Januaru 28, 2015. Moscow, Russia.

RusHydro Group announces its operating results for the 4Q and FY2015

January 28, 2016. Moscow, Russia. PJSC RusHydro (ticker symbol: MICEX-RTS, LSE: HYDR; OTCQX: RSHYY) announces operating results for the 4th quarter and full year ended December 31, 2015 of the parent company and the subsidiaries of RusHydro Group reflected in consolidated financial statements.

Key highlights:

- *As of the end of 2015, total installed capacity of RusHydro Group (excluding Boguchanskaya HPP) amounted to 35,722.3 MW as compared to 35,461.5 MW as of the beginning of the year, heat capacity – 18,160.5 Gcal as compared to 17,942.9 Gcal as of the beginning of the year*.*
- *Total electricity generation by power plants of RusHydro Group in 4Q 2015 amounted to 30,651 GWh (+13.6%), in 2015 – 114,265 GWh (+0.6%);*
- *In 4Q 2015, total production by HPPs/PSPPs amounted to 21,532 GWh (+22.8%), in 2015 – 82,079 GWh (-2.4%);*
- *In 2015, total water inflow to reservoirs of the Volga-Kama cascade, HPPs of the South and the Far East of Russia was lower than long-run average, to reservoirs of Siberia – higher or close normal;*
- *Electricity generation by the plants of RAO ES of the East in 4Q 2015 – 9,729 GWh (-3.5%), in 2015 – 33,970 GWh (+9.0%);*
- *The electricity generation by the Boguchanskaya hydropower plant in 4Q 2015 amounted to 2,881 GWh (+41.4%); in 2015 – 13,077 GWh (+56.4%)**;*
- *Water inflow to reservoirs of major hydropower plants of the Group in 1Q 2016 is expected to be close to or slightly higher than long-run average.*

Installed electric capacity of RusHydro Group, MW

	December 31, 2015	December 31, 2014
Center of Russia	11,582.3	11,531.8
S. of Russia and N.Caucasus	2,776.5	2,676.5
Siberia	7,186.0	7,181.0
Total for the price zones	**21,544.8**	**21,389.3**
Far East	4,528.8	4,528.8
RAO ES of the East	8,967.4	8,982.1
Armenia	120.0	-
Far East	561.4	561.4
TOTAL	**35,722.3**	**35,461.5**
incl. by HPPs, PSPPs	27,236.6	27,082.9
incl. by TPPs and other	8,485.7	8,378.7
Boguchanskaya HPP	2,997.0	2,997.0

Installed heat capacity of RusHydro Group, Gcal

	December 31, 2015	December 31, 2014
JSC DGK, incl.	**12,585.1**	**12,585.1**
Primorye power system	2,755.0	2,755.0
Khabarovsk power system	7,390.0	7,390.0
Amur power system	1,055.1	1,055.1
South-Yakutsk power district	1,385.0	1,385.0
Blagoveschenskaya TPP (2nd stage)	**188.0**	**-**
Isolated energy systems	**5,387.4**	**5,357.8**
PJSC Yakutskenergo	1,175.7	1,188.0
SC Sakhaenergo	92.4	92.4
SC Teploenergoservice	761.2	763.7
PJSC Kamchatskenergo	1,336.9	1,336.9
SC KSEN	42.9	42.9
PJSC Magadanenergo	773.3	773.3
SC Chukotenergo	404.4	404.4
JSC Sakhalinenergo	800.7	756.2
Total	**18,160.5**	**17,942.9**

In the 4th quarter of 2015, total electricity generation by power plants of RusHydro Group amounted to 30,651 GWh, a 13.6% increase as compared to the same period of 2014, total power generation in 2015 amounted to 114,265 GWh (a 0.6% increase as compared to 2014). In the 4th quarter of 2015, hydropower (HPPs) and pumped storage power plants (PSPPs) of RusHydro Group increased electricity generation by 22.8% to 21,532 GWh, in 2015 generation decreased by 2.4% to 82,079 GWh, output by thermal (TPPs) and geothermal plants located in the Far East of Russia in the 4th quarter of 2015 decreased by 3.6% to 9,119 GWh, in 2015 – increased by 9.2% to 32,186 GWh.

Electricity generation by the plants of RusHydro Group, GWh

	4Q'15	4Q'14	chg, %	2015	2014	chg, %
Center of Russia	9,640	7,781	23.9%	38,029	38,334	-0.8%
S. of Russia and N.Caucasus	1,229	1,364	-9.9%	6,578	6,256	5.1%
Siberia	6,563	4,632	41.7%	22,718	22,492	1.0%
Total for the price zones	**17,432**	**13,777**	**26.5%**	**67,325**	**67,082**	**0.4%**
Far East	3,459	3,091	11.9%	12,516	14,873	-15.8%
RAO ES of the East	9,729	10,080	-3.5%	33,970	31,156	9.0%
Armenia	32	41	-23.1%	453	475	-4.5%
TOTAL	**30,651**	**26,988**	**13.6%**	**114,265**	**113,586**	**0.6%**
incl. by HPPs, PSPPs***	21,532	17,527	22.8%	82,079	84,115	-2.4%
incl. by TPPs and other	9,119	9,460	-3.6%	32,186	29,472	9.2%
Boguchanskaya HPP	2,881	2,037	41.4%	13,077	8,362	56.4%

The underlying factors of the production change in 2015 were:

- total water inflow to reservoirs of the Volga-Kama cascade in the 4th quarter of 2015 was higher than normal, in 2015 - slightly lower than long-run average;
- water inflow to major reservoirs of Siberia in the 4th quarter of 2015 was higher or close to normal;
- low water inflow to reservoirs of HPPs of the South of Russia and North Caucasus in the 4th quarter of 2015;

- increase in electricity generation by TPPs of the Far East due to lower hydro production in the unified power system of the Far East as well as growth in electricity consumption.

Center of Russia

In the 1st half of 2015, for the second consecutive year, water level of the Volga river was low. In 2015, two negative factors: low water inflow as well as low water reserves in the reservoirs resulted in water savings. In the 2nd quarter of 2015, increased water inflow allowed to increase water storage in reservoirs of hydropower plants by the beginning of autumn-winter period of 2015-1016.

In the second half of 2015, total water inflow to reservoirs of the Volgo-Kama cascade was 39% higher than long-run average. Total water inflow to reservoirs of the Volgo-Kama cascade in the 4th quarter of 2015 amounted to 46.7 km^3 as compared to the average of 36.6 km^3, in 2015 – 234.6 km^3 which is 8% lower than normal.

Total electricity generation by RusHydro's hydropower plants of the Volgo-Kama cascade together with Zagorskaya pumped storage plant in the 4th quarter of 2015 amounted to 9,640 GWh, a 23.9% increase as compared to the same period of 2014. In 2015, generation reached 38,029 GWh, which is 0.8% lower than in the previous year.

South of Russia and North Caucasus

Water conditions on the rivers of the South of Russia and North Caucasus in 2015 were close or lower than long-run average. In the 1st quarter of 2015 water inflow to the Chirkeyskoe reservoir was 15% lower than long-run average. In the 2nd quarter of 2015, water inflow on the Sulak river was 10-25% higher than long-run average, water inflow to Dzaudzhikauskaya HPP and Krasnodarskiy reservoir was close to normal.

In the 3rd quarter of 2015, water inflow to reservoirs of HPPs of the North Caucasus was 25-50% lower than normal, to Chirkeyskoe reservoir – close to normal. The plants operated in the regime providing for accumulation of water reserves by the beginning of autumn-winter period. In the 4th quarter of 2015, water inflow to Krasnodarskiy reservoir and Dzaudzhikauskaya HPP was 20-50% lower than normal, to Chirkeyskaya HPP – close to long-run average.

The electricity generation by the hydropower plants of the South of Russia and North Caucasus in the 4th quarter of 2015 decreased by 9.9% to 1,229 GWh, in 2015 – increased by 5.1% to 6,578 GWh.

Siberia

In the 1st half of 2015, water level in the basin of the Angara-Yenisey cascade was sustainably low, excluding Novosibirskoe reservoir where water inflow was 18% higher than normal. In the 3rd quarter of 2015, unlike the 1st half of the year, water inflow to all reservoirs of Siberia was substantially lower than long-run average.

In 4th quarter of 2015, water inflow to Novosibirskoe and Krasnoyarskoe reservoirs was 20-45% higher than normal, to reservoir of Sayano-Shushenskaya HPP – close to normal. Water inflow to other reservoirs of Siberia was 10-25% lower than long-run average.

The Boguchanskaya hydropower plant in the 4th quarter of 2015 generated 2,881 GWh, 41.4% increase as compared to the same period of the previous year, in 2015, generation amounted to 13,077 GWh as compared to 8,362 GWh generated in the previous year. During spring flood reservoir of the Boguchanskaya hydropower plant was filled to its design level of 208 m above sea level. This reservoir level will allow the

plant to reach its full capacity of 2,997 MW and produce 1.46 TWh of electricity per month.

Total electricity generation by RusHydro's Siberian hydropower plants in the 4th quarter of 2015 increased by 41.7% to 6,563 GWh, in 2015 – by 1.0% to 22,718 GWh.

Far East

Due to low water conditions on the basin of the Zeya river, the reservoir was not filled to its normal water level of 315.0 m, which substantially affected output of Zeyskaya and Bureyskaya HPP in the 1st half of 2015.

In September, water inflow to major reservoirs of hydropower plants of the Far East was 40-60% lower than normal, except for Kolymskoe reservoir where water inflow was 1.5x higher than normal. In December, water inflow to Kolymskoe reservoir was twice as high as normal, in 4th quarter of 2015 – the highest in its history.

Total electricity generated by hydro and geothermal power plants of the Far East in the 4th quarter of 2015, increased by 11.9% to 3, 459 GWh; in 2015, the generation decreased by 15.8% to 12 516 GWh.

In the 4th quarter of 2015, generating assets of RAO ES of the East Holding, a subsidiary of RusHydro, produced 9,729 GWh of electricity, a 3.5% decrease as compared to the 4th quarter of 2014. In 2015, generation increased by 9% to 33,970 GWh. Of this total, 76% was generated by JSC Far East Generating Company (DGK), which increased production by 12% in 2015 to 25,833 GWh, mainly due to 19% decrease in electricity output by the Zeyskaya and Bureyskaya hydropower plants, as well as increase in electricity consumption by 1.3% as compared to the previous year. In 2015, electricity generation by companies operating in isolated energy systems of the Far East increased by 1% as compared to the previous year.

In 2015, heat output by thermal plants of RAO ES of the East decreased by 3% to 30,359 ths. GCal as compared to 2014. The decrease is mainly attributed to higher than usual air temperatures.

Heat output by thermal plants of RAO ES of the East, ths. GCal

	4Q'15	4Q'14	chg, %	2015	2014	chg, %
JSC DGK	7,606	7,826	-3%	21,206	21,744	-2%
PJSC Yakutskenergo	954	962	-1%	2,438	2,518	-3%
SC Sakhaenergo	33	35	-5%	100	94	6%
SC Teploenergoservice	492	538	-8%	1,338	1,409	-5%
PJSC Kamchatskenergo	699	631	11%	1,993	2,099	-5%
SC KSEN	27	28	-3%	76	78	-2%
PJSC Magadanenergo	432	418	3%	1,253	1,252	0%
SC Chukotenergo	135	136	-1%	469	462	2%
JSC Sakhalinenergo	493	506	-2%	1,486	1,508	-1%
Total	**10,872**	**11,079**	**-2%**	**30,359**	**31,165**	**-3%**

Armenia

In the 4th quarter of 2015, electricity generation by the Sevan-Hrazdan cascade of hydropower plants in Armenia decreased by 23.1% to 32 GWh, in 2015, electricity generation decreased by 4.5% to 453 GWh. The power generation by the plants of the cascade is dependent on water inflows of the Hrazdan river and water releases from Sevan lake.

Electricity retail

In the 4th quarter of 2015, total electricity output by RusHydro's four retail companies, operating in Bashkiria, Chuvashia, Ryazan and Krasnoyarsk regions, amounted to 10,272 GWh, a 3.3% decrease as compared to the same period of 2014. Total electricity output by RusHydro's four retail companies in 2015 amounted to 36,113 GWh, a 3.9% decrease as compared to 2014.

In 2015, ESC RusHydro, a holding company for all electricity retail operations, increased electricity output by 424 GWh (or 31.7%) as compared to 2014, power retail company, operating in Chuvashia, also increased output by 150 GWh (or 4.8%) due to addition of major consumers.

The decrease in electricity output by JSC Krasnoyarskenergosbyt by 588 GWh or 4%, Bashkiria power retail company by 1,338 GWh (-8.6 %) and PJSC Ryazan power retail company by 99 GWh (-3.4%) is attributable to temperature factor, as well as recession in manufacturing industry.

Electricity output by RusHydro Group's retail companies, GWh

	4Q'15	4Q'14	chg, %	2015	2014	chg, %
Krasnoyarskenergosbyt	4,074	4,163	-2.1%	14,047	14,635	-4.0%
Bashkiria retail company	4,006	4,359	-8.1%	14,220	15,558	-8.6%
Chuvash retail company	921	961	-4.2%	3,268	3,119	4.8%
Ryazan retail company	774	777	-0.3%	2,817	2,916	-3.4%
ESC RusHydro	496	362	37.1%	1,760	1,337	31.7%
Total	**10,272**	**10,622**	**-3.3%**	**36,113**	**37,565**	**-3.9%**

Water inflows forecast

According to the forecast of the Hydrometeorologic Center of Russia, the following dynamics of water inflows to the major reservoirs is expected in the 1st quarter of 2016:

- water inflow to the Ivankovskoe, Uglichskoe and Rybinskoe reservoirs is expected to close normal, to Sheksinskoe, Gorkovskoe, Cheboksarskoe, Kamskoye reservoirs – 20-55% higher than normal, to Kuibyshevskoe and Nizhekamskoye – 1.8-2.2x higher than normal. Total expected water inflow to reservoirs of the Volgo-Kama cascade in the 1st quarter of 2016 may amount to 28-34 km^3 as compared to the average of 21.3 km^3;
- water inflow to the reservoirs of hydropower plants located in the North Caucasus is expected to be close to long-run average;
- water inflow to major reservoirs of hydropower plants of Siberia expected to be close or slightly higher than normal, to the Baikal lake – 30-50% lower than normal;
- water inflow to the HPP's of the Far East is expected to be close to normal, to Kolymskiy reservoir – 2.0-2.6x higher than long-run average.

* Including the 2nd stage of the Blagoveschenskaya TPP launched on December 30, 2015

** The Boguchanskaya hydropower plant is part of the Boguchanskiy Energy and Metals Complex (BEMO), a 50/50 joint venture (JV) between RusHydro and UC RUSAL, and is not part of RusHydro Group. According to RusHydro's shareholding in the JV (50%), the results of the plant are reported in the official financial statements in "Share of results of associates and jointly controlled entities". Operations of the HPP have been put into the press-release for general reference.

*** Includes generation by HPPs of JSC RusHydro, Kolymskaya HPP and Viluiskie HPPs, part of RAO ES of East group.

About RusHydro

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 38.5 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 66.8% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on Moscow Exchange (MOEX), and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

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