net	20	11	94
Profit in respect of associates and joint ventures		(484)	(615)
Other operating income		(241)	(933)
Finance income	21	(2,590)	(4,258)
Finance costs	21	2,263	2,411
Impairment of property, plant and equipment		777	-
Impairment of accounts receivable, net		1,362	1,291
Other expense		419	76
Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities		27,380	18,724
Working capital changes:			
Increase in accounts receivable and prepayments		(6,275)	(7,695)
Decrease in inventories		2,527	3,561
Decrease in accounts payable and accruals		(1,408)	(1,489)
Increase in other taxes payable		2,478	2,911
Increase in other non-current assets		(43)	(106)
(Decrease) / increase in other non-current liabilities		(2,113)	15
Income tax paid		(2,100)	(1,783)
Net cash generated by operating activities		20,446	14,138
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(10,065)	(15,832)
Proceeds from sale of property, plant and equipment		24	253
Investment in bank deposits and purchase of other investments		(7,732)	(20,743)
Redemption of bank deposits and proceeds from sale of other investments		13,584	37,848
Proceeds from sale of subsidiaries		-	60
Purchase of shares of subsidiary		(39)	-
Interest received		2,778	2,201
Net cash (used) / generated in investing activities		(1,450)	3,787
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from current debt	15	15,452	16,682
Proceeds from non-current debt	15	1,513	349
Repayment of debt	15	(17,084)	(17,848)
Interest paid		(5,189)	(4,149)
Finance lease payments		(155)	(191)
Net cash used by financing activities		(5,463)	(5,157)
Foreign exchange loss on cash balances		(393)	(29)
Increase in cash and cash equivalents		13,140	12,739
Cash and cash equivalents at the beginning of the period		48,025	34,394
Cash and cash equivalents at the end of the period	9	61,165	47,133

RusHydro Group
Condensed Consolidated Interim Statement of Changes in Equity (unaudited)

(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 period		-	-	-	-	-	-	-	-	11,764	11,764	98	11,862
Income arising on available-for-sale financial assets		-	-	-	-	-	-	1,951	-	-	1,951	4	1,955
Other comprehensive income		-	-	-	-	(8)	-	-	-	-	(8)	-	(8)
Total comprehensive income		-	-	-	-	(8)	-	1,951	-	11,764	13,707	102	13,809
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	77	77
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(39)	-	-	39	-	-	-
As at 31 March 2015		386,255	(26,092)	39,202	(135,075)	(370)	190,437	1,951	1,721	134,599	592,628	16,409	609,037
As at 1 January 2016		386,255	(26,092)	39,202	(135,075)	(474)	188,552	1,952	689	147,470	602,479	11,440	613,919
Profit for the period		-	-	-	-	-	-	-	-	14,168	14,168	879	15,047
Income arising on available-for-sale financial assets		-	-	-	-	-	-	3,850	-	-	3,850	15	3,865
Other comprehensive loss		-	-	-	-	731	-	-	-	-	731	-	731
Total comprehensive income		-	-	-	-	731	-	3,850	-	14,168	18,749	894	19,643
Purchase of shares of PJSC RAO ES East	13	-	3,514	-	-	-	-	-	-	2,611	6,125	(4,433)	1,692
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	76	76
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(64)	-	-	64	-	-	-
As at 31 March 2016		386,255	(22,578)	39,202	(135,075)	257	188,488	5,802	689	164,313	627,353	7,977	635,330

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information



Note 1. The Group and its operations

PJSC RusHydro (hereinafter referred to as “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 primary activities of the Company and its subsidiaries (hereinafter referred to as “the Group”) 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. 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 is still 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.

During the three months ended 31 March 2016 no substantial changes to the rules of Russian wholesale and retail electricity and capacity markets, their functioning and price setting mechanisms have been made.

Relations with the Government and current regulation. As at 31 March 2016 the Russian Federation owned 66.84 percent of the total voting ordinary shares of the Company (31 December 2015: 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 5).

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.

Seasonality of business. The demand for the Group’s heat and electricity generation and supply depends on weather conditions and the season. In addition to weather conditions, the electricity production by hydro generation plants depends on water flow in the river systems. In spring and in summer (flood period) electricity production by hydro generation plants is significantly higher than in autumn and in winter. Heat and electricity production by the heat generation assets, to the contrary, is significantly higher in autumn and in winter than in spring and in summer. The seasonal nature of heat and electricity generation has a significant influence on the volume of fuel consumed by heat generation assets and electricity purchased by the Group.

Note 2. Summary of financial reporting framework and new accounting pronouncements

Basis of preparation

This Condensed Consolidated Interim Financial Information has been prepared in accordance with IAS 34, *Interim Financial Reporting* and should be read in conjunction with the annual Consolidated Financial Statements as at and for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

This Condensed Consolidated Interim Financial Information is unaudited. Certain disclosures duplicating information included in the annual Consolidated Financial Statements as at and for the year ended 31 December 2015 have been omitted or condensed.



Significant accounting policies

The accounting policies followed in the preparation of this Condensed Consolidated Interim Financial Information are consistent with those applied in the annual Consolidated Financial Statements as at and for the year ended 31 December 2015 except for income tax which is accrued in the interim periods using the best estimate of the weighted average annual income tax rate that would be applicable to expected total annual profit or loss and new standards and interpretations that are effective from 1 January 2016. Certain reclassifications have been made to prior period data to conform to the current period presentation. These reclassifications are not material.

Critical accounting estimates and judgements

The preparation of Condensed Consolidated Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this Condensed Consolidated Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2015 with the exception of changes in estimates that are required in determining the estimate weighted average annual income tax rate (Note 14).

New standards and interpretations

The Group has adopted all new standards and interpretations that were effective from 1 January 2016. The impact of the adoption of these new standards and interpretations has not been significant with respect to this Condensed Consolidated Interim Financial Information.

Certain new standards, interpretations and amendments to standards and interpretations, as disclosed in the Consolidated Financial Statements as at and for the year ended 31 December 2015, have been issued but are not effective for the financial year beginning 1 January 2016 and which the Group has not early adopted.

Amendments to IFRS 15, Revenue from Contracts with Customers (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018). The amendments do not change the underlying principles of the Standard but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; how to determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and how to determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard. The Group is currently assessing the impact of the new standard on its financial statements.

Note 3. 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 4). The principal subsidiaries are presented below according to their allocation to the reportable segments as at 31 March 2016 and 31 December 2015.

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information
as at and for the three months ended 31 March 2016 (unaudited)

(in millions of Russian Rubles unless noted otherwise)



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 March 2016		31 December 2015	
	% 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%	69.40%
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, construction, repair and other services.

Principal subsidiaries of this segment are presented below:

	31 March 2016		31 December 2015	
	% of ownership	% of voting	% of ownership	% of voting
PJSC RAO ES East*	95.29%	97.31%	85.92%	86.20%
PJSC DEK	49.72%	52.17%	44.92%	52.17%
JSC DGK	49.72%	100.00%	44.92%	100.00%
JSC DRSK	49.72%	100.00%	44.92%	100.00%
PJSC Kamchatskenergo	94.09%	98.74%	84.83%	98.74%
PJSC Magadanenergo**	46.69%	49.00%	42.10%	49.00%
OJSC Sakhalinenergo	55.09%	57.81%	49.67%	57.82%
PJSC Yakutskenergo	76.84%	79.16%	72.21%	79.16%

* Voting and ownership percent interests in PJSC RAO ES East include 12.92 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.

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.

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information
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(in millions of Russian Rubles unless noted otherwise)



Principal subsidiaries included in all other segments are presented below:

	31 March 2016		31 December 2015	
	% 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 Hidroremont-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 HidroKaskad	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%

Note 4. 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 3). 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 depreciation of property, plant and equipment and intangible assets, impairment of property, plant and equipment, impairment of accounts receivable, loss on disposal of property, plant and equipment, profit / loss on disposal of subsidiary 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.

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information
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(in millions of Russian Rubles unless noted otherwise)



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 three months ended 31 March 2016 and 31 March 2015 and as at 31 March 2016 and 31 December 2015 is presented below.



Three months ended 31 March 2016	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	27,097	26,226	52,757	4,774	110,854	(6,450)	104,404
<i>including:</i>							
<i>from external companies</i>	24,268	26,215	52,659	1,262	104,404	-	104,404
<i>sales of electricity</i>	16,634	25,938	31,542	154	74,268	-	74,268
<i>sales of heat and hot water sales</i>	68	-	15,728	-	15,796	-	15,796
<i>sales of capacity</i>	7,436	-	1,339	97	8,872	-	8,872
<i>other revenue</i>	130	277	4,050	1,011	5,468	-	5,468
<i>from intercompany operations</i>	2,829	11	98	3,512	6,450	(6,450)	-
Government grants	-	-	3,282	21	3,303	-	3,303
Other operating income	-	-	-	241	241	-	241
Operating expenses (excluding depreciation and other non-monetary items)	(8,521)	(25,222)	(47,799)	(5,224)	(86,766)	6,030	(80,736)
EBITDA	18,576	1,004	8,240	(188)	27,632	(420)	27,212
Depreciation of property, plant and equipment and intangible assets	(3,550)	(201)	(1,975)	(523)	(6,249)	55	(6,194)
Other non-monetary items of operating income and expenses	(1,115)	(180)	(812)	(49)	(2,156)	(4)	(2,160)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(604)	-	(173)	-	(777)	-	(777)
<i>impairment of accounts receivable, net</i>	(515)	(171)	(627)	(49)	(1,362)	-	(1,362)
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	4	(9)	(6)	-	(11)	-	(11)
<i>loss on disposal of subsidiaries, associates and joint ventures, net</i>	-	-	(6)	-	(6)	(4)	(10)
Operating profit / (loss)	13,911	623	5,453	(760)	19,227	(369)	18,858
Finance income							2,590
Finance costs							(2,263)
Profit in respect of associates and joint ventures							484
Profit before income tax							19,669
Total income tax expense							(4,622)
Profit for the period							15,047
Capital expenditure	6,436	14	3,136	5,867	15,453	1,143	16,596
31 March 2016							
Non-current and current debt	120,993	2,675	67,091	5,480	196,239	-	196,239



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Three months ended 31 March 2015							
Revenue	22,498	24,934	48,373	4,953	100,758	(6,144)	94,614
<i>including:</i>							
<i>from external companies</i>	19,985	24,931	48,287	1,411	94,614	-	94,614
<i>sales of electricity</i>	13,107	24,678	29,479	110	67,374	-	67,374
<i>sales of heat and hot water sales</i>	56	-	13,788	-	13,844	-	13,844
<i>sales of capacity</i>	6,784	-	1,322	87	8,193	-	8,193
<i>other revenue</i>	38	253	3,698	1,214	5,203	-	5,203
<i>from intercompany operations</i>	2,513	3	86	3,542	6,144	(6,144)	-
Government grants	-	-	3,048	6	3,054	-	3,054
Other operating income	-	-	235	230	465	-	465
Operating expenses (excluding depreciation and other non-monetary items)	(8,863)	(23,984)	(46,167)	(5,825)	(84,839)	5,819	(79,020)
EBITDA	13,635	950	5,489	(636)	19,438	(325)	19,113
Depreciation of property, plant and equipment and intangible assets	(3,112)	(173)	(2,000)	(449)	(5,734)	51	(5,683)
Other non-monetary items of operating expenses	(493)	(477)	189	(139)	(920)	3	(917)
<i>including:</i>							
<i>impairment of accounts receivable, net</i>	(417)	(477)	(379)	(18)	(1,291)	-	(1,291)
<i>(loss) / profit on disposal of property, plant and equipment, net</i>	(76)	-	23	(121)	(174)	80	(94)
<i>gain / (loss) on disposal of subsidiaries, associates and joint ventures</i>	-	-	545	-	545	(77)	468
Operating profit / (loss)	10,030	300	3,678	(1,224)	12,784	(271)	12,513
Finance income							4,258
Finance costs							(2,411)
Profit in respect of associates and joint ventures							615
Profit before income tax							14,975
Total income tax expense							(3,113)
Profit for the period							11,862
Capital expenditure	5,599	20	3,450	12,773	21,842	(560)	21,282
31 December 2015							
Non-current and current debt	121,861	1,847	68,019	5,666	197,393	-	197,393



Note 5. 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 three months ended 31 March 2016 and 31 March 2015 and as at 31 March 2016 and 31 December 2015 were associates and joint ventures of the Group, government-related entities and key management of the Group.

Disclosure of the Group's related party transactions is presented on an aggregate basis however there may be an additional disclosure of certain significant transactions (balances and turnovers) with certain related parties in each reporting period.

Joint ventures

The Group had the following balances with its joint ventures:

	31 March 2016	31 December 2015
Promissory notes	5,845	5,711
Long-term advances to suppliers	5,420	-
Loans issued	2,528	2,725
Loans received	750	750

The Group had the following transactions with its joint ventures:

	Three months ended 31 March 2016	Three months ended 31 March 2015
Sales of electricity and capacity	727	62
Other revenue	78	126
Purchased electricity and capacity	851	669

Associates

The Group had the following balances with its associates:

	31 March 2016	31 December 2015
Trade and other receivables	573	440
Accounts payable	580	481

The Group had the following transactions with its associates:

	Three months ended 31 March 2016	Three months ended 31 March 2015
Sales of electricity and capacity	917	782
Other revenue	38	39
Rent	113	76
Purchased electricity and capacity	7	8

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 three months ended 31 March 2016 and 31 March 2015 and balances outstanding as at 31 March 2016 and 31 December 2015 with a number of government-related banks. 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 three months ended 31 March 2016 (for the three months ended 31 March 2015: 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 (hereinafter referred to as "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 three months ended 31 March 2016 the Group received government subsidies in amount of RR 3,303 million (for the three months ended 31 March 2015: RR 3,054 million) (Note 19).

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 three months ended 31 March 2016 (for the three months ended 31 March 2015: approximately 20 percent).

Electricity distribution services provided to the Group by government-related entities comprised approximately 60 percent of total electricity distribution expenses for the three months ended 31 March 2016 (for the three months ended 31 March 2015: approximately 50 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 three months ended 31 March 2016 comprised RR 159 million (for the three months ended 31 March 2015: RR 310 million).



(in millions of Russian Rubles unless noted otherwise)

Note 6. Property, plant and equipment

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
Balance as at 31 December 2015	83,887	398,693	268,513	285,292	13,646	1,050,031
Reclassification	(2)	(73)	(2,578)	2,774	(121)	-
Additions	208	25	558	15,697	108	16,596
Transfers	84	1,106	6,351	(7,600)	59	-
Disposals and write-offs	(241)	(25)	(144)	(810)	(98)	(1,318)
Balance as at 31 March 2016	83,936	399,726	272,700	295,353	13,594	1,065,309
Accumulated depreciation (including impairment)						
Balance as at 31 December 2015	(31,803)	(131,656)	(105,881)	(29,192)	(6,914)	(305,446)
Impairment charge	(1)	(4)	(56)	(716)	-	(777)
Charge for the period	(565)	(2,027)	(3,381)	-	(324)	(6,297)
Transfers	(8)	(69)	(235)	309	3	-
Disposals and write-offs	112	4	117	70	57	360
Balance as at 31 March 2016	(32,265)	(133,752)	(109,436)	(29,529)	(7,178)	(312,160)
Net book value as at 31 March 2016	51,671	265,974	163,264	265,824	6,416	753,149
Net book value as at 31 December 2015	52,084	267,037	162,632	256,100	6,732	744,585
Cost						
Balance as at 31 December 2014	81,110	378,702	226,137	256,121	14,925	956,995
Reclassification	(174)	133	(1,960)	2,406	(405)	-
Additions	11	27	412	20,807	25	21,282
Transfers	225	2,290	6,520	(9,131)	96	-
Disposals and write-offs	(7)	(15)	(92)	(247)	(43)	(404)
Balance as at 31 March 2015	81,165	381,137	231,017	269,956	14,598	977,873
Accumulated depreciation (including impairment)						
Balance as at 31 December 2014	(29,504)	(116,411)	(89,161)	(29,062)	(6,667)	(270,805)
Charge for the period	(289)	(2,151)	(2,858)	-	4	(5,294)
Transfers	(16)	(77)	(102)	199	(4)	-
Disposals and write-offs	7	15	83	18	37	160
Balance as at 31 March 2015	(29,802)	(118,624)	(92,038)	(28,845)	(6,630)	(275,939)
Net book value as at 31 March 2015	51,363	262,513	138,979	241,111	7,968	701,934
Net book value as at 31 December 2014	51,606	262,291	136,976	227,059	8,258	686,190

As at 31 March 2016 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 7,765 million (31 December 2015: RR 7,793 million) which are stated at cost.

Impairment. Management of the Group considered the market and economic environment in which the Group operates to assess whether any indicators of property, plant and equipment being impaired existed, or that an impairment loss recognised in prior periods may no longer exist or may have decreased. At the reporting date no indicators of significant changes of management's assumptions used to determine the recoverable amounts of cash-generating units as at 31 December 2015 were identified as a result of this analysis.

Basing on the same assumptions the Group continued to recognise impairment loss in the amount of RR 777 million for the three months ended 31 March 2016 in respect of additions of property, plant and equipment related to cash-generating units impaired in previous periods (for the three months ended 31 March 2015: RR 0 million).



Note 7. Available-for-sale financial assets

	31 March 2016		31 December 2015	
	% of ownership	Fair value	% of ownership	Fair value
PJSC Inter RAO	4,92%	9,362	4,92%	5,606
PJSC Russian Grids	0,28%	279	0,28%	228
PJSC FGC UES	0,13%	137	0,13%	99
Other	-	200	-	161
Total available-for-sale financial assets		9,978		6,094

Note 8. Other non-current assets

	31 March 2016	31 December 2015
Long-term promissory notes	38,189	38,189
Discount	(16,761)	(16,946)
Impairment provision	(14,025)	(14,025)
Long-term promissory notes, net	7,403	7,218
VAT recoverable	2,257	2,546
Dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs	2,141	2,164
Customer base of LLC ESC Bashkortostan	415	553
Goodwill	481	481
Other non-current assets	8,402	8,440
Total other non-current assets	21,099	21,402

Note 9. Cash and cash equivalents

	31 March 2016	31 December 2015
Cash at bank	20,346	11,857
Cash equivalents	40,798	36,137
Cash in hand	21	31
Total cash and cash equivalents	61,165	48,025

Cash equivalents held as at 31 March 2016 and 31 December 2015 comprised short-term bank deposits with original maturities of three months or less.

Note 10. Accounts receivable and prepayments

	31 March 2016	31 December 2015
Trade receivables	61,695	55,075
Provision for impairment of trade receivables	(21,387)	(20,158)
Trade receivables, net	40,308	34,917
VAT recoverable	7,254	8,156
Advances to suppliers and other prepayments	3,850	3,540
Provision for impairment of advances to suppliers and other prepayments	(1,051)	(1,021)
Advances to suppliers and other prepayments, net	2,799	2,519
Other receivables	7,058	7,248
Provision for impairment of other receivables	(2,941)	(3,194)
Other receivables, net	4,117	4,054
Total accounts receivable and prepayments	54,478	49,646

The Group does not hold any accounts receivable pledged as collateral.



Note 11. Inventories

	31 March 2016	31 December 2015
Fuel	11,069	14,291
Materials and supplies	6,953	6,555
Spare parts	2,815	2,782
Other materials	839	606
Total inventories before provision for impairment	21,676	24,234
Provision for impairment of inventories	(225)	(235)
Total inventories	21,451	23,999

Note 12. Other current assets

	31 March 2016	31 December 2015
Special funds	6,998	6,098
Deposits and promissory notes	6,747	13,434
Loans issued	2,521	2,728
Other short-term investments	265	314
Total other current assets	16,531	22,574

As at 31 March 2016 the rest of special funds in the amount of RR 6,998 million received from the Russian Federation to fund construction of generating facilities are located on special accounts of the Federal Treasury in Moscow.

Note 13. Equity

	Number of issued ordinary shares (Par value of RR 1.00)
As at 31 March 2016	386,255,464,890
As at 31 December 2015	386,255,464,890
As at 31 March 2015	386,255,464,890
As at 31 December 2014	386,255,464,890

Treasury shares. As at 31 March 2016 treasury shares were represented by 18,852,353,167 ordinary shares in the amount of RR 22,578 million (31 December 2015: 21,786,611,933 ordinary shares in the amount of RR 26,092 million).

During three months ending 31 March 2016 2,934,258,766 treasury shares were transferred to shareholders of PJSC RAO ES East as a compensation for purchased shares of subsidiary in accordance with declared on 3 November 2015 voluntary offer to purchase shares of PJSC RAO ES East.

Effect of changes in non-controlling interest of subsidiaries. As at 31 March 2016 in accordance with voluntary offer to purchase shares of PJSC RAO ES East Group's share in PJSC RAO ES East increased to 95.29 percent (Note 3). As a result non-controlling interest decreased by RR 4,433 million and retained earnings of the Group increased by RR 2,611 million.

Offer for shares of PJSC RAO ES East. During three months ending 31 March 2016 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 offered their shares for repurchase. 22,282,264 ordinary shares and 3,608,736 preference shares in the total amount of RR 9 million were repurchased.

Shareholders accepted terms of the voluntary offer offered LLC Vostok-Finance for repurchase 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.

As at 31 March 2016 the Group recognised obligation to purchase PJSC RAO ES East shares in the amount of RR 385 million (as at 31 December 2015: RR 2,108 million) (Note 16).



Note 14. Income tax

Income tax expense is recognised based on the management's best estimate of the weighted average annual income tax rate expected for the full financial year. The tax effect of the exceptional or one-off items has not been included in the estimation of the weighted average annual income tax rate. The estimated average annual effective income tax rate used for the three months ended 31 March 2016 was 23 percent (for the three months ended 31 March 2015: 21 percent).

	Three months ended 31 March 2016	Three months ended 31 March 2015
Current income tax expense	3,906	3,030
Deferred income tax expense	716	83
Total income tax expense	4,622	3,113

Note 15. Current and non-current debt

Non-current debt

	Due date	31 March 2016	31 December 2015
PJSC Sberbank	2016–2027	46,627	47,865
Russian bonds (PJSC,RusHydro) issued in February 2013	2018*	20,212	20,635
EBRD	2016–2027	19,945	20,280
Russian bonds (PJSC,RusHydro) issued in April 2011	2016*	15,539	15,240
Russian bonds (PJSC RusHydro) issued in July 2015	2018	15,399	15,840
Russian bonds (PJSC RusHydro) issued in April 2015	2017*	10,532	10,214
UniCredit Bank Austria AG	2017–2026	6,323	6,585
Crédit,Agricole,Corporate,and,Investment Bank,Deutschland	2018–2029	6,000	6,252
PJSC ROSBANK	2016–2018	5,579	4,909
PJSC Bank VTB	2017–2027	4,838	4,522
ASIAN Development bank	2017–2026	1,592	1,787
Municipal authority of Kamchatka region	2016–2034	1,566	1,535
Bayerische Landesbank	2016–2025	1,167	1,212
Bank GPB (JSC)	2016–2018	495	469
PJSC Bank Vozrozhdenie	2017	440	440
Other long-term debt	-	993	964
Finance lease liabilities	-	2,185	2,262
Total		159,432	161,011
Less current portion of non-current debt		(24,178)	(25,159)
Less current portion of finance lease liabilities		(549)	(673)
Total non-current debt		134,705	135,179

* The bonds mature in 10 years with a put option to redeem them in 2018, 2016 and 2017 respectively.

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Current debt

	31 March 2016	31 December 2015
PJSC Sberbank	17,367	19,668
Bank GPB (JSC)	8,414	7,038
PJSC ROSBANK	4,749	6,776
JSC Raiffeisenbank	1,876	-
JSC Alfa-Bank	1,473	501
Bank «RRDB» (JSC)	879	966
Far Eastern Bank (PJSC)	756	226
LLC AlstomRusHydroEnergy	750	750
JSC Rosselkhozbank	230	252
Current portion of non-current debt	24,178	25,159
Current portion of finance lease liabilities	549	673
Other current debt	313	205
Total current debt and current portion of non-current debt	61,534	62,214
<i>Reference:</i>		
Interest payable	2,724	2,942

Compliance with covenants. The Group is subject to certain covenants related primarily to its debt. As at 31 March 2016 and 31 December 2015 the Group met all required covenant clauses of the credit agreements.

Note 16. Accounts payable and accruals

	31 March 2016	31 December 2015
Trade payables	34,730	33,475
Settlements with personnel	8,808	8,410
Advances received	7,330	9,849
Accounts payable under factoring agreements	3,028	4,071
Obligation to PJSC RAO ES East shares purchase (Note 13)	385	2,108
Dividends payable	86	86
Other accounts payable	3,715	2,308
Total accounts payable and accruals	58,082	60,307

All accounts payable and accruals are denominated in Russian Rubles.

Note 17. Other taxes payable

	31 March 2016	31 December 2015
VAT	9,340	8,085
Insurance contributions	3,304	2,864
Property tax	3,167	2,159
Other taxes	723	927
Total other taxes payable	16,534	14,035

Note 18. Revenue

	Three months ended 31 March 2016	Three months ended 31 March 2015
Sales of electricity	74,268	67,374
Sales of heat and hot water	15,796	13,844
Sales of capacity	8,872	8,193
Other revenue	5,468	5,203
Total revenue	104,404	94,614

Other revenue includes revenue earned from transportation of electricity and heat, connections to the grid, rendering of construction, repair and other services.



Note 19. 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 three months ended 31 March 2016 the Group received government subsidies in the amount of RR 3,303 million (for the three months ended 31 March 2015: RR 3,054 million) in the following subsidised territories: Kamchatsky territory, Sakha Republic (Yakutiya), Magadan Region and other Far East regions.

Note 20. Operating expenses (excluding impairment losses)

	Three months ended 31 March 2016	Three months ended 31 March 2015
Fuel expenses	19,432	18,491
Employee benefit expenses (including payroll taxes and pension benefit expenses)	18,287	17,834
Purchased electricity and capacity	17,290	17,863
Electricity distribution expenses	12,684	11,535
Depreciation of property, plant and equipment and intangible assets	6,194	5,683
Taxes other than on income	2,475	2,455
Other materials	1,465	1,676
Third parties services, including:		
Purchase and transportation of heat power	1,038	962
Provision of functioning of electricity and capacity market	915	907
Security expenses	831	765
Repairs and maintenance	583	496
Rent	522	509
Insurance cost	520	385
Transportation expenses	475	202
Services of subcontracting companies	378	783
Consulting, legal and information expenses	172	399
Other third parties services	1,570	1,583
Water usage expenses	781	686
Travel expenses	133	400
Social charges	105	227
Loss on disposal of property, plant and equipment, net	11	94
Other expenses	1,090	862
Total expenses (excluding impairment losses)	86,951	84,797

Note 21. Finance income, costs

	Three months ended 31 March 2016	Three months ended 31 March 2015
<i>Finance income</i>		
Interest income	1,935	2,791
Foreign exchange gain	413	1,322
Income on discounting	93	118
Other income	149	27
Total finance income	2,590	4,258
<i>Finance costs</i>		
Interest expense	(1,337)	(1,682)
Foreign exchange loss	(368)	(169)
Expense on discounting	(92)	(420)
Finance lease expense	(87)	(87)
Other costs	(379)	(53)
Total finance costs	(2,263)	(2,411)



Note 22. Earnings per share

	Three months ended 31 March 2016	Three months ended 31 March 2015
Weighted average number of ordinary shares issued (millions of shares)	366,339	364,469
Profit for the period attributable to the shareholders of PJSC RusHydro	14,168	11,764
Earnings per share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	0.0387	0.0323

Note 23. Capital commitments

In accordance with investment programme of the Company and separate investment programmes of subsidiaries, the Group has to invest RR 312,196 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).

Capital commitments of the Group as at 31 March 2016 are as follows: 2016 year – RR 124,957 million, 2017 year – RR 111,827 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 20,519 million, Volzhskaya HPP in the amount of RR 18,106 million, Zhigulevskaya HPP in the amount of RR 12,128 million; and to construction of power plants: Sakhalin GRES-2 in the amount of RR 25,032 million, Zaramagskie HPP in the amount of RR 23,242 million, Ust'-Srednekanskaya HPP in the amount of RR 14,054 million, HPP in Sovetskaya Gavan in the amount of RR 9,334 million, Zagorskaya GAES-2 in the amount of RR 9,140 million.

Note 24. 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 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 incompliant 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 the three months ended 31 March 2016 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 period. 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

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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 March 2016 its interpretation of the relevant legislation was appropriate and the Group's tax position would be sustained.

Environmental matters. The Group's subsidiaries and their predecessor entities have operated in the utilities industry of 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 March 2016 and 31 December 2015.

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 March 2016	31 December 2015
<i>for OJSC Boguchanskaya HPP:</i>		
State Corporation Vnesheconombank	27,241	27,398
<i>for CJSC Boguchansky Aluminium Plant:</i>		
ALSTOM Grid SAS	74	77
Total guarantees issued	27,315	27,475

Note 25. Financial instruments and financial risk management

Financial risks. The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2015.

There have been no changes in any risk management policies during the three months ended 31 March 2016.

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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 and information about the rest of special funds on the accounts of the Federal Treasury as at 31 March 2016 and 31 December 2015:

As at 31 March 2016	Loans and receivables	Available-for-sale financial assets	Total
Assets			
Other non-current assets (Note 8)	8,061	-	8,061
Promissory notes	7,403	-	7,403
Long-term loans issued	628	-	628
Net settled derivatives	30	-	30
Available-for-sale financial assets	-	9,978	9,978
Trade and other receivables (Note 10)	43,824	-	43,824
Trade receivables	40,308	-	40,308
Promissory notes receivable	9	-	9
Other financial receivables	3,507	-	3,507
Other current assets (Note 12)	16,283	-	16,283
Special funds	6,998	-	6,998
Deposits and promissory notes	6,747	-	6,747
Short-term loans issued	2,521	-	2,521
Net settled derivatives	17	-	17
Cash and cash equivalents (Note 9)	61,165	-	61,165
Total financial assets	129,333	9,978	139,311
Non-financial assets	-	-	819,404
Total assets	-	-	958,715
As at 31 December 2015			
Assets			
Other non-current assets (Note 8)	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	-	6,094	6,094
Trade and other receivables (Note 10)	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 12)	22,291	-	22,291
Deposits and promissory notes	13,434	-	13,434
Special funds	6,098	-	6,098
Short-term loans issued	2,728	-	2,728
Net settled derivatives	31	-	31
Cash and cash equivalents (Note 9)	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 financial liabilities of the Group are carried at amortised cost. Financial liabilities are represented mainly by the current and non-current debt (Note 15), trade payables and other accounts payable (Note 16).



Note 26. Fair value of assets and liabilities

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 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale financial assets	9,929	-	49	9,978
Non-financial assets				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	479,560	479,560
Total assets recurring fair value measurements	9,929	-	479,609	489,538
31 December 2015				
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

The Group had no liabilities measured at fair value as at 31 March 2016 and 31 December 2015.

There were no changes in valuation techniques, inputs and assumptions for recurring fair value measurements during the three months ended 31 March 2016.

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 and accounts receivable approximates their carrying value (Level 3 of the fair value hierarchy). The fair value of long term accounts receivable 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.

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 March 2016 the carrying value of bonds exceeded their fair value by RR 301 million (31 December 2015: by RR 763 million).

As at 31 March 2016 the carrying value of non-current fixed rate debt exceeded their fair value by RR 8,437 million (31 December 2015: by RR 7,121 million).

Note 27. Subsequent events

According to current Russian legislation repurchase of more than 10 percent and consolidation of more than 95 percent of PJSC RAO ES East shares within voluntary offer (Note 13) allowed the Group to send to the rest of PJSC RAO ES East shareholders claim for compulsory repurchase of the shares.

All settlements of compulsory repurchase of PJSC RAO ES East shares were completed in June 2016 after Group subsidiary LLC Vostok-Finance has repurchased 887,233,672 ordinary shares and 312,687,580 preference shares of PJSC RAO ES East.