

QUARTERLY REPORT

Public Joint-Stock Company Federal Hydrogeneration Company RusHydro

Code of the Issuer: 55038-E

for Q3 2016

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

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

Chairman of the Management Board — General Director _____ N.G. Shulginov
Date: November 14, 2016

Director of Department of Corporate Accounting and Reporting - _____ Yu.G. Medvedeva
Chief Accountant
Date: November 14, 2016

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

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

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Introduction

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

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

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

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

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

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

1.1. Information on the Issuer's Bank Accounts

Information on the credit organization

Full company name: Open Joint-Stock Company "Sberbank of Russia"

Abbreviated name: OJSC Sberbank

Location: 19 Vavilova street, Moscow, 117997

INN: 7707083893

BIC: 044525225

Account number: 40702810438090001390

Corr. Account: 30101810400000000225

Account type: settlement account in Russian rubles

Information on the credit organization

Full name: "Gazprombank" (Joint Stock Company)

Abbreviated name: Bank Gazprombank (JSC)

Location: 16 Nametkina street, building 1, Moscow, 117420

INN: 7744001497

BIC: 044525823

Account number: 40702810400000003242

Corr. Account: 30101810200000000823

Account type: settlement account in Russian rubles

Information on the credit organization

Full name: Joint Stock Company "Joint Stock Bank "ROSSIYA"

Abbreviated name: JSC "JSB "ROSSIYA"

Location: Sosenskoe town, Gazoprovod village, 101, bldg. 5, Moscow, 142770

INN: 7831000122

BIC: 044525220

Account number: 40702810460016000306

Corr. account: 30101810145250000220

Account type: settlement account in Russian rubles

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

Information is indicated in Quarterly Report for Q2 2016, there were no changes in such information in Q3 2016

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

Information is indicated in Quarterly Report for Q2 2016, there were no changes in such information in Q3 2016

1.4. Information on the Issuer's Consultants

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

1.5. Information on Persons who Have Signed the Quarterly Report

Full name: *Nikolay Grigoryevich Shulginov*

Born in: *1951*

Primary employment:

Company: *PJSC RusHydro*

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

Full name: *Yuliya Gennadievna Medvedeva*

Born in: *1975*

Primary employment:

Company: *PJSC RusHydro*

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

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

2.1. The Issuer's Financial and Economic Performance Indicators

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

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

Indicator	2015, 9 months	2016, 9 months
Workforce productivity	14 218	16 478
Debt-to-equity ratio	0,23	0.19
Leverage ratio	0.14	0.14
Debt coverage ratio	0.75	0.08
Overdue debt rate, %	0	4.4

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

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

The 15,9% increase in the workforce productivity ration in 2016 (9 months) against 2015 (9 months) is due to the growth in revenue from the sale of electricity (capacity) because of the increased inflow in the main HEP reservoirs (+21,5% from fact 2015 (9 months)) and 4% decrease in the number of employees (business process optimisation and as a consequence, number).

Debt-to-equity ratio characterizes the correlation between external and own sources of financing. The indicator for the end of 2016 (9 months) has decreased due to reduction of the size of debt and equity growth (obtaining net profit for the 9 months of 2016).

Debt coverage ratio shows the extent of current liabilities which may be covered by funds available or expected in the nearest future. The decline of this indicator is a positive feature of the Company's activities, as the ratio of the existing short-term liabilities coverage by funds available increases. Comparison of this indicator for 2015 (9 months) and 2016 (9 months) shows a positive dynamic from 0.75 to 0.08, what is due to the decrease in the size of current liabilities as of 9 months of 2016.

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

2.2. The Issuer's Market Capitalization

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

Unit of measure: **RUB**

Issue 1-01-55038-E

Issuer's equity shares are eligible for on ex-change trading on the exchange CJSC MICEX Stock Exchange.

Indicator	December 30, 2015	September 30, 2016
Market capitalization	232,294,036,584.85	301, 742,769,172.068

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

Source of information: bulletin CJSC MICEX Stock Exchange at the end of trading of securities (Market transactions T+): <http://www.moex.com/ru/marketdata/bulletins/#/date=2016-06-30>

2.3. The Issuer's Liabilities

2.3.1. Borrowed Funds and Accounts Payable

as of September 30, 2016

Structure of borrowed funds

Measurement unit: **Russian rubles**

Indicator	Indicator value, Russian rubles
Long-term borrowed funds	114,299,086,416.21
Including:	
Credits	52,890,143,306.33
Loans, except for bond loans	1,155,153,907.88
Bond loans	60,253,789,202.00
Short-term borrowed funds	7,996,351,934.61
Including:	
Credits	5,222,958,149.99
Loans, except for bond loans	817,859,106.57
Bond loans	1,955,534,678.05
Total overdue debt on borrowed funds	0
Including:	
On credits	0
On loans, except for bond loans	0
On bond loans	0

Structure of accounts payable

Measurement unit: **Russian rubles**

Indicator	Indicator value, Russian rubles
Total accounts payable	11,725,960,222.30
including overdue	438,769,049.69
Including	
To the budget and state extra-budgetary funds	4,927,784,636.49
including overdue	0
To suppliers and contractors	4,173,432,836.48
including overdue	398,000,938.16
To employees of the organisation	271,241,747.34
including overdue	0
Other	2,353,501,001.99
including overdue	40,768,111.53

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

There are no overdue accounts payable.

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

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

Abbreviated corporate name: **PJSC Sberbank**

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

INN: **7707083893**

OGRN: **1027700132195**

Debt: **33,912,005,665.99 Russian rubles.**

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

None

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

2.3.2. Credit History of the Issuer

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

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

Type and Identification Characteristics of Liabilities	
2. Bonds, series 01	
State registration number and registration date: 4-01-55038-E dated September 23, 2010	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue,
Principal debt as at the date of liabilities,	RUB 10,000,000,000

RUB/foreign currency	
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 89,179,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	8.75
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 12, 2021*
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds OJSC RusHydro is 10 years. Tender offer for acquisition of bonds at the owner's request for a period of 5 years from the beginning of placement is possible in respect of defined securities. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

Type and Identification Characteristics of Liabilities	
3. Bonds, series 02	
State registration number and registration date: 4-02-55038-E dated September 23, 2010	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue,
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 5,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 160,760,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	8,75
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 12, 2021*
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	* Maturity of bonds OJSC RusHydro is 10 years. Tender offer for acquisition of bonds at the owner's request for a period of 5 years from the beginning of placement is possible in respect of defined securities. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

Type and Identification Characteristics of Liabilities	
4. Credit, Open Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5486 dated November 18, 2011	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Open Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation

Principal debt as at the date of liabilities, RUB/foreign currency	RUB 40,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 20,000,000,000
Credit (loan) period, (years)	9
Average interest on credit, loan, % per annum	8.28
Number of interest (coupon) periods	36
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	November 17, 2020
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
5. Credit, Unicredit Bank Austria AG, Credit Agreement dated December 12, 2011	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Unicredit Bank Austria AG, 1010 Wien, Schottengasse 6 — 8, Austria
Principal debt as at the date of liabilities, RUB/foreign currency	EUR 127,796,550
Principal debt as at the end of the reporting quarter, RUB/foreign currency	EUR 86,208,239
Credit (loan) period, (years)	15
Average interest on credit, loan, % per annum	3.11
Number of interest (coupon) periods	60
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	August 28, 2026
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	Drawdown is performed from 2012 to 2017

Type and Identification Characteristics of Liabilities	
6. Credit, European Bank for Reconstruction and Development, Credit Agreement dated December 7, 2011	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	European Bank for Reconstruction and Development, One Exchange Square, London EC2A 2JN, United Kingdom
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 8,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 7,300,000,000
Credit (loan) period, (years)	15
Average interest on credit (loan), % per annum	12.77
Number of interest (coupon) periods	60
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None

Scheduled credit (loan) payment period (date)	March 10, 2026
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
7. Credit, Bayerische Landesbank, Credit Agreement dated October 15, 2012	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Bayerische Landesbank, Brienner Str. 18 80333 Munich, Germany
Principal debt as at the date of liabilities, RUB/foreign currency	EUR 16,485,731.83
Principal debt as at the end of the reporting quarter, RUB/foreign currency	EUR 14,836,476.54
Credit (loan) period, (years)	12.5
Average interest on credit, loan, % per annum	1.03
Number of interest (coupon) periods	26
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 30, 2025
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

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

Type and Identification Characteristics of Liabilities	
9. Credit, European Bank for Reconstruction and Development, Credit Agreement dated December 5, 2013	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor	European Bank for Reconstruction and Development

(lender)	One Exchange Square, London EC2A 2JN, United Kingdom
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 4,400,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 3,441,000,000.5
Credit (loan) period, (years)	12
Average interest on credit, loan, % per annum	14.54
Number of interest (coupon) periods	47
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	October 14, 2025
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities

10. Bonds, series 07

State registration number and registration date: 4-07-55038-E dated December 27, 2012

Terms and conditions of liability and information on its execution

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

Type and Identification Characteristics of Liabilities

11. Bonds, series 08

State registration number and registration date: 4-08-55038-E dated December 27, 2012

Terms and conditions of liability and information on its execution

Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 10,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 10,000,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	8.50
Number of interest (coupon) periods	20

Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	February 02, 2023*
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	*Maturity of bonds of series 08 is 10 years. Tender offer for a period of 5 years is possible in respect of the securities.

Type and Identification Characteristics of Liabilities	
12. Credit, Open Joint-Stock Company Sberbank of Russia, Credit Agreement No. 5724 dated April 8, 2014	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Public Joint-Stock Company Sberbank of Russia, Moscow, the Russian Federation
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 2,776,363,638.11
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 2,776,363,638.11
Credit (loan) period, (years)	8
Average interest on credit, loan, % per annum	14.72
Number of interest (coupon) periods	32
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 7, 2022
Actual credit (loan) payment period (date)	Existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
13. Credit, Crédit Agricole Corporate and Investment Bank Deutschland / ING BANK, a Branch of ING-DiBa AG, Credit Agreement dated March 4, 2014	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Crédit Agricole Corporate and Investment Bank, France, Taunusanlage 14, 60325 Frankfurt am Main, Federal Republic of Germany / ING BANK, a Branch of ING-DiBa AG, Hamburger Allee 1, 60486 Frankfurt am Main, Federal Republic of Germany
Principal debt as at the date of liabilities, RUB/foreign currency	EUR 190,284,359
Principal debt as at the end of the reporting quarter, RUB/foreign currency	EUR 86,998,547.17
Credit (loan) period, (years)	15
Average interest on credit, loan, % per annum	0.76
Number of interest (coupon) periods	30
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 4, 2029
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the	None

Issuer's discretion	
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Type and Identification Characteristics of Liabilities	
14. Bonds, series 09	
State registration number and registration date: 4-09-55038-E dated December 27, 2012	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 10,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 10,000,000,000
Credit (loan) period, (years)	10
Average interest on credit, loan, % per annum	12.75
Number of interest (coupon) periods	20
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	April 15, 2025*
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	*Maturity of bonds of series 09 is 10 years. Tender offer for a period of 2.5 years is possible in respect of the securities.

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

Type and Identification Characteristics of Liabilities	
16. Bonds, series BO-II02	
State registration number and registration date: 4B02-02-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor	Transferees of securities of the issue

(lender)	
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 5,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 5,000,000,000
Credit (loan) period, (years)	3
Average interest on credit, loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
17. Bonds, series БО-II03	
State registration number and registration date: 4B02-03-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 5,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 5,000,000,000
Credit (loan) period, (years)	3
Average interest on credit, loan, % per annum	11.85
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in days (if any)	None
Scheduled credit (loan) payment period (date)	July 4, 2018
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

Type and Identification Characteristics of Liabilities	
18. Bonds, series БО-II04	
State registration number and registration date: 4B02-04-55038-E-001P dated July 3, 2015	
Terms and conditions of liability and information on its execution	
Name and location or full name of the creditor (lender)	Transferees of securities of the issue
Principal debt as at the date of liabilities, RUB/foreign currency	RUB 15,000,000,000
Principal debt as at the end of the reporting quarter, RUB/foreign currency	RUB 15,000,000,000
Credit (loan) period, (years)	3
Average interest on credit, loan, % per annum	10.35
Number of interest (coupon) periods	6
Delays in payment of interest on credit (loan), and total number of such delays and duration thereof in	None

days (if any)	
Scheduled credit (loan) payment period (date)	April 4, 2019
Actual credit (loan) payment period (date)	existing
Other information on liabilities specified at the Issuer's discretion	None

2.3.3. Liabilities of the Issuer under Security it provides

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

Unit of measure: **RUB**

Indicator	September 30, 2016
Total amount of security provided by the Issuer (amount of outstanding obligations for which the Issuer provided security)	119,707,870,095.81
Amount of security provided by the Issuer for obligations of third parties	
Amount of security provided by the Issuer in the form of a pledge, specifying separately the amount of security in the form of a pledge provided by the Issuer for obligations of third parties,	25,642,903,370.59
Amount of security provided by the Issuer in the form of a guarantee, specifying separately the amount of security in the form of a guarantee provided by the Issuer for obligations of third parties,	94,064,966,725.22

Information on each case of the provision of a security, the amount of which is five or more per cent of the balance value of the Issuer's assets as at the end of the relevant reporting period: Such liabilities at the reporting date are not available.

Issuer's exposure to risk inherent to non-performance or improper performance of secured obligations by third party is evaluated as negligible

2.3.4. Other Liabilities of the Issuer

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

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

The Issuer's risk management policy:

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

Industry risks

Country and regional risks

Financial risks

Legal risks

Reputation risk

Strategic risk

Risks related to the Issuer's activities

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

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

Quality of the risk management system of the Issuer are regularly confirmed by an independent jury of international competitions. In particular, the Issuer was pronounced the winner in such categories as the Best Risk Management Comprehensive Program, the Best Risk Manager of Russia, conducted by Russian Risk Management Society RusRisk, Russian National Association of Risk Managers, being a member of the Federation of European Risk Management Association (FERMA). In June, 2015 within the framework of the 13th International professional forum "Risk Management in Russia and CIS" program RusHydro risk management has become a winner of the annual competition "Best Risk Management 2015" in the category "Production organization". In November 2015 the Company participated in the KPMG study, "The practice of risk management in Russia: strengths and areas for development." Results of the study are presented under the link

http://www.kpmg.com/RU/ru/IssuesAndInsights/ArticlesPublications/Documents/S_CG_10r.pdf. As it was demonstrated by this study many of the best practices of corporate risk management are assessed on major Russian companies and are used in PJSC RusHydro (the integration of risk management in the company's development strategy, the collection and accumulation of statistical data, the interaction between departments, the involvement and active participation of key stakeholders as well as improving quality of information on key risks.

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

The Issuer's activity with regard to risk management is connected with the need to reconstruct operating and construct new generating facilities, including:

Improving reliability, safety, and cost effectiveness of the equipment by regenerating worn main and auxiliary equipment;

Increase of technical-and-economic characteristics of HPP for operation on the competitive electrical energy market, and reduce repair expenses, improving operational efficiency by implementing programs to reduce production costs and economy;

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

Targeted financial policy;

Continuous analysis of electric energy market conditions;

Competitive environment in procurement, works, and services.

The Issuer's risk management policy:

The Issuer's risk management policy implies timely recognition and prevention of possible risks in order to minimize losses. In October, 2015 the Audit Committee of PJSC RusHydro approved "POLICY in the area of internal control and risk management of PJSC RusHydro in the new version, which was approved by the Board of Directors of PJSC RusHydro (protocol number 227 16/11/2015). The Issuer's activities within specific risks management are described in Clauses 2.4.1.—2.4.7. below.

2.4.1. Industry Risks

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

Foreign market:

The Issuer is exposed to comparatively moderate external industry risks. According to Moody's international rating agency, annual default frequency in the electricity sector is projected at 1,3%. The actual frequency of defaults in the electricity industry in 2015 was 0%, a year earlier it was 7,3% (see Moody's Investors Service, Special comment: Annual Default Study: Corporate Default and Recovery Rates, 1920–2015).

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

In Platts ranking were 12 companies of the Russian energy sector. In this list, RusHydro was the best electric company (9th position), behind were only the eight of largest oil and gas companies.

While composing the ranking, the financial performance of public enterprises of the energy sector with total assets of more than 5 billion US dollars is used.

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

Domestic market:

The Issuer is exposed to industry risks mainly due to the possible changes in the electric power industry.

On the one hand, it is to be noted that decrease in uncertainty of work of the Issuer on the wholesale market power associated with the transition in 2015 on a long-term model for competitive selection of power required by Rules of the wholesale electricity and capacity market (Approved by regulation of the Government of the Russian Federation No. 1172 dated December 27, 2010). As a result of competitive selection of power held in 30.09.2016 the price of power for the period to 2020 (inclusive) was defined. The increase predictability of prices for future periods reduces the level of industry risk.

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

As a result the Russian power market has suffered fundamental changes and has been operating in relative uncertainty (during 2015 the Rules of the wholesale market of electric energy and capacity were adjusted 12 times).

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

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

The Issuer is exposed to the competitive expansion risk on the retail market due to activation of power supply companies aspiring to render services to large consumers. In order to manage that risk, the Issuer is focused on the work with the customer base. Measures on risk elimination connected with loss of consumers:

- Individual relationship building with large consumers
- Promotion of the company on key consumer markets

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

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

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

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

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

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

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

Action plan for management of these risks:

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

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

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

- planned repair works are carried out in full extent;
- The Technical Policy, approved by the Board of Directors (Minutes No. 133 dated September 05, 2011), is applied in the Company, and it is based on the principle of achieving of the Company's strategic aims, integrated management of the Issuer's engineering system, transparency, and economic feasibility of adopted engineering decisions. In 2011, the Board of Directors approved the Comprehensive Modernization Program (hereinafter CMP) for Generating Facilities for 2012–2025. The aim thereof is to maintain the long-term reliability and safety of generating facilities of PJSC RusHydro in the long run. As part of the PTP in 2015 the company implemented the modernization of stations, 14 hydroelectric units with total capacity of 1171 MW. Remarking nine modernized hydraulic units of Kama, Saratov, Zhiguli, the Volga and the Novosibirsk HPP allowed increasing of their capacity to 55.5 MW. Modernization of the equipment is accompanied by improvement of operational and environmental performance. The new turbines and generators, designed and manufactured in accordance with the current level of power engineering, have a higher efficiency, longer run and require lower repair costs, more reliable and secure..
- Modern diagnostics methods without equipment shutdown are implemented.
- The structure and volumes of spare parts optimized.
- A tender selection of service and supply organisations is performed to improve the quality of services and materials provided, increase contractors' responsibility, and reduce the cost per unit.

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

Risk management within compliance with the industrial safety requirements throughout the production risk management structure of PJSC RusHydro branches is ensured on the basis of an effective system of

production control over compliance with the requirements of industrial safety at hazardous production facilities at PJSC RusHydro branches, developed on the basis of industrial safety requirements of the federal legislation.

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

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

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

Action plan for management of these risks:

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

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

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

PJSC RusHydro is among the top ten leaders of rating "Environmental Initiative of Russian companies in the media. Mining and metallurgy" prepared by the Institute of Modern Media (Modern Media Research Institute) in collaboration with the TV channel "Living Planet" on the results of the 1st half of 2016. In all of the areas of hydroelectric power plants location (from the Caucasus to the Far East) since 2005, the company held a federal charitable action "GUARD!" (OBEREHAI!). The campaign aims to raise young people caring attitude to water bodies and coastal areas. Its result is exported tons of debris, landscaping beach and promenade with the participation of more than 30 000 children, adolescents and adults. In 2015, 51 environmental actions took place in 17 regions of Russia, as well as in Kyrgyzstan. More than 4,000 participants have gathered about 6,000 bags of garbage.

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

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

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

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

- Increase in operating performance through implementation of a program to reduce operating costs and make savings.
- Work on increasing the share of long-term contracts for power supply in the total volume of executed contracts.
- Implementation by the Issuer of a balanced financial policy.

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

The risk of power generation uncertainty for the Issuer involves the impossibility of precise forecasting of the volumes of power generated in the mid-term and long-term. This risk basically affects fulfilment of the Issuer's obligations on power supply on the wholesale electricity (and capacity) market. The Issuer may face the

inability to supply the electricity required by generation agreements and, as a consequence, may have to buy additional volumes at higher prices on the wholesale market.

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

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

This risk is minimized within the framework of conducting production and marketing activities of PJSC RusHydro, including through the following activities

- Protection of the HPP's interests at the Interdepartmental Operating Groups of the Federal Water Resources Agency
- Execution of hedging bilateral agreements for the day-ahead market (including purchase of electric power as collateral for obligations).

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

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

Foreign market:

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

Domestic market:

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

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

Foreign market:

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

Domestic market:

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

- Improvement of operational efficiency by implementation of programs on reducing production costs and making savings (creation of competition in the works and services procurement sector, contracting with a firm contract price, optimization of repair and maintenance, capital construction costs, etc.)
- Implementation of a balanced financial policy as regards compliance with the payment discipline to mitigate insolvency risks and procurement of financial stability of the Issuer and compliance with standards of business planning

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

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

Foreign market:

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

Domestic market:

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

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

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

Foreign market:

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

Domestic market:

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

2.4.2. Country and Regional Risks

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

Country Risks

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

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

Exposure to country risk may be indirectly assessed by credit rating with some assumptions (without political risks for business). Due to external factors such as the decrease in the oil prices according to the results of 2014, rating of the Russian Federation was initially decreased from BBB at a positive forecast to BBB- with a negative forecast (according to Standard & Poor's international rating agency) and in January 2015 from BBB- to non-investment BB+, which is inevitably a negative factor; however, it has a specific character connected with anti-Russian sanctions. Depending on the continuation of this policy or its cancelation, the level of country risk will be subject to change. In this connection, there is possible growth in the risk connected with failure to discharge obligations by separate foreign suppliers and contractors, contraction of the sales market and contract revision.

It is worth noting the improvement of the situation in 2016. According to the international rating agency Standard & Poor's the long-term credit rating of the Russian Federation on foreign currency liabilities is maintained at "BB +". At the same time the forecast of long-term credit rating of the Russian Federation has been revised by S&P on 16.09.2016 from negative to stable. According to analysts, the external risks for the Russian Federation decreased, the Russian economy is adapted to low world market prices for raw materials. The downgrade can occur if geopolitical developments will lead to a tightening of sanctions against foreign states in the Russian Federation.

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

It is also worth noting the growing volume of cooperation of the Russian Federation with partners in the

SCO and BRICS, the establishment of new financial institutions and the arrival to the country capital data partners that influence country risk in the direction of its decline.

Political Risks

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

Regional Risks

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

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

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

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

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

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

In July 2016 the last major facility was put into production cycle built in the second phase of the project implementation - a new station cooling tower.

At the end of the Q III at the construction site of Yakutskaya SDPP-2:

- In the main building the installation of basic equipment is being completed;
- in the turbine building of the main building the commissioning of auxiliary systems of four gas turbines are carried out;
 - In the boiler room flues of waste heat boilers are being tested and instrumentation and automation equipment are being installed;
 - at the peak hot water boilers feeding gas pipelines and liquid fuel pipelines are being tested, instrumentation and automation are being installed;
 - at the main construction site the gas processing facility has been installed, commissioning is being completed, equipment in the building of gas boosting station is being installed, which will carry the gas supply to the gas turbine;
 - in the building of electrical devices the installation of the complete switchgear (GIS), 110 kV is being completed;
 - on the secondary site in the united building the installation of pipelines and pumping equipment is being completed, commissioning is being performed.

In order to ensure maximum transparency of expenditure of budgetary funds allocated by the state for the development of power industry of the Far East, PJSC RusHydro has formed a mechanism to Ministry of Economic Development, Ministry of Energy and the Accounts Chamber of the Russian Federation continuously assess and analyse the progress of the project, check the effectiveness of capital investments and monitor targeted use of funds. Transparent use of funds allows the PJSC Sberbank through a system of separate bank

accounts, which are opened for each participant of the building. Independent of price and technology audit of design and estimate documentation for each project are carried out by engineering companies, selected by OJSC Sberbank on a competitive basis. For more information on the parameters of the target budget spending control system can be found in a special section of the RusHydro site "Development of the Far East Energy" at http://www.rushydro.ru/activity/razvitie_energetiki_dalnego_vostoka/

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

Risks related to possible military conflicts, imposition of a state of emergency or strikes in the country and region where the Issuer is a tax resident and/or carries out its principal activities.

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

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

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

- Evacuation of personnel and construction equipment located in close proximity;
- Enhancement of security of the Issuer's facilities by engaging additional forces of the Ministry of Internal Affairs of the Russian Federation in order to prevent risks.

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

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

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

2.4.3. Financial Risks

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

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

The financial status of the Issuer, its liquidity, sources of financing and performance results do not depend

heavily on foreign exchange differences and interest rate changes.

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

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

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

Due to the deteriorating of international situation, economic sanctions and other force majeure could increase the risk of the Issuer's access to credit difficulties foreign counterparts, more expensive debt issuer, losses due to increased foreign exchange rates and interest rates. Controlling these risks is to reduce the limits for counterparty banks to lower the ratings of stress-testing of possible losses due to the growth of currency rate and interest rates on the Issuer approved the procedure of currency control and interest rate risks, legal support of contractual base.

Some loans of the Issuer are connected with floating interest rates of MosPrime and Euribor. However, a share of loans with a fixed interest rate is 77 % of the Issuer's balance of outstanding loans to the end of Q 3 of 2016. In order to minimize interest risk by the Issuer, swap contract was concluded so as to fix variable interest rate in relation to the credit of PJSC Sberbank (approximately 1 billion RUB on September 30, 2016).

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

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

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

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

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

Critical significance of inflation, according to the Issuer:

Taking into account the level of potential earnings of the Issuer's activity, the critical inflation level under which the Issuer would have difficulties, is equal to at least 20 % per annum. However, according to the main forecast indicators of socio-economic development of the Russian Federation to 2019, published by the Russian Ministry of Economic Development, the rate of annual inflation (CPI) in 2016 is projected at 6.5% in the baseline scenario at a price of Urals oil equal to 40 dollars per bbl.

At the end of 2015, according to Rosstat, inflation in Russia amounted to 12.9% against 11.4% in 2014, 6.5% in 2013, 6.6% in 2012, 6.1% in 2011 and 8.8% in 2010 and 2009.

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

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

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

		2) Accounts payable 3) Cash — Statement of Financial Performance (form No. 2): 1) Other income and expenses 2) Net profit 3) Interest payable	payable, growth in other expenses, increase in expenditures connected with interest and reduction of net profit
Inflation risks	High	Statement of Financial Performance (form No. 2): 1) Other expenses 2) Cost of goods, products, works, services sold 3) Net profit	Profit decrease

2.4.4. Legal Risks

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

Risks Related to Changes in the Currency Control

Domestic Market:

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

Foreign Market:

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

Risks Related to Amendments to the Tax Laws

Domestic Market:

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

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

Foreign Market:

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

Risks Related to Changes in the Customs Clearance Regulations and Duties

Domestic Market:

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

Foreign Market:

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

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

Domestic Market:

Changes to the licensing requirements of the Issuer's principal activities may delay preparation of the documents necessary for prolongation of the license, as well as it might cause additional costs to ensure Issuer's compliance with the stated requirements. In general this risk should be deemed insignificant, except that for prolongation of the license or performance of the activities subject to licensing such requirements will be specified which the Issuer will not be able to comply with or compliance with which will be tightly related to excessive expenses, which may result in cessation of these activities by the Issuer.

Foreign Market:

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

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

Domestic Market:

Changes in the legal practice in relation to issues concerning the Issuer's activities may lead to increased costs related to rendering of legal services and lawyers staff increase, as well as judgments against the Issuer which may adversely affect the Issuer's operational results.

Foreign Market:

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

2.4.5. Reputation Risk

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

2.4.6. Strategic Risk

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

The PJSC RusHydro implemented strategic management system built on the basis of:

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

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

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

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

2.4.7. Risks Related to the Issuer's Activities

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

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

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

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

After establishment of the institution of self-regulated organisations (SRO), licensing of construction activities has been replaced since January 01, 2010, with a competency certificate to be granted by the SRO. Subsidiaries of PJSC RusHydro joined NP ENERGOPROJECT (self-regulating organisation in the field of

project activities), NP ENERGOSTROY (self-regulating organisation in building activities), and NP AISS (self-regulating organisation in engineering surveys). The Issuer is a member of SRO NCP "EnergoStroiAllians" Association.

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

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

These risks are assessed by the Issuer as insignificant.

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

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

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

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

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

Other risks related to the issuer's activities

The Company is actively working on prevention of corruption. Under Resolution No. RP-39 of the President of Russian Union of Industrialists and Entrepreneurs (hereinafter RUIE) dated June 07, 2013, No RP-39 the Issuer was included in the Consolidated Register of Participants in the Anti-Corruption Charter of Russian Business. The essence of this instrument is implementation of special anti-corruption programs and practices by companies that affect not only the situation in the company, but also relationships with business partners and with the state. The Charter provides for the waiver of preferences, procurement through open bidding, financial control, training and work with personnel, assistance to law enforcement agencies, and other measures. In autumn 2014 the RSPP experts acknowledged efforts to prevent corruption in the PJSC RusHydro one of the best among the companies participating in the Anti-Corruption Charter of Russian Business. This conclusion is made on the basis of monitoring the implementation of the Charter, carried out by the Issuer has revealed full compliance PJSC RusHydro with the Charter. The Issuer improves the internal control and risk management system on a regular basis.

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

The Code of Corporate Ethics, Regulations on notification of the employer regarding facts of inducing employees to commit illegal actions, Regulations on notification of gifts received by the employees due to hospitality events, business trips, and other formal events, and Regulations on prevention and settlement of conflicts of interest have been implemented. In October 2015 the Anti-corruption policy of PJSC RusHydro, of the Board of Directors of PJSC RusHydro was approved. Information and campaign materials were developed and coordinated, warning about the responsibility for illegal actions. Trust Line operates on an ongoing basis. Uninterrupted operation of the telephone line for Trust Line is ensured. Mechanisms for periodic performance checks of the communication line for Trust Line with recording of information about its faults have been

developed and implemented. Trust Line webpages at the Company's official website are improved. In 2015 "Line of confidence" received 522 appeals, on 6 appeals the facts were confirmed and decisions were made on bringing to disciplinary liability.

Risks related to the actions of third parties:

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

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

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

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

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

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

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

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

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

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

5. Covenants in credit agreements.

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

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

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

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

7. Health and safety.

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

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

Monitoring of compliance with safety standards in PJSC RusHydro is entrusted to occupational safety and health division and production supervision, monitoring of compliance with safety standards in the production of specific activities is entrusted to the responsible supervisors.

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

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

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

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

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

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

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

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

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

Each and every incident is subject to investigation.

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

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

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

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

- Tightening of control over activity of the Issuer's contractors and subcontractors at facilities;
- Insuring the power plant equipment against damage by third-party operations
- Granting work permits only to qualified personnel
- Claim administration works with contractors who have violated works performance timeframes as regards payment of discharge for default under a contract
- Monitoring progress of works performance at the plants on a monthly basis

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

III. Detailed Information on the Issuer

3.1. History of the Issuer's Foundation and Development

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

Full corporate name of the Issuer: *Public Joint-Stock Company Federal Hydrogeneration Company RusHydro*

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

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

Abbreviated corporate name of the Issuer: *PJSC RusHydro*

-in English: PJSC RusHydro

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

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

Information on registration of the specified trademarks:

Certificate of trademark (service mark):

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

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

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

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

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

Full corporate name: **Open Joint-Stock Company Federal Hydro-Generating Company – RusHydro**

Abbreviated corporate name: *JSC RusHydro*

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

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

Full corporate name: **Open Joint-Stock Company Federal Hydro-generating Company**

Abbreviated corporate name: *JSC RusHydro*

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

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

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

Abbreviated corporate name: *JSC RusHydro*

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

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

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

Abbreviated corporate name: *JSC HydroOGC*

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

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

3.1.2. Information on State Registration of the Issuer

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

State registration date: *December 26, 2004*

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

3.1.3. Information on Foundation and Development of the Issuer

The Issuer is established for an unspecified period of time.

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

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

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

In 2005, the Board of Directors of RAO UES of Russia approved a target model of PJSC RusHydro in the form of an Operating Company managing its branches established on the basis of JSC HPPs during reorganisation of subsidiaries and affiliates (S&A) in the form of affiliation with PJSC RusHydro (Minutes No. 204 dated September 30, 2005 — October 4, 2005).

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

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

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

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

In 2011, the Russian Federation introduced a controlling stake of PJSC "RAO Energy Systems of East" to the charter capital of PJSC RusHydro, resulting in RusHydro installed capacity of the Group increased from 26.1 to 35.2 GW. In 2015-2016 in accordance with the decision of the Board of Directors of PJSC RusHydro (protocol number 223 7/10/2015) steps were taken to consolidate 100% shares of PJSC "RAO ES of the East" in the ownership of RusHydro Group.

In 2012, the first unit of Boguchasnaya HPP started working, in 2014 HPP went to full capacity.

Also in 2012 the complex of Ust-Srednekanskaya HPP was put into operation.

In accordance with the Presidential Decree of November 22, 2012 No. 1564 of the Far East Energy development RusHydro Group started implementing the four priority projects in Far Eastern Federal District: CHP Plant in Sovetskaya Gavan in Khabarovsk Territory, the 1st stage of the Sakhalinskaya SDPP-2, 1st stage of the Yakutskaya SDPP-2 and 2-nd stage of the Blagoveshenskaya CHP. 2nd phase of the Blagoveshenskaya

CHP was commissioned in 2015. Construction works are continuing at CHP Plant in Sovetskaya Gavan in Khabarovsk Territory, the 1st stage of the Sakhalinskaya SDPP-2 and the 1st stage of the Yakutskaya SDPP-2.

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

The strategic objectives of the Issuer:

- Safe and secure operation of the Company's facilities;
- Sustainable electric power production development;
- Far East energy development
- Increase in the Company's value.

Mission of the Issuer is efficient use of water resources, the creation of conditions to ensure the reliability of the Unified Energy System of Russia, as well as creating the conditions for socio-economic development of the Far East regions due to accessibility provision of energy infrastructure for existing and prospective customers.

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

3.1.4. Contact Information

Location of the Issuer

Krasnoyarsk, Krasnoyarsk Krai.

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

43 Dubrovinskogo St., bldg. 1, Krasnoyarsk, Krasnoyarsk Krai, 660017.

Other address for correspondence

7 Malaya Dmitrovka St., Moscow, Russia, 127006

Tel.: +7 800 333 8000

Fax: +7 (495) 225 37 37

E-mail: ***office@rushydro.ru***

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

www.rushydro.ru

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

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

Strategy and IR Department

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

Tel.: +7 800 333 8000

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

E-mail: ***ir@rushydro.ru***

Website address: **www.rushydro.ru**

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

Corporate Governance and Property Management Department

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

Tel.: +7 800 333 8000

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

E-mail: ***office@rushydro.ru***

Website address: **www.rushydro.ru**

3.1.5. Taxpayer Identification Number

2460066195

3.1.6. Branches and Representative Offices of the Issuer

The Issuer has no representative office.

There were no changes in the list of the Issuer's branches in Q 3 of 2016.
Acting Director of the Branch of PJSC RusHydro in Q3 - "Zeyskaya HPP" was appointed in Q 3.

Information on the Issuer's subsidiaries:

Name: PJSC RusHydro branch” — Bureyskaya HPP
Location: Talakan, Bureyskiy District, Amur Oblast, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Aleksandr Sergeevich Garkin
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch“ — Volzhskaya HPP
Location: 1a Lenina Avenue, Volzhskiy, Volgograd Oblast, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Sergey Nikolaevich Bologov
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Votkinskaya HPP
Location: Chaykovskiy, Perm Krai, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Aleksey Georgievich Byakov
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch“ — Dagestan branch
Location: 5 M. Khalilova St., Kaspiysk, Republic of Dagestan, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Timur Gamzatovich Gamzatov
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Zhigulevskaya HPP
Location: Zhigulevsk, Samara Oblast, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Oleg Vladimirovich Leonov
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Zagorskaya PSHP
Location: 100, township Bogorodskoe, Sergievo-Posadskiy District, Moscow Oblast, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Vladimir Ivanovich Magruk
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Zeyskaya HPP
Location: Zeya, Amur Oblast, Russian Federation
Opening date: August 27, 2007
The Acting Director of the branch
Full name: Aleksey Vasilyevich Panchukov
Validity period of the power of attorney: until November 30, 2016

Name: PJSC RusHydro branch” — Kabardino-Balkarsky branch
Location: Township Kashkhatau, Cherek District, Kabardino-Balkar Republic, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Igor Evgenevich Kladko
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch“ — Kamskaya HPP
Location: Kamskaya HPP, Perm, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Viktor Georgievich Alekseev
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Karachaevo-Cherkessky branch
Location: Township Pravokubanskiy, Karachaiivskiyi District, Karachay-Cherkess Republic, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Petr Vasilyevich Kravchenko
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Cascade of Verkhnevolzhskiy HPPs
Location: Rybinsk, Yaroslavl Oblast, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Andrey Vladimirovich Derezhkov
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Cascade of Kuban HPPs
Location: 360a Vodoprovodnaya Street, Nevinnomyssk, Stavropol Krai, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Gennadiy Evgenyevich Sergeev
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — CorUnH
Location: 49 Arkhitekora Vlasova Street, Moscow, Russian Federation
Opening date: December 05, 2007
Director of the branch
Full name: Elena Anatolyevna Aksenova
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Nizhegorodskaya HPP
Location: 14 Privokzalnaya St., Zavolzhye, Gorodets District, Nizhniy Novgorod Oblast, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Aleksandr Arkadyevich Goyzenband
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Novosibirskaya HPP
Location: 4 Novomorskaya St., Novosibirsk, Novosibirsk Oblast, Russian Federation
Opening date: April 10, 2006

Director of the branch
Full name: Svyatoslav Ivanovich Poltaranin
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Saratovskaya HPP
Location: city of Balakovo, Saratov Oblast, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Lyudmila Viktorovna Odintsova
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Neporozhniy Sayano-Shushenskaya HPP
Location: township Cheremushki, city of Sayanogorsk, Republic of Khakassia, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Valeriy Arturovich Kyari
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Severo-Osetinsky branch
Location: 63 Vaso Abaeva St., Vladikavkaz, Republic of North Ossetia-Alania, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Taymuraz Vladimirovich Balataev
Validity period of the power of attorney: until January 31, 2017

Name: PJSC RusHydro branch” — Cheboksarskaya HPP
Location: 34 Naberezhnaya St., city of Novocheboksarsk, Chuvash Republic, Russian Federation
Opening date: August 27, 2007
Director of the branch
Full name: Vadim Grigoryevich Bardyukov
Validity period of the power of attorney: until January 31, 2017

3.2. Core Business Activity of the Issuer

3.2.1. The Issuer's Major Economic Sectors

Codes of major economic sectors of the Issuer according to OKVED: 35.11.2

OKVED codes
35.11.4
35.14
70.22
71.12.53
77.39
85.42

3.2.2. Core Business Activity of the Issuer

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

Measurement unit: Russian rubles

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

Indicator	2015, 9 months	2016, 9 months
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Sales proceeds (sales volume) from this type of business activity, RUB	77,098,638,896	86,084,069,407
Share of sales proceeds (sales volume) from this type of business activity in the total sales proceeds (sales volume) of the Issuer, %	98,8%	99.2 %

The increase of revenue following the result of 2016 (9 months) as compared with 2015 (9 month) to 11.7 % due to the increase of the Issuer's hydroelectricity power generation by 21.5%.

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

Increase in revenues by 11.7% due to the growth of production 2016 (9 months) – 69,5 billion kWh, 2015 (9 months) – 57,2 billion kWh).

The growth in output is due to the following factors:

- Increased water inflow in the second quarter and third quarter in Zeyskoye reservoir;
- Increased water inflow in most reservoirs on the Volga and Kama rivers in the first quarter of 2016, which led to an increase in total production for 9 months of 2016 .;
- close to average many-years indicators of water inflow in Siberian reservoirs;
- the average water content of the North Caucasus hydropower plants

General structure of the Issuer's production cost

Name of cost items	2015, 9 months	2016, 9 months
Raw and other materials, %	0.6	0.7
Acquired component, semi-finished goods, %		-
Outsourced production-related works and services, %	8.2	8.2
Fuel, %		
Energy, %	21,8	13.2
Labour costs, %	12.3	11.7
Interest on loans, %		-
Lease payment, %	2.1	2.4
Social allocations, %	3.0	3.1
Amortization of fixed assets, %	22.5	28.0
Taxes included in production cost, %	12,8	15.6
Other costs	16,6	17,1
Amortization of intangible assets, %	0.9	0.5
Remuneration for rationalization proposal, %	-	-
Mandatory insurance payments, %	2.4	3.0
Entertainment allowance, %	0.05	0.03
Other (please specify), % *	13.3	13.6
Total: Expenses for production and sale of products (works, services) (production costs), %	100.0	100.0
For reference: Proceeds from sale of products (works, services), % against production cost	171.3	219.3

* Including expenses on electricity and capacity market performance in 2015 (9 months) — 4.7 %, in 2016 (9 months) — 5.3 %; expenses on protection of facilities in 2015 (9 months) — 2.8 %, in 2016 (9 months) — 3.3 %.

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

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

The Issuer's accounting statements are prepared in accordance with the accounting and reporting rules

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

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

Name, location, INN (if available), OGRN (if available) of the Issuer's suppliers which account for at least 10 per cent of all supplies of materials and goods and their shares in total supply for the reporting period.

September 30, 2016

The issuer's suppliers which account for not less than 10 percent of all deliveries of materials and goods (raw materials)

Full corporate name: **Joint-Stock Company Financial Settlement Centre**

Abbreviated corporate name: **JSC FSC**

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

INN: **7705620038**

OGRN: **1047796723534**

Share in the total supplies, %: **91.3**

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

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

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

There are no import deliveries.

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

Key markets where the Issuer conducts its business:

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

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

Regulated Contracts (RC):

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

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

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

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

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

- On the purchase and sale contracts of power, concluded on the basis of competitive selection of power;
- purchase /sale of capacity under free agreements of purchase and sale of power (SDM);
- purchase/sale of capacity under agreements for capacity and contracts for the sale of power of new nuclear power plants and hydropower plants, the same DP;

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

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

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

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

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

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

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

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

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

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

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

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

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

On April 30, 2016, Regulation of the Government of the Russian Federation №379 was signed and it lifted restrictions to sale of all hydropower capacity volume, located in the second pricing zone at free (non-regulated) prices. Therefore, all hydropower capacity volume located in the second pricing zone, excluding volume supplied by regulated contracts, will be supplied at CCO prices. Moreover, it is necessary to point out that early liberalization introduced under the condition that a defined RF Government marginal growth of the value of the unit cost of the electric power and capacity buying for the Republic of Buryatia consumers from May to December 2016 will not exceed 7.5%. In the event that the present level of price increase exceeds, 100% liberalization is cancelled and HEPs back to their previous level of liberalization of 80%.

Day-Ahead Market (DAM):

The volume of electricity generated above the RD volumes is sold at free prices on the day-ahead market and shortages are purchased on the DAM so as to provide for RC. The rules of the wholesale market provide for the possibility of electricity sale/purchase under free bilateral contracts (FBC). Participants in the wholesale market independently determine counteragents under contracts, as well as prices and volumes of deliveries within free bilateral contracts.

Balancing Market (BM):

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

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

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

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

The Issuer's measures on minimization of negative factors:

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

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

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

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

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

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

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

Authority (organisation) issuing the relevant authorization (license) or permit for separate types of works:

The Federal Service for Environmental, Engineering, and Nuclear Supervision

Number of authorization (license) or document evidencing the receipt of permit for separate types of works: **No. BX-00-015161**

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

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

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

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

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

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

Issue date of the authorization (license) or permit for separate types of works: **September 26, 2016**

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

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

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

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

Issue date of the authorization (license) or permit for separate types of works: **September 26, 2015**

Expiry date: **August 09, 2020**

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

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

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

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

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

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

3.2.6. Information on Activities of Separate Types of Issuers

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

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

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

a) Mineral reserves

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

1. Name of the field: Bikin brown coal mine, mine "Luchegorsky - 1"

Owner of the field

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

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

INN: 2526006224
BIN: 1152721004963
Type of mineral: brown coal grade B1
Proved reserves: 228 187 000 tons
Production rate for the relevant reporting period (s) for the 9 months 2016 -- **1,185,301** tonnes

2. Field: Bikin brown coal mine, mine "Luchegorsky-2"
Owner of the field
Full name: Joint Stock Company "Luchegorsky Mine"
Abbreviated name: JSC "LUR"
Location: township Luchegorsk, Pozharsky district, , Primorskiy Kray, Russian Federation
INN: 2526006224
BIN: 1152721004963
Type of mineral: brown coal grade B1
Proved reserves: 274 343 000 tons
Production rate for the relevant reporting period (s) for the 9 months 2016 -- **1,993,390** tonnes

3. Name of the field: Luchegorskoye andesitic porphyry deposits (building stone), a quarry "Southern"
Owner of the field
Full name: Joint Stock Company "Luchegorsky Mine"
Abbreviated name: JSC "LUR"
Location: township Luchegorsk, Pozharsky district, Primorskiy Kray, Russian Federation
INN: 2526006224
BIN: 1152721004963

Type of mineral: Andesitic porphyrite
Proved reserves: 2,817,000 m3
Production rate for the relevant reporting period(s) for 9 months 2016 – **41,385.45** m3.

Licenses for subsoil use, obtained by the issuer or its controlled organizations for the use of fields of the issuer's significant financial and economic value

1. License: VLV number 02503 TE

Object subsoil: **Cut "Luchegorsky-1"**

Legal entity that obtained a license: JSC "LUR"

Date of issue: January 14, 2016 (as amended on July 20, 2016)

Term of the license: December 31, 2034

In case of execution of conditions of licensing, the license will be extended in the manner prescribed by applicable law.

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

Description of the subsurface allotted for use: Field of Cut "Luchegorsky-1", Bikin brown coal mine. The subsurface site is located in the territory of Primorski Krai, Pozharsky municipal district.

Type of License: **For exploration and mining of mineral deposit**, including the use of waste mining and related processing plants.

Main provisions of the license concerning subsoil user obligations indicating the period of performance of these obligations:

- Geologic information concerning subsoil resources is subject to be presented in federal and territorial funds of geological information according to established procedure.

- The Subsoil User is obliged to ensure safety of primary geological information obtained in the course of works on the subsoil resources including rock samples, core, and reservoir fluids. According to federal and territorial funds of geological information, the Subsoil User is obliged to provide free temporary storage of geological information, of which he is the owner, including the temporary storage of samples of rocks, core of reservoir fluids.

- The Subsoil User is obliged annually, not later than 15 February of the following reporting year, to represent in proper local agency of the Federal Subsurface Management Agency an information report on conducted works on provided for use sites of subsoil resources in accordance with Federal Subsurface Management Agency and its local agencies.

- The Subsoil User is obliged to fulfil requirements established by legislation on conservation of subsoil resources and environment, safe work practices related to subsoil resources use.

- Production level of materials and date of reaching of project capacity is determined by detailed development plan of mineral deposit.

- All obligations are satisfied by the Subsoil User at a stated time.

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

The Subsoil User is obliged to pay established by legislation payments, tax and fees for subsoil use, land and water.

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

2. License: VLV number 02502 TE

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

Legal entity that obtained a license: JSC "LUR"

Date of issue: January 14, 2016 (as amended on July 20, 2016)

Validity of the license: December 31. 2034

In case of execution conditions of licensing, the license will be extended in the manner prescribed by applicable law.

Grounds for License issue: **The right to use subsoil fields in the area №4 Bikin brown coal deposit (box cut "Luchegorsky-2") was given to JSC "LUR" in accordance with paragraph 7 of Article 10.1, paragraph 5 of Section 17.1.. Law of the Russian Federation "On Subsoil" dated 21.02.1992 № 2395-1, in connection with the reorganization of the legal entity - the subsoil user (JSC "Far Eastern Generating Company" (hereinafter - JSC "DGC")) by isolating it from another entity (JSC "LUR"), based on the decision of the Commission of the Federal agency for subsoil Use for consideration of applications for amendments and additions to the license and renewal of licenses for subsoil areas within the competence of the Federal agency for subsoil Use (minutes of 11.19.2015 number 470), in order renewal of the license number 14514 VLV TE (order of 12/01/2016 Dalnedra number 3).**

Description of the subsurface allotted for use: The site №4 of Bikin brown coal mine, Pozharsky municipal district. The subsurface site is located in the territory of Primorski Krai,.

Type of licence: **For exploration and mining of mineral deposit**, including the use of waste mining and related processing plants.

Main provisions of the license concerning subsoil user obligations indicating the period of performance of these obligations:

- Geologic information concerning subsoil resources is subject to be presented in federal and territorial funds of geological information according to established procedure.

- The Subsoil User is obliged to ensure safety of primary geological information obtained in the course of works on the subsoil resources including rock samples, core, and reservoir fluids. According to federal and territorial funds of geological information, the Subsoil User is obliged to provide free temporary storage of geological information, of which he is the owner, including the temporary storage of samples of rocks, core of reservoir fluids.

- The Subsoil User is obliged annually, not later than 15 February of the following reporting year, to represent in proper local agency of the Federal Subsurface Management Agency an information report on conducted works on provided for use sites of subsoil resources in accordance with Federal Subsurface Management Agency and its local agencies.

- The Subsoil User is obliged to fulfil requirements established by legislation on conservation of subsoil resources and environment, safe work practices related to subsoil resources use.

- Production level of materials and date of reaching of project capacity is determined by detailed development plan of mineral deposit.

- All obligations are satisfied by the Subsoil User at a stated time.

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

The Subsoil User is obliged to pay established by legislation of Russian Federation payments, tax and fees for subsoil use, land and water.

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

3. License: POZh 00787 OShch

Legal entity that obtained a license

Full name: Joint Stock Company "Luchegorsky Mine"

Abbreviated name: JSC "LUR"

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

TIN: 2526006224

OGRN: 1152721004963

License number: POZh 00787 OShch

Date of issue: 10/07/2015

Term of the license: 09/15/2024

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

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

Description of the subsurface allotted for use:

The site is located in the territory of Pozharsky municipal region, in 6 km to the south of the village Luchegorsk.

Type of License: for subsoil use with the purpose and types of work: mining andesitic porphyries (building stone) on Luchegorsky deposit (Southern Section).

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

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

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

b) Mineral processing

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

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

c) Product sales

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

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

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

3.3. Plans for the Issuer's Future Activities

Brief description of the Issuer's plans for future activities:

In accordance with the Articles of Association, the Issuer's objectives are:

- Creation of conditions for ensuring the reliability and safety of generating facilities;
 - Realization of state policy in the field of hydropower;
 - Creation of conditions for effective functioning of the wholesale electricity (capacity) market; Realization of effective operation and centralized technological management of hydropower facilities; Implementation of united strategy in investments and raising capital for solution of common system tasks of hydropower development;
 - Development and implementation of scientific and technical policy and introduction of new advanced equipment and technology, including the development of renewable sources of electricity;
- Receiving a profit.

Sources of future income:

The Issuer plans to continue to profit from the main activity - production and sale of electricity and capacity on the wholesale and retail electricity and capacity markets.

Plans for organization of new production, expansion or curtailment of production, product development, modernization and reconstruction of fixed assets:

Specified on the basis of the Company's business plan for 2016-2020 years of the investment program of the Company for 2016 (Minutes of the Board of Directors of 25.12.2015 No.229).

In 2016, the investment program provides:

Entering additional capacity 395.5 MW and 469.6 Gcal / h.

Financing of investment projects of the Company in the amount of 65 649,8 mln rubles, including..:

- Upgrade project - RUB 34 975,2 mln;
- Comprehensive restoration of the Sayano-Shushenskaya hydroelectric power station - RUB 1 632,6 mln;
- Priority projects in the Far East (CHP Plant in Sovetskaya Gavan, Sakhalinskaya SDPP-2 (1st stage), Yakutskaya SDPP-2 (1st stage) 2nd stage Blagoveshenskaya CHP) implemented pursuant to the Decree of the President of the Russian Federation as of 22/11/2012 No. 1564 "On further development of the Open Joint Stock Company" Federal Hydro-Generating Company - RusHydro " – RUB 26 570,9 mln
- Construction of Zelenchukskaya HPP-PSPP – RUB 1 620,6 mlnRUB.
- Feasibility study of projects of flood control HPPs in the Far East (Nizhne-Zeyskaya HPP Selemdzinskaya HPP) - RUB 300,0 mln .;
- Other projects – RUB 550,5 mln.

Also in 2016, the Company plans to finance investment projects implemented by subsidiaries, as well as R & D in the amount of RUB 34 124,92 mln.

Information on the possible change of the main activity:

The Issuer does not plan to change its core activities.

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

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q3 of 2016.

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

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

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

Location of the Issuer: worker’s settlement **Bogorodskoe, Sergievo-Posadsky District, Moscow Oblast,**

Russian Federation

INN: 5042086312

OGRN: 1065042071137

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

Nature of the control over the organisation in relation to which it is a controlling entity (the right to dispose of

over 50 per cent of votes in the supreme management body of the Issuer's controlled company, the right to appoint (elect) the sole executive body of the Issuer's controlled company, the right to appoint (elect) over 50 per cent of the collective management body of the Issuer's controlled company: **the right to dispose of over 50 per cent in the supreme management body of the Issuer's controlled company**

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

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

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

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

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

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %	Portion of the Issuer's equity shares held by the person, %
Dmitriy Valentinovich Zakhvataev (Chairman)	0	0
Nikolay Igorevich Karpukhin	0	0
Vladimir Ivanovich Magruk	0.000040	0.000040
Vadim Vladislavovich Nedotko	0	0
Galina Viktorovna Gorina	0	0

Members of the Collective Executive Body

The collective executive body is not provided for by the Charter

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

Full name: **Joint Stock Company RusHydro Management Company"**

Abbreviated name: **JSC RusHydro MC"**

Location: **city of MoskvaOtkrytoe**

INN: **5260096381**

BIN: **1025203040136**

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

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

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

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

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

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

Location: **Khabarovsk Kray, Khabarovsk**

INN: 2801133630

OGRN: 1087760000052

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

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

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

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

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

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

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

Members of the controlled company's Board of Directors

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

Members of the controlled company's collective executive body

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

Sole executive body of the controlled company

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

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

Abbreviated corporate name: **PJSC FEEC**

Location: **Vladivostok, Russian Federation**

INN: 2723088770

OGRN: 1072721001660

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

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

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

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

In case of indirect control—successively all the Issuer's controlled companies (chain of companies under direct or indirect control of the Issuer), through which the Issuer controls the company, in relation to which it is a

controller. Full name, location, INN (if applicable), and OGRN (if applicable) shall be specified for each such company:

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

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

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

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

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

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

Description of the controlled company's core business:

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

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Aleksey Dmitrievich Yakovlev (Chairman)	0	0
Vladimir Grigoryevich Akulshin	0	0
Aleksey Valeryevich Vlasov	0	0
Valentin Genadyevich Kudryashov	0	0
Lada Aleksandrovna Linker	0	0
Mikhail Varfolomeevich Kuznetsov	0	0
Aleksey Evgenevich Bay	0	0
Stanislav Sergeevich Koptyakov	0	0
Sergey Anatolyevich Tverdokhle	0	0
Kirill Andreevich Trubitsyn	0	0
Svetlana Viktorovna Suvorova	0	0
Alexey Alexandrovich Kovalenko	0	0
Aleksey Anatolyevich Udalov	0	0
Vladimir Petrovich Fedorov	0	0
Viktor Vladimirovich Milush	0.0000699	0.0000699

Members of the controlled company's collective executive body

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

Sole executive body of the controlled company

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

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

Abbreviated corporate name: **JSC FEGC**

Location: **Khabarovsk, Russian Federation**

INN: 1434031363

OGRN: 1051401746769

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of the controlled company's core business:

- **Supply (sale) of electric and heat power under the set rates and in accordance with electrical and heat load dispatch schedules;**
- **Electric and heat energy generation;**
- **Arrangement of power-saving mode of equipment operation at power plants, and energy delivery according to agreements;**
- **Sale of heat energy at retail heat markets to consumers (including citizens).**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Aleksey Dmitrievich Yakovlev (Chairman)	0.0000105	0.0000105
Vitaliy Sergeevich Ponurovskiy	0	0
Elena Yurevna Tyurina	0	0

Yuriy Alexandrovich Andreychenko	0	0
Stanislav Sergeevich Koptyakov	0	0
Nikolay Valeryevich Savostikov	0,0000002	0,0000002
Andriyan Valeryevich Shamayko	0	0
Sergey Vasilyevich Sinyavskiy	0	0
Sergey Konstantinovich Storozhuk	0	0
Elena Vladimirovna Kolmogorova	0	0
Mihail Innokentevich Shukaylov	0,0000018	0,0000018
Eduard Yuryevich Orlov	0	0
Dmitriy Sergeevich Trefilov	0	0

Members of the controlled company's collective executive body

The collective executive body is not provided for by the Charter

Sole executive body of the controlled company

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

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

Abbreviated corporate name: **PJSC Krasnoyarskenergosbyt**

Location

Krasnoyarsk

INN: 2466132221

OGRN: 1052460078692

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

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

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

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

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

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

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

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

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

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

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

Description of the controlled company's core business:

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

(capacity) users or on its own behalf, but in the interests of electrical (capacity) users;
- Acquisition of electric energy (capacity) on retail electricity (capacity) markets.

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Aleksandr Olegovich Muravev (Chairman)	0	0
Aleksandr Yuryevich Arkhipchenko	0	0
Maxim Valentinovich Zavalko	0,000071	0,000071
Aleksey Aleksandrovich Zotov	0	0
Bislan Isanovich Gayrabekov	0	0
Vadim Vladislavovich Nedotko	0	0
Vladimir Viktorovich Potyekhin	0	0
Oleg Vladimirovich Dyachenko	0	0
Mihail Yurevich Hardikov	0	0

Members of the controlled company's collective executive body

The collective executive body is not provided for by the Charter

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

Full corporate name: **Joint Stock Company "Energy Sales Company RusHydro**

Abbreviated corporate name: **JSC ESC RusHydro**

Location: **Moscow**

INN: **7804403972**

OGRN: **1089848039973**

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

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

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

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

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

Abbreviated corporate name: **LLC ESCB**

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

INN: **0275038496**

OGRN: **1020202770642**

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

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

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

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

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

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

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

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

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

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

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

Description of the controlled company's core business:

- **Sale of electric energy in the Republic of Bashkortan;**

Members of the controlled company's Board of Directors

Full name	Share of the person in the authorized capital of the Issuer, %:	Portion of the Issuer's equity shares held by the person, %
Bislan Isanovich Guyrabekov	0	0
Vadim Vladislavovich Nedotko	0	0
Aleksandr Olegovich Muravev (Chairman)	0	0

Members of the controlled company's collective executive body

The collective executive body is not provided for by the Charter

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

Full corporate name: **Joint-Stock Company "Energy Sales Company RusHydro**

Abbreviated corporate name: **JSC ESC RusHydro**

Location: **Moscow**

INN: 7804403972

OGRN: 1089848039973

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

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

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

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

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

Abbreviated corporate name: **PJSC JSC Yakutskenergo**

Location

Yakutsk, Russian Federation

INN: 1435028701

OGRN: 1021401047260

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

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

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

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

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

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

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

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

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

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

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

Description of the controlled company's core business:

Electric and heat energy generation, transportation and sale

Members of the controlled company's Board of Directors

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

Members of the controlled company's collective executive body

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

Sole executive body of the controlled company

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

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

Measurement unit: **Russian rubles**

Group of fixed asset items	Initial (replacement) cost	Amortization accrued
Accounting date 30/09/2016		
Buildings	39,628,580,881.94	5,527,696,692.5
Structures	219,990,013,872.31	32,758,179,535.,78
Equipment	185,620,647,967.39	55,699,187,309.83
Others	1,484,391,415.23	953,785,671.69
TOTAL	446,723,634,136.87	94,938,849,209.80

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

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

Fixed assets for the above mentioned period were not reassessed

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

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

IV. Information on Financial and Economic Activities of the Issuer

4.1. Financial and Economic Performance of the Issuer

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

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

Measurement unit for the uncovered loss: the Russian rubles

Indicator	9 months 2015	9 months 2016
Net profit margin, %	35.3	49.3
Asset turnover ratio, times	0.09	0.09
Return on assets, %	3.03	4.66
Return on equity, %	3.72	5.56
Amount of uncovered losses as of the reporting date, Russian rubles	0	0
Ratio between uncovered losses as of the reporting date and the balance sheet assets, %	0	0

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

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

The net profit margin characterizes the rate of return from business activities of the company. That index in 2015 (9 months) amounted to 35.3 %, in 2016 (9 months) – 49.3%. The Index growth in 2016 (9 months) is stipulated for increase of net profit to 15 248 million rubles (+ 55.3%) against the results of 2015 (9 mth). This growth was formed due to the growth of the net revenues of electricity (capacity): increase in sales revenues of electricity (capacity) minus the purchase of electricity (capacity) is 13 714 million rubles.

The asset turnover ratio shows how often over a period, usually within one year, there is a complete production cycle and circulation which brings effect in the form of profit. The utilization efficiency by the Issuer of all available resources, irrespective of from where they are sourced, is characterized. This index did not change in 2015 (9 months) and 2016 (9 months) it is 0.09 times

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

The return on assets is the effectiveness of using funds belonging to owners of an enterprise. It serves as the key criterion when assessing the share level on the stock exchange. The return on assets according to net profit shall guarantee the payback of funds invested in the enterprise by its shareholders. This ratio shows what profit the company receives from every Russian rubles invested in assets. The return on assets defining the effectiveness of using the company's property amounted to 3.03 % in 2015 (9 months) and to 4.66 % in 2016 (9 months). The growth of index is due to the growth of net profit.

The return on equity shows the utilization efficiency of the Issuer's equity. The return on equity in 2015 (9 months) and 2016 (9 months) amounted to 3.72 % and to 5.56 %. The growth of index is due to the growth of net profit.

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

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

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

Measurement unit for Net Working Capital: million Russian rubles

Indicator	2015, 9 months	2016,9 months
Net working capital	90,930	103,317
Current liquidity ratio	2.76	6.43
Quick liquidity ratio	2.69	6.20

All indexes are calculated on the basis of recommended methods of calculation.

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

Net working capital shows the amount of current assets financed at the company's own expense, and the amount financed at the expense of bank loans. Net working capital is needed to maintain financial stability of the company, because excess of current assets over short-term liabilities means that the company may not only redeem its short-term liabilities, but has reserves for business expansion. The growth of indexes at the end of 2016 (9 months) is caused by a decrease in the size of short-term liabilities due to the refinancing of short-term debt for long-term borrowings.

The current liquidity ratio enables assessment of the current assets per one Russian ruble of current liabilities. This ratio exceeded the standard value for the period under analysis (1.5); as at September 30, 2016 it amounted to 6.43.

The quick liquidity ratio is similar to the current liquidity ratio. It assesses the liquidity of assets. But it is calculated on the basis of a narrower range of current assets when inventories, the least liquid part, are excluded from calculations. This ratio exceeded the standard value for the period under analysis (0.95); as at September 30, 2016 it amounted to 6.2.

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

4.3. Financial Investments of the Issuer

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

Investments of Issuer in equity securities that make up 5 percent or more of all its financial investments at September 30, .2016:

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

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

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

Location of the Issuer: **Bogorodskoye industrial community, Sergievo-Posadskiy District, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

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

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

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

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

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

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

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **60,690,958,886.76 Russian rubles**
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **There are no preferred shares.**
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**
Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

Type of securities: **uncertified registered ordinary shares, preferred shares**
Full corporate name of the Issuer: **Public Joint-Stock Company RAO ES of East**
Abbreviated corporate name of the Issuer: **PJSC RAO ES of East**
Location of the Issuer: **Khabarovsk, Khabarovsk Krai**
INN: **2801133630**
OGRN: **1087760000052**

state registration numbers of the securities issues: **1-01-55384-E from July 29, 2008; 2-02-55384-E from December 08, 2009;**
registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia**
number of securities owned by the Issuer: **equity shares — 36,926,003,431 un., preferred shares — 1,416,245,040 un.**
total par value of securities owned by the Issuer: **equity shares — 18,463,001,715.5 rubles, preferred shares — 708,122,520 rubles**
total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **18,495,246,562 rubles.**
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**
Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the authorized capital of a joint-stock company at the expense of property of such joint-stock company, the number and par value (increase in par value) of such shares received by the Issuer shall be specified: **none**

type of securities: **uncertified registered ordinary shares**
Full corporate name of the Issuer: **Joint-Stock Company Ust-Srednekamskaya HPP**
Abbreviated corporate name of the Issuer: **JSC Ust-Srednekamskaya HPP**
Location of the Issuer: **Magadan, Magadan region, the Russia Federation**
INN: **4909095293**
OGRN: **1074910002310**

state registration numbers of the securities issues: **1-01-56315-E, 1-01-55315-E**
state registration date: **September 11, 2007,**
registering authorities which carried out state registration of the securities issues: **Federal Financial Markets Service of Russia, Bank of Russia**
number of securities owned by the Issuer: **18,809,586,927**
total par value of securities owned by the Issuer: **18,809,586,927.00 Russian rubles**
total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **23,111,468,131.08 Russian rubles**
dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **The shares are no preferred.**
declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period **In 2016 and 2015 decisions on dividend payment were not taken.**
Should contributions of the Issuer to shares of joint-stock companies be increased due to an increase in the

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

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

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

Abbreviated corporate name of the Issuer: **JSC Zaramagskiye HPPs**

Location of the Issuer: **Moscow**

INN: **1505008701**

OGRN: **1021500822001**

state registration numbers of the securities issues: **1-01-32047-E**

state registration date: **February 27, 2013**

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

number of securities owned by the Issuer: **17,933,142**

total par value of securities owned by the Issuer: **17,933,142,000 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **17,216,207,775.52 Russian rubles**

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

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

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

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

Full corporate name of the Issuer: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name of the Issuer: **JSC Nizhne-Bureyskaya HPP**

Location of the Issuer: **Novobureyskiy industrial community (urban-type settlement), Bureyskiy District, Amur Oblast**

INN: **2813006299**

OGRN: **1062813007817**

state registration numbers of the securities issues: **1-01-32629-F1-01-55459-E**

state registration date: **January 29, 2013**

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

number of securities owned by the Issuer: **14,610,989,509 un.**

total par value of securities owned by the Issuer: **14,610,989,509.00 Russian rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **14,610,989,509.00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

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

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

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

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: **Ufa, Republic of Bashkortostan, Russia:**

INN **7814382859**

OGRN: 1077847558381

state registration numbers of the securities issues: **1-01-04339-D**

state registration date: **August 24, 2013**

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

number of securities owned by the Issuer: **9,550,150,000.00 un.**

total par value of securities owned by the Issuer: **9,550,150,000.00** 00 Russian rubles

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **9,550,150,000.00 Russian rubles**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

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

Type of securities: **uncertified registered ordinary trusted shares**

PJSC "RAO ES of the East" (rights to shares were transferred to trust management of PJSC "RAO ES of the East")

Full corporate name of the Issuer: **Joint-Stock Company RHEPP-2 of Yakutsk**

Abbreviated corporate name of the Issuer: **JSC RHEPP-2 of Yakutsk**

Location of the Issuer: **Yakutsk, Yakutia, Republic of Sakha**

INN: **1435269489**

OGRN: **1131447010640**

state registration numbers of the securities issues: **1-01-58921-N**

state registration date: June 21, 2013

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

number of securities owned by the Issuer: **16,861,500,000 un.,**

total par value of securities owned by the Issuer **16,861,500,000,00 rubles**

total balance sheet value of securities owned by the Issuer (balance sheet value of securities of subsidiaries and affiliates shall be specified separately): **16,861,500,000.00 rubles.**

dividend on preferred shares or the procedure for determination thereof when it is specified in the Charter of the Issuer being a joint-stock company, and repayment period: **shares are not preferred**

declared dividend on equity shares (if no information on declared dividend on equity shares for the current year is available, dividend for the previous year shall be specified), and repayment period: **In 2016 and 2015 decisions on dividend payment were not taken.**

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

Information on created reserves for securities impairment.

No reserve for impairment of the mentioned financial assets was created.

Information on the reserve for impairment of financial assets is provided in the Annual Accounting (Financial) Report of the Issuer for 2015 (p. 33-35).

Investments in non-issuer's securities that make up 5 percent or more of all its financial investments as of 30/09/2016

Type of investment: interest bill

Full name of the Issuer: Joint Stock Company "Zaramagskiye Hydroelectric power stations "

Abbreviated name of the issuer: JSC "Zaramagskiye HPP"

The issuer's location: city of Moscow

INN: 1505008701

BIN: 1021500822001

The size of investments in terms of money: 229,337,775.66

Promissory notes release date: 07/08/2015

Units of measurement: RUR.

Amount of financial investment and the procedure of determining the payout period: Interest rate interest period 9.51% per annum. Interest shall be paid at the end of the period of validity. Term of return of bills - upon presentation, but not earlier than 29/06/2018.

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company of the issuer, have drawn up this Quarterly Report

Type of investment: interest bill

Full name of the Issuer: Joint Stock Company "Zaramagskiye Hydroelectric power stations"

Abbreviated name of the issuer: JSC "Zaramagskiye HPP"

The issuer's location: city of Moscow

INN: 1505008701

BIN: 1021500822001

The size of investments in terms of money: 207,183,971.97

Promissory notes release date: 31/08/2015

Units of measurement: RUB.

Amount of financial investment and the procedure of determining the payout period: Interest rate interest period 9.51% per annum. Interest shall be paid at the end of the period of validity. Term of return of bills - upon presentation, but not earlier than 29/06/2018.

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company of the issuer, have drawn up this Quarterly Report

Type of investment: interest bill

Full name of the Issuer: Joint Stock Company "Zaramagskiye Hydroelectric power plant"

Abbreviated name of the issuer: JSC "Zaramagskiye HPP"

The issuer's location: city of Moscow

INN: 1505008701

BIN: 1021500822001

The size of investments in terms of money: 164,531,293.26

Promissory notes release date: 25/09/2015

Units of measurement: RUB.

Amount of financial investment and the procedure of determining the payout period: Interest rate interest period 9.51% per annum. Interest shall be paid at the end of the period of validity. Term of return of bills - upon presentation, but not earlier than 29/06/2018.

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company of the issuer, have drawn up this Quarterly Report

Other financial investments of the issuer, which make up 5 percent or more of all its financial investments, on 30/09/2016

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Open Joint-Stock Company Zagorskaya PSHPP-2**

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

Location: **Bogorodskoye industrial community, Sergievo-Posadskiy district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

Investment in terms of money: **1,945,967,199.83**

Unit of measurement: Russian rubles

Income from financial investment facility or procedure for its determination, and repayment period: **Interest**

rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule.
Loan repayment term: February 05, 2018.

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

Full corporate name: **Open Joint-Stock Company Zagorskaya PSHPP-2**

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

Location: **Bogorodskoye industrial community, Sergievo-Posadskiy district, Moscow Oblast, Russian Federation**

INN: **5042086312**

OGRN: **1065042071137**

Investment in terms of money: **2,116,907,034.62**

Unit of measurement **Russian rubles**

Income from financial investment facility or procedure for its determination, and repayment period: **Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018.**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **Novobureyskiy industrial community (urban-type settlement), Bureyskiy District, Amur Oblast**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **1,197,707,973.06**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 8.242 % per annum. Interest is paid according to the payment schedule. Loan repayment term: December 25, 2019**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **Novobureyskiy industrial community (urban-type settlement), Bureyskiy District, Amur Oblast**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **461,542,915.66**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 9.703 % per annum. Interest is paid according to the payment schedule. Loan repayment term: June 29, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

Full corporate name: **Joint-Stock Company Nizhne-Bureyskaya HPP**

Abbreviated corporate name: **JSC Nizhne-Bureyskaya HPP**

Location: **Novobureyskiy industrial community (urban-type settlement), Bureyskiy District, Amur Oblast**

INN: 2813006299

OGRN: 1062813007817

Investment in monetary terms: **2,018,467,041.15**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 9.513 % per annum. Interest is paid according to the payment schedule. Loan repayment term: June 29, 2019**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

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

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

Location of the Issuer: **Magadan, Magadan Oblast, Russian Federation**

INN: **4909095293**

OGRN: **1074910002310**

Investment in monetary terms: **1,099,143,907.49**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **interest-bearing loan**

The object of the investment:

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

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

Location of the Issuer: **Magadan, Magadan Oblast, Russian Federation**

INN: **4909095293**

OGRN: **1074910002310**

Investment in monetary terms: **647,661,899.19**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 8.213 % per annum. Interest is paid according to the payment schedule. Loan repayment term: February 05, 2018**

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

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

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: Ufa, Republic of Bashkortostan, Russia:

INN 7814382859

OGRN: 1077847558381

Investment in monetary terms: **9,321, 201, 589.07**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest**

rate within the interest period is 0.10 % per annum. Interest is paid according to the payment schedule.

Loan repayment term: April 28, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

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

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: Ufa, Republic of Bashkortostan, Russia:

INN 7814382859

OGRN: 1077847558381

Investment in monetary terms: **1,468,000,000.00**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 7,875 % per annum. Interest is paid according to the payment schedule.**

Loan repayment term: June 29, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Type of investments: **Interest-bearing loan**

The object of the investment:

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

Abbreviated corporate name of the Issuer: **JSC Hidroinvest**

Location of the Issuer: Ufa, Republic of Bashkortostan, Russia:

INN 7814382859

OGRN: 1077847558381

Investment in monetary terms: **1,067,827,100.72**

Unit of measurement **Russian rubles**

Income from financial investment facility or the procedure for its determination, and repayment period: **Interest rate within the interest period is 0.10 % per annum. Interest is paid according to the payment schedule.**

Loan repayment term: April 28, 2018

Additional Information: The issuer of the securities is a subsidiary and (or) dependent company in regard to the Issuer, who have drawn up this Quarterly Report.

Information on the amount of potential losses connected with bankruptcy of organisations (enterprises), into which investments have been made, by every type of the specified investments: **The amount of potential losses connected with bankruptcy of organisations (enterprises), into which investments have been made, by every type of the specified investments, is limited by the amount of invested funds.**

If the Issuer's funds are placed on deposit or other accounts with banks and other credit organisations, the licenses of which have been suspended or withdrawn, as well as if the decision on reorganisation, liquidation of such credit organisations, initiation of bankruptcy proceedings or recognition of such organisations as insolvent (bankrupt), information on losses (potential losses) connected with such events shall be specified: **none**

Accounting standards (rules), in accordance with which calculations have been made by the Issuer, are specified in this clause of the Quarterly Report: **Prospectus: FD-19/02 "Accounting Regulations "Investment Account" approved by Order of the Ministry of Finance of the Russian Federation from December 10, 2002. No126n.**

4.4. Intangible Assets of the Issuer

As at September 30, 2015

Measurement unit: Russian rubles

Group of intangible asset items	Initial (replacement) cost	Amortization
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		accrued
Intangible assets of the Company	1,464,891,106.40	1,130,790,567.09
Expenses for research, development, and engineering work	244,788,191.08	-
Patents	48,040,875.29	6,849,119.64
TOTAL	1,757,720,172.77	1,137,639,686.73

Accounting standards (rules) in accordance with which the Issuer submits information on its intangible assets: RAS 4/99 Financial Statements of the Company (approved by Order of the Ministry of Finance of Russia No. 43n dated July 06, 1999); Regulations for Financial Accounting “Intangible Asset Accounting” RAS 14/2000 (approved by order of the Ministry of Finance of Russia No. 91n dated October 16, 2000).

4.5. Information on the Issuer's Policy and Expenses in the Area of Scientific and Technical Development, in relation to Licenses and Patents, New Developments, and Research

Information on the Issuer's policy in scientific and technical development for the corresponding reporting period preceding the expiry date of the last reporting quarter, including disclosure of expenses on research and development activity financed using the Issuer's own funds in the said reporting period:

The Issuer regularly carries out research and development in order to improve technological processes (to examine properties of materials, condition of equipment, test, etc.) in order to enhance the reliability, safety and effectiveness of HPP operation.

For 9 months of 2016, Tenders concerning the following research and development works were announced by the Issuer:

1. Research and development of remote monitoring methods of structures state and operation mode of HPP. Development of assessment method of hydraulic structures state and hydraulic units of HPP, based on the results of monitoring of the amplitude-frequency response characteristics of their oscillations in combination with earth foundation
2. Research of opportunities and development of recommendations for energy efficiency improvement of the main technological cycle of HPP in order to increase power generation.
3. Development of new technologies, construction solutions and work procedures at high and medium pressure earth and concrete hydro-technical utilities of HPP. Property improvement technology of nonbed-rock foundation of hydro-technical utilities and mountings of earth slope by polifilizator processing

For 9 month of 2016 the Issuer received the final results on research and development works.

1. Development of repair procedures and new constructions of keys of interblock joints of HPP.
2. Selection and examination of application technology of antiadhesion coating on the HPP constructions in order to prevent freezing and increase efficiency of decontamination from ice.
3. Research and development of estimation techniques of HPP's energy efficiency taking into account the beneficial use of water resources.
4. Development of the list and regulations of HPP main and auxiliary equipment inspection provided optimal timing and sequence of their implementation.
5. Production engineering of dumpy level accuracy increase with the purpose of HS (hydraulic structure) condition monitoring.
6. Development and testing of technologies for monitoring piezometric pressure in structural elements of HS in case of failure of embedded piezometers of rectilinear forms.
7. Development of a data collection system for R & D results in the field of hydropower, using databases CEATI (Stage 2)

Costs associated with scientific and technological activities at the Issuer's own expense for 9 months of 2016 amounted to 65.855 million Russian rubles with VAT.

Information on creation of major intellectual property and its legal protection obtained by the Issuer (including information on the date of issue and the validity periods of patents for invention, a utility model and an industrial design, state registration of trade and service marks, name of the place of origin of commodities), guidelines for and results of the use of the Issuer's major intellectual property.

During the first 9 months of 2016 the Issuer received a document on the protection of intellectual property owned:

A utility model patent №162434 as of 20.05.2016 "Geothermal turbine."

Principal directions and results of the use of the Issuer's major intellectual property:

Intellectual property items are used to increase the effectiveness of principal processes at all life cycle stages of PJSC RusHydro engineering system.

Due to the uniqueness of items and sector-specific research, development, and engineering works, intellectual property items are not commercially applied currently.

Risk factors connected with the possible expiration of the validity period of patents and licenses to use trademarks essential for the Issuer:

There are no risk factors connected with the possible expiration of the validity period of patents and licenses to use trademarks essential for the Issuer.

4.6. Analysis of Development Trends in the Area of the Issuer's Core Business

Basic development trends of the branch of the economy where the Issuer carries out its core activities:

1. Strategic developments of the sector

Regulation of the Government of the Russian Federation No. 1715-p dated November 13, 2009 approved the Energy Strategy of the Russian Federation until 2030. The main objective of the document is creation of priority growth area of the power industry for the long term until 2030

Currently, the Ministry of Energy of the Russian Federation prepared Energy Strategy project of the Russian Federation, which is being at approval stage for the period until 2035. The strategy project was developed in accordance with the Federal Law No 172-FZ "On the strategic planning in the Russian Federation" of June 28, 2014 and is being an inter-industry document for the power-generating sector (oil, gas, coal, electric power and heat power industry) and for energy as a sphere of government control.

Decree of the Government of the Russian Federation No. 215-P dated February 22, 2008 approved the Master Plan of Power Industry Facilities Allocation until 2020. The key purpose of the Master Plan is the formation, based on current potential and the established sector development priority, of reliable, cost effective and rational generating mix and power supply network facilities, effectively using the country's fuel resources and creating conditions for the prevention of the forecasted deficit of electrical power and capacity most effectively.

Decree of the Government of the Russian Federation No. 1634-p dated August 1, 2016 approves the Area Planning Scheme of the Russian Federation applicable to the power industry.

The document includes new power engineering facilities, planned to be constructed by 2030, as well as expanding power engineering facilities, in respect of which the need for additional land allotment was not determined as along with maps of the scheduled allocation of objects of federal significance for the period until 2030.

It was approved the Development Program and Scheme of the Unified Energy System of Russia for 2016–2022 (Order of the Ministry of Energy of the Russian Federation No. 147 dated March 01, 2016) within implementation of medium term planning tools. The main objective of the plan and program is assistance in development of networked infrastructure and generating capacities as well as ensuring the satisfaction of long-term and medium-term demand for electric energy and capacity.

A number of regulatory legal documents for supporting the Russian economy was accepted, including the energy industry. The Issuer was included in the list of the country's strategic enterprises, which means it can count on implementation of measures of state support.

Federal Law dated November 24, 2014 No. 366-FZ On Amending Part Two of the Tax Code of the Russian Federation and Certain Legislative Acts of the Russian Federation has indexed since January 1, 2015 the rates of water tax and charge for the use of bodies of water. Indexing is provided annually.

2. Electricity and capacity consumption and production.

According to operation data of SO UPS, JSC for 9 months of 2016:

Consumption of electrical energy for 9 months of 2016 in the Russia as a whole amounted to 760,6 bln kWh that is 1.0% more than during the same period of 2015. Electricity consumption in the Russian UES amounted to 740.68 bln kWh since the beginning of the year, that is 1.1% more than in January — September 2015. Exclusively of the extra day impact of leap year, electricity consumption augmentation in Russian UES and in Russian as a whole was 0.7% and 0.6% correspondingly.

Since the beginning of 2016 electricity generation in Russia as a whole amounted to 773.5 billion kW / h, which is 1.4% more than the output in January - September of 2015. Electricity generation in the UES of Russia for nine months of 2015 amounted to 756.6 billion kW / h, which is 1.3% more than the indicator of same period last year. Excluding the impact of an extra day of leap year, electricity generation in the UES of Russia and in Russia as a whole has increased respectively by 0.9% and 1.0%.

3. Innovation development of the power industry and energy efficiency

According to the appointment of the Prime Minister of the Russian Federation D.A. Medvedev (a list of appointments No DM-P36-6057 from July 25, 2014), draft actualized innovation development program for 2016-2020 with an outlook for 2025 was developed by the Company, which in the near future will be put for consideration by the Board of Directors of PJSC RusHydro.

The program was formed in accordance with the procedural guidelines and guidance materials accepted at 2015, based on the results of the independent technology audit on RusHydro Group companies, including PJSC RAO Energy Systems of East.

Basic factors influencing the sector:

- GDP growth rates determining demand for electrical power and setting requirements to the quality of electrical power and schedules of its consumption, the level of investment in new capacities;
- Legislative base determining the payback period for projects in the electrical power sector, sources and structure of the investment portfolio of energy companies, the level of competition, etc.;
- Level of state stimulation concerning development of specific types of electrical power generation;
- Condition of fixed production assets used by enterprises in the sector;
- The social and economic situation in the country;
- Accessibility of capital markets, including credit resources;
- Level of payment discipline of electrical power consumers

Assessment of results of the Issuer's activities:

General assessment of the Issuer's results in such sector is positive.

Results of the Issuer's activities correspond to the trends of the sector's development.

The main reasons for the obtained results are effective performance of the Issuer on the wholesale electricity and capacity market, efficient management of expenses and appropriate job management.

PJSC RusHydro was the six among all generating companies participating in the wholesale market as regards Efficiency on the Market in the Final Annual Rating of Association of Non-Profit Partnership Market Council for 2015 (Company had same rating in 2014). As regards Economic Efficiency the Company was also the six.

4.7. Analysis of Factors and Conditions Influencing the Issuer's Activities

The main factors influencing the state of the industry:

- The temps GDP growth, which determine demand for electricity and requirements to the charts of its consumption, the level of investment in creating new facilities;
- The legal framework defining the return on projects in energy, sources and structure of the investment portfolio of energy companies, competition level, etc;
- The level of state encouragement of individual types of generation;
- Condition of basic production assets of the industry enterprises;
- The socio-economic situation in the country;
- Availability of capital markets, including credit resources;
- The level of payment discipline of the consumers of electricity.

The factors and conditions affecting the Issuer's business and results of operations are:

1. Reliability and safety of equipment and HS (hydraulic structures)

Physical depreciation and technological obsolescence of fixed assets, severization of requirements to reliability and safety of operation of the UES of Russia, demand growth in the adjustment capacity of the daily schedule of consumption in the European part of the UES of Russia, the growth of the threat of manmade accidents with serious consequences as a result of the destruction of the HS and the generating equipment, improving valuation of seismicity in the Issuer's HPPs locations require special attention to the issues of safety and security of assets and funds.

2. Seasonality

The main economic activity of the issuer is not seasonal.

The volume of electricity production of the Issuer substantially depends on the available inflow in river basins, on which its generating facilities are located, and has a non-uniform distribution of the year depending on the season. Also the volume of production is affected by forecasting capabilities, as well as decisions of authorities governing water-economic relations in the Russian Federation.

3. Mechanisms of tariff setting.

Part of the Issuer's facilities is located in the Far East, where in the near future liberalization of electricity markets and power is not expected. On the territory of the Far East state regulation of prices (tariffs) for electricity and power is preserved. All volumes of electricity and capacity in this area are sold at regulated prices (tariffs) through a single purchaser in the IPS East and through guaranteeing suppliers in the territories of isolated areas. The setting of the tariff for generation is possible only by cost-plus method. According to this method, the inclusion of investment in the tariff is practically impossible. Given the state policy aimed at accelerated socio-economic development of the Far East, the tariff setting mechanisms for the region may not provide profit-making operation of generating facilities of the Issuer in the region. Also tariff regime operating in the region does not create economic incentives to improve efficiency and the construction of new generating facilities. At the same time, the liberalization of the wholesale market in other regions may not guarantee the amount of the Issuer's profit, sufficient to cross-subsidization of the Far Eastern region.

4. The pace of development of the hydraulic potential of Russia

Russia untapped hydro potential is concentrated in areas where there are currently no large consumers and the necessary infrastructure, tariff setting model does not provide the necessary level of investment yield. At the same time, the development of these areas is one of the key directions of Russian regional politics.

5. State support of the Issuer

The specifics of the Issuer's activities is determined and will be determined later by the availability of two major vectors: the need to address state tasks and at the same time the requirement for growth of the Issuer's business.

6. Formation of the new markets model

Emerging markets model will determine the efficiency and reliability of operation of power plants using renewable energy sources, the pace of development of their use, the degree of compensation of unique HPP contribution to system reliability in the long term. Currently regulations that determine market rules (capacity market, system services market, retail markets) are being updated.

7. Participation in the formation of the securities market

The inclusion of securities of the Issuer in the listing of the leading stock exchanges imposes high demands in terms of information disclosure in accordance with the requirements of stock exchanges and market regulators, both Russian and international.

8. Development of electricity production based on renewable energy sources (wind, ground heat, small hydro, and others.). Attention to problem of electricity generation based on renewable energy sources (RES) in the world, the need to diversify energy sources and reduce the burden on the environment, along with the presence of significant untapped potential of renewable energy sources under conditions of the adopted legislation to support the generation in price zones of the wholesale market in Russia are opening up new possibilities for the development of electricity generation through the use of renewable energy sources both in the wholesale and retail markets. The Issuer shall prepare projects for participation in the competitive selection in the wholesale market.

9. Opportunities of related industries

Research and Development, Design and Research, Engineering and Construction complexes have in recent decades had significant losses due to the low demand for their products and services. Limitations caused by the shortage of goods and services in these markets may have a significant impact on the rate of development of the Issuer.

10. Staffing: one of the most acute problems on the way of large-scale hydropower development is the lack of technical staff.

11. Global climate change

Climate change has increasingly direct impact on the Issuer's business, which is reflected in the increasing complexity of predicting water regimes due to the growth of hydrograph inflow variations and weather conditions.

Forecast of duration of these factors and conditions

The action of these factors and conditions will have a significant impact on the Issuer's activities over the next few years.

Actions taken by the Issuer and actions which the Issuer plans to undertake in the future to effectively use these factors and conditions:

- Overcoming the tendency of the moral and physical wear and tear of equipment, improving reliability and safety of HS through the implementation of the Programme of comprehensive modernization of generating facilities.
- Balanced development complying with the interests of all groups of shareholders, new schemes of financing and distribution of property, including the determination of forms and procedures for state participation in ongoing projects;
- Providing the state and regions with opportunities and projects of industrial, infrastructure and social development, at which hydraulic power plants would be needed and their order would be constantly recurring;
- The promotion of forming market model that ensures the efficiency of construction of renewable energy sources and adequate compensation of the Issuer's contribution to system reliability;
- Development of competencies on work in conditions of publicity, meeting the requirements of the investment community and minority shareholders, as well as the use of the best practices of corporate management;
- Formation of an effective system of interaction with key stakeholders of resource markets, reducing risks by business diversification, organization of support of sectoral science and innovative technology;
- Creation of an effective system of training of engineering personnel, including a system of cooperation with relevant educational establishments, and mechanisms stimulating the influx of personnel in the sector and the development of professional knowledge and skills;
- Creating a system for forecasting and water regime monitoring.

The methods used by the Issuer, and the ways in which the Issuer plans to use in the future to reduce negative effect of factors and conditions affecting the Issuer's activities, including:

- Strategic planning;
- Investment planning;
- Business planning;
- Budget planning;
- Tax planning;
- Corporate management;
- The use of modern systems of motivation;
- Strengthening of financial control and the introduction of cost-cutting programs.

Significant events / factors that may have the most negative impact on the possibility of the Issuer in the future to obtain the same or better results compared with the results obtained during the last reporting period:

Significant events / factors that may have the most negative impact on the possibility of the Issuer to obtain good results in the future are as follows:

- Unfavourable tariff decisions, including establishing tariff levels that are not sufficient to finance the necessary expenses for re-equipping, reconstruction and completion of facilities of the Issuer;
- High capital intensity and long-term implementation of the HPP construction projects. Projects of construction of hydraulic power plants are the basis of the Issuer's development. However, they are capital intensive and have long terms of implementation, in addition, construction of networks for HPP hydroelectric power supplies in most cases is very expensive;
- Uncertainty in demand for electricity, both due to reduced investment in the building of new facilities and due to the closure of existing inefficient enterprises, to which the existing generating facilities were oriented;
- Failure to adopt necessary regulations in the field of electricity and capacity markets. Currently, hydropower can be considered as one of means of curbing the growth of tariffs and prices for electricity in times of crisis;

The probability of occurrence of these factors is estimated by the Issuer as the average.

Significant events / factors that can improve the results of the Issuer's activity, the probability of their occurrence and their duration:

Significant events / factors that may affect the improvement of the Issuer's activity are the factors affecting the sector as a whole. For more effective functioning in the new conditions the Issuer should:

- Implement a long-term program of complex Issuer modernization, including ensuring an increase of installed capacity, manoeuvrability and controllability of equipment operation modes, the automation of technological processes and application of new technologies that will help to avoid the dangers associated with wear and tear and obsolescence of equipment, reducing the possibility of accidents and increasing the effectiveness of operation of the existing structures;
- To solve the challenges facing the management of the Issuer on increase of operational efficiency, quality of corporate management in view of the need to meet the requirements made by the investment community to

public companies;

- To stimulate demand for hydraulic energy of HPPs by large consumers, entry into strategic alliances with federal level companies interested in the implementation of cluster development projects;
 - To assist the development of organizational control schemes of regional development - \regions development corporations;
 - To apply a long-term tariff regulation using the method of return on invested capital in non-price zones and isolated power districts, and for that reason to actively participate in the development of additional guidelines on setting prices (tariffs) in technologically isolated regional power systems by the FTS (Federal Tariff Service) of Russia by the method of return on invested capital in the framework of implementation of the Decree of the Government of the Russian Federation No.1178 dated 29.12.2011;
 - Promote the practical use of the mechanism of concluding bilateral agreements between new generating facilities and consumers at the price not exceeding the limits of regulated prices / tariffs within the approved Electric power and capacity retail markets rules;
 - Promote the adoption of the rules of markets of capacity and ancillary services that provide adequate compensation of PSHPP contribution to system reliability and safety;
- Promote the adoption of legislation aimed at providing state support for renewable energy sources use and ensuring return on renewable energy sources projects in non-price and isolated zones of electricity and capacity market.

The probability of occurrence of the first two events / factors is considered by the Issuer as high, and the rest - as the average.

4.8. Competitors of the Issuer

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q3 of 2016.

V. Detailed Information on Members of the Issuer's Management Entities, the Issuer's Bodies, Monitoring Financial and Economic Activities, and Backgrounds of the Issuer's Employees (Workers)

5.1. Information on Structure and Terms of Reference of the Issuer's Management Entities

The information is provided in the Quarterly Report for Q2 2016, during Q3 2016 there were no changes in this information.

5.2. Information on Members of the Issuer's Management Entities

5.2.1. Composition of the Board of Directors (Supervisory Board) of the Issuer

(approved by resolution of the General Meeting of Shareholders on June 27.06. 2016)

Full name: *Artem Davidovich Avetisyan*

Born in: *1976*

Education: *Higher education, Finance Academy under the Government of the Russian Federation, specialty - Appraisal activity "Finance and Credit", year of graduation - 1998.*

Positions held by this person in the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2008	2011	JSC «NEO Centre»	President
2010	2015	JSC Regional credit Commercial Bank	Chairman of the Board of Directors
2011	present	Agency of Strategic Initiatives for new projects promotion, Autonomous Nonprofit Organization	Department Director of "New Business"
2012	2016	MSP Bank JSC FGC UES	Member of Supervisory board
2012	2015	JSC Rosselkhozbank	Member of the Board of Directors
2013	2014	JSC Russian racetracks	Member of the Board of Directors
2013	2014	JSC RZD	Chairman
2013	2015	JSC Rosagroleasing	Member of the Supervisory Board
2014	present	LLC NEO Centre	Vice-President
2015	present	PJSC RusHydro	Member of the Board of Directors
2015	present	LLC Uniastrium Commercial Bank	President

Share of the person in the authorized capital of the Issuer, %: has no

Share of the Issuer's equity shares held by the person, %: has no

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the

number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s):

He is a member of the Investment Committees under the Board of Directors of PJSC RusHydro.

Full name: ***Maksim Sergeevich Bystrov***

Born in: ***1964***

Education: ***Higher education, Moscow Institute of Civil Engineering named after V.V. Kuybyshev, Hydraulic Engineering of River Installations and Hydro Power Plants, graduation year: 1986; Russian Academy for Foreign Trade, Global Economics, graduation year: 1998.***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	To		
2010	2013	Administration of the President of the Russian Federation	Deputy Plenipotentiary of the President of the Russian Federation in North Caucasian Federal District
2012	present	LLC Managing Company Airport Mineralnye Vody	Chairman of the Board of Directors, member of the Board of Directors
2013	present	SC Northern Caucasus Resorts	Chairman of the Board of Directors, member of the Board of Directors
2013	present	PJSC RusHydro	Member of the Board of Directors
2014	present	NP Market Council	Chairman of the Management Board, Chairman of the Supervisory Board
2013	present	JSC ATS	Chairman of the Management Board
2014	present	PJSC FGC UES	Member of the Board of Directors
2014	present	JSC SO UES	Chairman of the Board of Directors, Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates:

- Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Investments Committees under the Board of Directors of PJSC RusHydro as well as a member of the Audit Committee and Human Resources and Compensation Committee under the Board of Directors of RusHydro JSC.

Full name: ***Pavel Sergeevich Grachev***

Born in: ***1973***

Education: ***Higher education, Saint Petersburg State University, jurisprudence, lawyer, 1998, University, Trieste, jurisprudence, Doctor of Law, graduation year: 1997***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2008	2011	Agency of LLC Nafta Moscow (Cyprus) Limited (Republic of Cyprus) Moscow	Managing director
2010	2014	JSC Polyus	President
2011	2013	Agency of Company Limited by Shares ALPINAKAPITAL EY.SI.EL. LIMITED (Republic of Cyprus) Moscow	Chief Representative
2013	2013	JSC "Fund for Development of the Far East and Baikal region "	Managing director
2013	2016	Polyus Gold International Limited	Member of the Board of Directors
2013	2014	Polyus Gold International Limited	Temporary CEO
2014	2014	Agency of LLC Nafta Moscow (Cyprus) Limited (Republic of Cyprus) Moscow	Chairman of the Board of Governors
2014	present	LLC UK POLIUS	General Director
2014	2016	Polyus Gold International Limited	CEO
2016	present	PJSC Polius	Member of the Board of Directors
2016	present	PJSC FSK EES	Member of the Board of Directors
2016	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the

exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Committee on Development of the Far East Energy of the Board of Directors of PJSC RusHydro, the Strategy Committee of the Board of Directors of PJSC RusHydro.

Full name: ***Sergey Nikilaievych Ivanov (Chairman)***

Born in: ***1961***

Education: ***Higher education***, Moscow Engineering Physics Institute, Department - Theoretical Nuclear Physics, year of graduation - 1984; Doctor of Economic Sciences - 2007; Professor - 2010; Corresponding Member of the Russian Academy of Natural Sciences - 1999.

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
From	to		
2002	2015	CJSC INPK "RET"	Member of the Board of Directors
2007	2013	OJSC "Malaya Energetika"	Member of the Board of Directors
2007	2014	ANO "National Energy Security Institute"	Chairman of the Presidium
2011	2016	OJSC "ERKO"	Director-General
2012	2013	OJSC "Exhibition hall" Electrification "	Member of the Board of Directors
2012	2015	LLC "LENSENT"	General Director of the managing organization
2014	2015	CJSC "Novoyeniseysk Wood Chemical Complex"	Member of the Board of Directors
2015	2016	OJSC "ERKO"	Member of the Board of Directors
2015	2016	OJSC Corporation "Nechernozemagropromstroy"	Director General
2015	present	PJSC RusHydro	Member of the Board of Directors
2016	present	LLC RT-Kapital	Director general, Member of the Board

Share of the person in the authorized capital of the Issuer: none

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliate. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person did not occupy such positions

Information on participation (Committee member, Chairman of the Committee) in the Committees of the Board of Directors (Supervisory Board) with the name of the committee (the Committee):

He is a Chairman of the Audit Committee of the Board of Directors of PJSC RusHydro, as well as a member of the Committee for Personnel and Remuneration of the Board of Directors of PJSC RusHydro.

Full name: **Vyacheslav Mikhaylovich Kravchenko**

Year of birth: **1967**

Education: **Higher**, Lomonosov Moscow State University, speciality - legal studies, graduation year: 1995.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time position

Period		Name of entity	Position
from	by		
2008	2011	PJSC Irkutskenergo	Member of the Board of Directors
2008	2011	LLC RN-Energo	General Director
2009	2011	PJSC Tomskenergosbyt	Member of the Board of Directors
2009	2011	PJSC Kubanenergo	Member of the Board of Directors
2009	2011	OJSC Kuban Electrical Networks	Member of the Board of Directors
2009	2011	OJSC Kubanenergosbyt	Member of the Board of Directors
2009	2011	OJSC Kuban Generating Company	Member of the Board of Directors
2009	2011	OJSC Tomsk Distribution Company	Member of the Board of Directors
2009	2011	OJSC Tomsk Transmission Networks	Member of the Board of Directors

2010	2012	OJSC United Energy Retailing Company	General Director
2011	2015	JSC "Center for Financial Settlements"	Member of the Board of Directors, Chairman of the Board of Directors
2011	present	PJSC "Rossetti"	Member of the Board of Directors
2011	2012	OJSC Altayenergosbyt	Member of the Board of Directors
2011	2012	OJSC Petersburg Sales Company	Member of the Board of Directors
2011	2012	PJSC Saratovenergo	Member of the Board of Directors
2011	2012	PJSC Mosenergosbyt	Member of the Board of Directors
2011	2012	PJSC Tambov Energy Retailing Company	Member of the Board of Directors
2012	2013	NP Market Council	Chairman of the Management Board
2013	2014	Russian Regional Development Bank (JSC)	Member of the Supervisory Board
2012	2014	OJSC ATS	Chairman of the Management Board, Member of the Board of Directors
2008	2015	OJSC INTER RAO	Member of the Board of Directors
2011	2015	Closed Joint-Stock Company Financial Settlement Center	Member of the Board of Directors, Chairman of the Board
2011	present	Non-Profit Partnership Market Council	Representative of the state in the Supervisory Board
2012	2016	JSC FGC UES	Member of the Board of Directors
2012	present	SO UPS, JSC	Member of the Board of Directors
2013	present	Ministry of Energy of the Russian Federation	Deputy Minister of Energy of the Russian Federation
2014	present	OJSC MOESK	Member of the Board of Directors
2014	present	PJSC RusHydro	Member of the Board of Directors
2015	present	PJSC Interregional Distribution Grid Company of Siberia,	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Committee on the reliability, energy efficiency and innovations under the Board of Directors of PJSC RusHydro.

Full name: *Yuriy Petrovich Trutnev*

Born in: *1956*

Education: Higher education, *Permian Polytechnic Institute, major — mining engineer, graduation year: 1978.*

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2004	2012	Ministry of Natural Resources and Ecology of the Russian Federation	Minister of Natural Resources and Ecology of the Russian Federation
2012	2013	Administration of the President of the Russian Federation	Assistant to the President of the Russian Federation
2012	present	State Atomic Energy Corporation Rosatom	Supervisory director
2016	present	PJSC RusHydro	Chairman of board of directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none.**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none.**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s):

He is the Chairman of the Committee on Development of the Far East Energy.

Full name: *Vyacheslav Viktorovich Pivovarov*

Born in: *1972*

Education: *Higher education, Sergo Ordzhonikidze State Management Academy, graduation year: 1995; American University in Paris, Applied Economics, graduation year: 1995; Stanford School of Business, MBA, graduation year: 2002.*

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	2011	Ministry for Economic Development of the Russian Federation	Freelance counsel to the Minister
2011	present	LLC Altera Capital	President, CEO
2012	2013	PJSC Kvadra	Member of the Board of Directors
2013	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a Chairman of the Committee on Human Resources and Compensation Committee under the Board of Directors and a member of the Investment Committee and the Audit Committee under the Board of Directors of PJSC RusHydro.

Full name: *Nikolay Radievich Podguzov*

Born in: *1974*

Education: *Higher education, St. Petersburg State Technical University - 1997, he graduated from the Moscow State Institute, Institute of International Relations (University) of the MFA of Russia - 2000*

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
From	to		
2010	2012	PJSC VTB Capital	Chief of Branch, Head of Directorate
2012	2013	Executive Office of the Government of the Russian Federation	Deputy Director of Department of Economy and Finance

2013	present	Ministry of Economic Development of Russia	Deputy Minister of Economic Development of the Russian Federation.
2016	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Strategy Committee of the Board of Directors of PJSC RusHydro.

Full name: ***Nikolay Dmitrievich Rogalev***

Born in: ***1962***

Education: Higher, **Moscow Power Engineering Institute, Thermal Power Station - 1985.**

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions.

Period		Name of the company	Title
from	to		
2010	2012	CJSC Eskotek	Research Instructor – 1 st Deputy Director General
2012	2012	Fund Unlimited Energy, OJSC Inter RAO UES of Russia	Deputy Fund Manager
2013	2013	FSBEI HE Moscow Power Engineering Institute	Acting Rector
2013	present	FSBEI HE Moscow Power Engineering Institute	Rector
2013	2015	PJSC Rosseti	Committee Member of the interaction with the community, consumers, government and information policy
2013	present	PJSC Rosseti	Member of Strategy Committee
2001	2013	FSBEI HE Moscow Power Engineering Institute	Department Chairmen (combined duties)

2014	2015	LLC Engineering Center "Gas turbine technology "	Member of the Board of Directors
2015	2016	PJSC Inter RAO	Member of the Audit Committee
2015	2016	PJSC Inter RAO	Independent Director
2016	Present	Non-profit Partnership Scientific and Technical Council of Unified Energy System	President

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is the Chairman of the Committee on the Reliability, Efficiency and Innovation of the Board of Directors of PJSC RusHydro, as well as a member of the Strategy Committee of the Board of PJSC RusHydro Directors and a member of the Investment Committee of the Board of Directors of PJSC RusHydro.

Full name: ***Aleksey Olegovich Chekunkov***

Born in: ***1980***

Education: ***Higher education***, Moscow State Institute of International Relations, Economist - 2001.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions.

Period		Name of the company	Title
From	to		
2011	2013	LLC UK RFPI	Director, Member of board of directors
2013	2014	LLC Kada-Neftegas	First Deputy Director General
2014	Present	JSC Fund for Development of the Far East and the Baikal region	Director General
2015	Present	JSC "ALROSA" (PJSC)	Member of the Supervisory Board
2015	Present	Independent Noncommercial Organization Agency for the Development of Human Capital in the Far East	Member of the Supervisory Board
2015	Present	Joint Stock Company Corporation of development of the Far East	Member of the Board of Directors
2016	Present	Independent Noncommercial Organization	Chairman, Member of the

		Agency of the Far East to attract investment and export promotion	Supervisory Board
2016	Present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Investment Committee of the Board of Directors of PJSC RusHydro, member of the Committee on Development of the Far East Energy of the Board of Directors of PJSC RusHydro, a member of the Committee on the Reliability, Efficiency and Innovation of the Board of Directors of PJSC RusHydro.

Full name: ***Sergey Vladimirovich Shishin***

Born in: ***1963***

Education: ***Higher education, Higher Border Guards Academy of the Committee for State Security of the USSR, graduation year: 1984; Institution of Higher Education of the Committee for State Security of the USSR, graduation year: 1990; Russian Academy of Public Administration under the President of the Russian Federation, State and Municipal Management, graduation year — 1999***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
From	to		
2007	present	PJSC VTB Bank	Senior Vice-President
2011	2013	OJSC Rosneft Oil Company	Member of the Board of Directors Deputy Chairman of the Board of Directors
2011	present	PJSC RusHydro	Member of the Board of Directors
2011	present	Russian Regional Development Bank (JSC)	Member of the Supervisory Board

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: none

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates, Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a **member of the Strategy Committee under the Board of Directors**.

Full name: **Andrey Nikolaevich Shishkin**

Year of birth: **1959**

Education: **Higher**, I. M. Gubkin Moscow Institute of the Petrochemical and Gas Industry, major: industrial heat-and-power engineer, graduation year – 1985.

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2010	2012	Ministry of Energy of Russia	Deputy Minister
2012	2015	Rusenergo Fund	Member of the Board of Directors
2012	present	OJSC Rosneft Oil Company	Board member
2013	2016	PJSC Rosseti	Member of the Board of Directors
2013	present	OJSC United Shipbuilding Corporation	Member of the Board of Directors
2013	2016	NP Market Council	Member of the Supervisory Board
2014	2015	JSC Okhinskaya TPP	Member of the Board of Directors, Chairman of the Board of Directors
2014	present	PJSC RusHydro	Member of the Supervisory Board
2014	present	RIG Research Pte Ltd	Chairman of the Board of Directors
2014	present	LLC National Oil Consortium	Member of the Board of Directors
2014	present	LLC RN-CIR	Member of the Board of Directors
2015	present	OJSC FESSRC	Chairman of the Board of

			Directors
2015	present	LLC RN-Active	Director General
2015	present	PJSC RusHydro	Member of the Strategy Committee of the Board of Directors
2016	present	OJSC CKB Lazurit	Member of the Board of Directors, Chairman of the Board of Directors
2016	present	Saras S.p.A.	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer: **none**

Share of the Issuer's equity shares held by the person: **none**

Number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates; Share of the equity shares held by the person in the subsidiaries and dependent companies of the issuer and the number of shares of each category (type), which could be purchased by this person through exercise of rights on his options of affiliated and dependent companies of the issuer: **none**.

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organisations during any period when an action of bankruptcy was brought against the said organisations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organisations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Committee on the Reliability, Efficiency and Innovation, the Strategy Committee (-s).

Full name: *Nikolay Hryhorievych Shulginov*

Born in: *1951*

Education: *Higher education, Novocherkassk Labor Red Banner Order Polytechnic Institute named after Sergo Ordzhonikidze, power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences*

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2004	2015	Open Joint Stock Company "System Operator of Unified Energy System"	Deputy Chairman First Deputy Chairman of the Board
2008	2011	Open Joint Stock Company "First Generation Company of the Wholesale	Member of the Board of Directors

		Electricity Market"	
2008	2011	Public Joint Stock Company "Moscow United Electric Grid Company"	Member of the Board of Directors
2008	2012	Public Joint-Stock Company for Energy and Electrification "Mosenergo"	Member of the Board of Directors
2008	present	Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System"	Member of the Supervisory Board
2009	2011	Public Joint-Stock Company for Energy and Electrification "Lenenergo"	Member of the Board of Directors
2013	2016	PJSC "FGC UES"	Member of the Board of Directors
2015	present	Federal State Educational Institution of Higher Education "National Research University" MEI "	Member of the Board of Trustees
2016	present	Federal State Autonomous Educational Institution of Higher Education "Siberian Federal University" (SFU)	Member of the Board of Trustees
2015	present	PJSC RusHydro	Chairman of the Board - CEO
2016	Present	PJSC RusHydro	Member of the Board of Directors
2016	present	Public company "RAO Energy Systems of East	Chairman of the Board
2016	present	Public Joint Stock Company "Ruskiye seti"	Member of the Board of Directors
2016	present	Non-commercial partnership "Hydropower of Russia"	Member of the Supervisory Board
2016	present	Association "Non-commercial partnership for the organization of wholesale and retail market Board effective system of electrical energy and power	Member of the Supervisory Board

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising options owned by him: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation

was implemented against the said organizations:

The person has not held such positions

Information on participation (Committee member, Chairman of the Committee) in the Committees of the Board of Directors (Supervisory Board) with the name of the committee (committees):

He is a member of the Strategy Committee of the Board of Directors of PJSC RusHydro.

Information on members of the Board of Directors (Supervisory Board), who are deemed independent by the Issuer:

1. Maxim Sergeevich Bystrov - Chairman of the Board of NP Market Council, OJSC ATS
2. Pavel Sergeevich Grachev – Director General of LLC UK Polius
3. Sergey Nikolaevich Ivanov - Director General of LLC RT-Kapital.
4. Vyacheslav Viktorovich Pivovarov, President of Altera Capital LLC.

5.2.2. Information on the Issuer's Sole Executive Body

Full name: *Nikolay Hryhorievych Shulginov*

Born in: *1951*

Education: *Higher education, Novocherkassk Labor Red Banner Order Polytechnic Institute named after Sergo Ordzhonikidze, power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences*

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2004	2015	Open Joint Stock Company "System Operator of Unified Energy System "	Deputy Chairman First Deputy Chairman of the Board
2008	2011	Open Joint Stock Company "First Generation Company of the Wholesale Electricity Market"	Member of the Board of Directors
2008	2011	Public Joint Stock Company "Moscow United Electric Grid Company"	Member of the Board of Directors
2008	2012	Public Joint-Stock Company for Energy and Electrification "Mosenergo"	Member of the Board of Directors
2008	present	Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System"	Member of the Supervisory Board
2009	2011	Public Joint-Stock Company for Energy and Electrification "Lenenergo"	Member of the Board of Directors
2013	2016	PJSC "FGC UES"	Member of the Board of Directors
2015	present	Federal State Educational Institution of Higher Education "National Research University" MEI "	Member of the Board of Trustees
2016	present	Federal State Autonomous Educational Institution of Higher Education "Siberian Federal University" (SFU)	Member of the Board of Trustees
2015	present	PJSC RusHydro	Chairman of the Board -

			CEO
2016	Present	PJSC RusHydro	Member of the Board of Directors
2016	Present	Public company "RAO Energy Systems of East	Chairman of the Board
2016	Present	Public Joint Stock Company "Ruskiye seti"	Member of the Board of Directors
2016	Present	Non-commercial partnership "Hydropower of Russia"	Member of the Supervisory Board
2016	present	Association "Non-commercial partnership Market Board for the organization of efficient wholesale and retail system of electrical energy and power trade	Member of the Supervisory Board

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising options owned by him: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Strategy Committee of the Board of Directors of PJSC RusHydro.

5.2.3. Composition of the Issuer's Collective Executive Body

Full name: ***Nikolay Hryhorievych Shulginov***

Born in: ***1951***

Education: ***Higher education, Novocherkassk Labor Red Banner Order Polytechnic Institute named after Sergo Ordzhonikidze, power supply of industrial enterprises and cities, year of graduation - 1973; Candidate of Technical Sciences***

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2004	2015	Open Joint Stock Company	Deputy Chairman

		"System Operator of Unified Energy System "	First Deputy Chairman of the Board
2008	2011	Open Joint Stock Company "First Generation Company of the Wholesale Electricity Market"	Member of the Board of Directors
2008	2011	Public Joint Stock Company "Moscow United Electric Grid Company"	Member of the Board of Directors
2008	2012	Public Joint-Stock Company for Energy and Electrification "Mosenergo"	Member of the Board of Directors
2008	present	Noncommercial Partnership "Scientific and Technical Council of the Unified Energy System"	Member of the Supervisory Board
2009	2011	Public Joint-Stock Company for Energy and Electrification "Lenenergo"	Member of the Board of Directors
2013	2016	PJSC "FGC UES"	Member of the Board of Directors
2015	present	Federal State Educational Institution of Higher Education "National Research University" MEI "	Member of the Board of Trustees
2016	present	Federal State Autonomous Educational Institution of Higher Education "Siberian Federal University" (SFU)	Member of the Board of Trustees
2015	present	PJSC RusHydro	Chairman of the Board - CEO
2016	Present	PJSC RusHydro	Member of the Board of Directors
2016	Present	Public company "RAO Energy Systems of East	Chairman of the Board
2016	Present	Public Joint Stock Company "Ruskiye seti"	Member of the Board of Directors
2016	Present	Non-commercial partnership "Hydropower of Russia"	Member of the Supervisory Board
2016	present	Association "Non-commercial partnership for the organization of wholesale and retail market Board effective system of electrical energy and power	Member of the Supervisory Board

Share of the person in the authorized capital of the Issuer, %: **0**

Share of the Issuer's equity shares held by the person, %: **0**

Number of shares of each category (type) that may be purchased by this individual through exercising options owned by him: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a member of the Strategy Committee of the Board of Directors of PJSC RusHydro.

Full name: ***Boris Borisovich Bogush***

Born in: ***1952***

Education: ***Higher education***, Saratov Polytechnic Institute, graduation year – 1975, Mechanic Engineer, Academy of National Economy of the Russian Federation Government, graduation year – 2004

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	present	PJSC RusHydro	Managing Director, Head of the Production Business Unit, Member of the Management Board — Chief Engineer; member of the Management Board, First Deputy Director General — Chief Engineer
2013	present	Not-for-profit Charitable Fund Soprichastnost	Member of the Board of Guardians
2013	present	LLC VolgaHydro	Member of the Board of Directors
2014	present	NP Hydraulic Power of Russia	Member of the Supervisory Board

Share of the person in the authorized capital of the Issuer, %: **0.004241**

Share of the Issuer's equity shares held by the person, %: **0.004241**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates: **none**

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations

during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a Member of the Committee on Reliability, Energy Efficiency and Innovation of the Board of Directors of JSC RusHydro.

Full name: ***Sergey Anatoliyovich Kirov***

Born in: ***1976***

Education: **Higher education**, D.N Pryanishnikov Perm State Agricultural Academy, economics and management of agricultural production, year of graduation - 1998, the Regional Centre for Interdisciplinary retraining "Economics and Management" program of the Perm Technical University (2004).

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2010	present	PJSC RusHydro	Executive Director of Economics, director of economics and the economy CEO and procurement Deputy General Director for Economics, Investment and procurement activities, member of the Board, First Deputy General Director
2010	2014	LLC RusHydro IT service"	CEO, Member of the Board of Directors
2010	2011	JSC "Leningrad GAES"	Member of the Board of Directors
2010	2012	JSC "Ust-SrednekanGESstroy"	Member of the Board of Directors
2010	2015	JSC "UK HidroOGK"	Member of the Board of Directors
2010	2012	JSC "ESC RusHydro	Member of the Board of Directors
2013	2015		
2010	2011	JSC "ESCO UES"	Member of the Board of Directors
2015	2015		
2011	2012	JSC "Hydroinvest"	Member of the Board of Directors
2011	2012	LLC "EZOP"	Member of the Board of Directors
2011	2012	JSC "YUYATEK"	Member of the Board of Directors
2011	2012	JSC "Zagorsk GAES-2"	Member of the Board of Directors
2013	2014		

2011	2012	LLC "SNRG"	Member of the Board of Directors
2013	2014		
2011	2014	JSC "Nizhne-Bureya HPP"	Member of the Board of Directors
2011	2015	JSC "NIIES"	Member of the Board of Directors
2011	2012	PJSC "Kolymaenergo"	Member of the Board of Directors
2013	2015		
2011	2015	PJSC "Krasnoyarskenergosbyt"	Member of the Board of Directors
2011	2015	CJSC "MEK"	Member of the Board of Directors
2011	2012	JSC "Mosoblhidroproekt"	Member of the Board of Directors
2014	2015		
2011	2015	PJSC "RESK"	Member of the Board of Directors
2011	2012	OJSC "CSO SSHHPP"	Member of the Board of Directors
2013	2015		
2011	2015	LLC "ESKB"	Member of the Board of Directors
2012	2014	JSC "Ust-Srednekanskaya HPP"	Member of the Board of Directors
2012	2014	JSC RusHydro Bashkortostan Efficiency"	Member of the Board of Directors
2012	2015	CJSC "Upper-Naryn HPP"	Member of the Board of Directors
2012	2015	PJSC "RAO Energy Systems of East"	Member of the Board of Directors
2013	2014	CJSC «Boguchany Aluminium Plant"	Member of the Board of Directors
2013	2014	LLC "ENEX"	Member of the Board of Directors
2013	2015	JSC " B.E Vedeneyev VNIIG "	Member of the Board of Directors
2013	2015	JSC "Gidroremont-VKK"	Member of the Board of Directors
2013	2015	JSC "Geoterm"	Member of the Board of Directors
2014	2015	JSC "Malaya Dmitrovka"	Member of the Board of Directors
2014	2015	JSC "Institute Hydroproject"	Member of the Board of Directors
2014	2015	JSC "Chuvash Energy Retail Company"	Member of the Board of Directors
2015	2015	JSC "Zaramagsk HPP"	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is Member of the Investment Committee of the Board of Directors of JSC RusHydro.

Full name: ***George Ilyich Rizhinashvili***

Born in: ***1981***

Education: **Higher education**, master course at M.V. Lomonosov Moscow State University, major — Economics, graduation year: 2004, Ph.D. in Economics: 2011

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	present	PJSC RusHydro	Member of the Management Board, Deputy Chairman of the Management Board, member of the Management Board, First Deputy Director General
2010	2014	NP KONTs UES	Member of the Supervisory Board
2013	present	Not-for-profit Charitable Fund Soprichastnost	Member of the Board of Guardians

Share of the person in the authorized capital of the Issuer, %: ***0.014193***

Share of the Issuer's equity shares held by the person, %: ***0.014193***

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s);

He is a Member of the Committee on Reliability, Energy Efficiency and Innovation, Strategy Committee and Investment Committee under the Board of Directors of JSC RusHydro.

Full name: ***Andrey Valentinovich Kazachenkov***

Born in: ***1980***

Education: ***Higher education***, St. Petersburg State Engineering and Economic University, Economics and management at machine-building enterprises, "Management"; University MBA degree Wisconsin (Madison, USA).

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2009	2015	PJSC " FGC UES "	Advisor to Chairman of the Board; Deputy Chairman of the Board, First Deputy Chairman of the Board
2015	present	PJSC RusHydro	Advisor to the Chairman of the Board - Director General; First Deputy General Director; Member of the Board, First Deputy General Director;
2015	2016	NP "Market Council"	Member of the Supervisory Board
2016	present	PJSC "RAO ES of the East	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management

entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Information on participation (member of the committee, chairman of the committee) in committees of the Board of Directors (Supervisory Board) with specification of the committee(s):

He is a Member of the Committee on Development of the Far East Energy of the Board of Directors of PJSC RusHydro.

5.3. Information on Remuneration and/or Compensation as to the Issuer's Management Entities

Information on remuneration of each management entity (excluding the individual performing the functions of the Issuer's sole executive body). All types of remuneration, including salaries, bonuses, commission remuneration, benefits and/or compensation, as well as other types of remuneration:

Board of Directors

Unit of measure: **RUB**

Indicator	As of September 30.092016
Remuneration for participation in the management entities' activities	5,561,538.45
Salary	0
Bonuses	0
Commission	0
Compensation of expenses	0
Other types of remuneration	0
TOTAL	5,561,538.45
Expenses connected with performance of functions of a member of the management entity compensated by the Issuer	52,510.00

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated.

Remuneration is paid to the members of the Board of Directors pursuant to approved general shareholders meeting documents and individual solution of the general shareholders meeting.

27.06.2016 new edition of The Regulations with regard to remuneration and compensation was accepted to the members of the Board of Directors (<http://www.rushydro.ru/upload/iblock/170/05Polozhenie-o-vyplate-vozn-chlenov-SD-novaja-redakcija.pdf>), as well as the decision was made on "To pay remuneration to the members of the Board of Directors on the results of the Board of Directors work for the period from 26.06.2015 to 27.06.2016 in the amount, order and time defined by the On Payment of Remuneration to Members of the Board of Directors of PJSC RusHydro, approved by the decision of the Annual General Shareholders Meeting on 26.06.2015 (Protocol №13).

The Regulations with regard to remuneration and compensation to the members of the Board of Directors of PJSC RusHydro accepted on 27.07.2016 shall not apply to the members of the Board of Directors, Companies (for the full or partial term of office of a Board member) that are members of the collegial executive body or the body performing functions of sole executive body of the Company.

Remuneration to the Chairman and members of the Board of Directors, which are (for the full or partial terms of office of the Board of Directors member) persons in respect of which the legislation of the Russian Federation provided by the restriction or prohibition on the receipt of any payments from commercial organizations are not charged and paid.

To a Member of the Board of Directors of the Company:

- Remuneration shall be paid within 60 days after the Annual General Meeting of Shareholders, at which the decision on the election of a new Board of Directors;

- Basic remuneration for every member of the Board of Directors amounts to RUB 900,000;

- Remuneration depends upon the number of meetings, in which the Board of Directors' member has participated;

- Remuneration is increased, if the member of the Board of Directors is the Chairman of the Board of Directors (by 30 %), Chairman of the Board of Directors' committee (by 20 %), Senior Independent Director (by 15%), or member of the Board of Directors' committee (by 10 %).

http://www.rushydro.ru/file/main/global/investors/disclosure/documents/Polozhenie_o_vyplate_chlena_m_SD_Obschestva_voznagrazhdenij_-_2010.pdf

Management Board

Unit of measure: *RUB*

Indicator	As of 30.09.2016
Remuneration for participation in the management entities' activities	0
Salary	42,196,643.07
Bonuses	55,935,690.00
Commission	0
Compensation of expenses	0
Other types of remuneration	0
TOTAL	98,132,333.07
Expenses connected with performance of functions of a member of the management entity compensated by the Issuer	3,296,794.65

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated. Remuneration and compensation are paid to the members of the Management Board of the Issuer subject to the conditions of labour agreements and Regulations "On Payment of Remuneration and Compensation to Members of the Management Board of PJSC RusHydro, approved by the resolution of the Company's Board of Directors dated 16.11.2010 (Minutes No. 111 dated 19.11.2010).

During the current financial year, the Issuer has concluded no additional agreements with the members of the Management Board as to payment of remuneration or other financial rewards and incentives.

5.4. Information on Structure and Terms of Reference of the Issuer's Bodies, Monitoring Financial and Economic Activities as well as Arrangement of Risk Management and Internal Control Systems

Full description of the structure of the Issuer's bodies monitoring financial and economic activities and their terms of reference pursuant to the Issuer's Charter (constituent documents) and internal documents:

In accordance with Clause 20.1 of Article 20 of the Company's Charter, the General Meeting of Shareholders shall elect the Internal Audit Commission of the Company annually in order to control financial and economic activities of the Company.

The Internal Audit Commission of the Company is elected at the General Meeting of Shareholders of the Company on an annual basis in the amount of five (5) persons. The Internal Audit Commission of the Company takes decisions by a majority vote of its members.

The Internal Audit Commission of the Company acts within its terms of reference established by the Federal Law "On Joint-Stock Companies", Charter of the Company, as well as Regulations "On the Internal Audit Commission of the Company," approved by the decision of the Management Board of JSC RAO UES of Russia, acting as the General Meeting of Shareholders of the Company (Minutes № 15 dated July 29, 2016)

The Company's Internal Audit Commission shall be empowered to:

1) Confirm the reliability of information contained in the annual report, balance sheet, and the income statement of the Company;

2) Analyze the financial condition of the Company, identify existing reserves for improving the financial condition of the Company, and develop recommendations for the management entities of the Company;

3) Organize and conduct audits of the financial and economic activities of the Company, in particular:

- Audits of financial, accounting, payment-and-settlement and other documents of the Company related to its financial and economic activities in respect of its compliance with the laws of the Russian Federation, Charter and internal documents of the Company;

- Control over the preservation and use of fixed assets;

- Control over compliance with the established procedure for charging insolvent debtors' liabilities to the losses of the Company;

- Control over the Company's expenditures in accordance with the approved financial documents of the Company;

- Control over formation and use of the reserve fund and other specialized funds of the Company;

- Checking if dividends on the Company's shares, interest on bonds, and return on other securities are correctly and timely calculated and paid;

- Checking if earlier prescriptions to remedy violations or defects revealed by previous audits have been satisfied;

- Other actions (measures) related to the audits of financial and economic activities of the Company.

In accordance with Clause 20.9. of Article 20 of the Company's Charter, the auditor shall audit the Company's financial and economic activities in accordance with the legislation of the Russian Federation and pursuant to an agreement entered into with it.

The General Meeting of Shareholders shall approve the Company's auditor with no financial interest in the Company or its shareholders on an annual basis. The remuneration for the auditor's services shall be determined by the Company's Board of Directors.

Information on the auditor of PJSC RusHydro is given in Clause 1.3 of the Quarterly Report.

In accordance with Article 16 of the PJSC RusHydro Charter, committees of the Board of Directors are formed under the decision of the Board of Directors and created in order to examine issues within the terms of reference of the Board of Directors or examined by the Board of Directors in order to control activity of executive bodies of the Company, and to develop necessary

recommendations for the Board of Directors and executive bodies of the Company.

Information on arrangement of risk management and internal control systems in relation to financial and economic activities of the Issuer, including:

Information on the Audit Committee of the Board of Directors (Supervisory Board) of the Issuer, its functions, personal and numerical composition:

Audit Committee of the Company's Board of Directors elected by Company's Board of Directors on 10.08.2016, (Minutes No. 240) consists of 3 members in the Audit Committee under the Company's Board of Directors:

Sergey Nikolaevich Ivanov (Chairman)

Maksim Sergeevych Bystrov

Vyacheslav Viktorovich Pyvovarov

The Audit Committee acts on the basis of the Regulations on the Audit Committee under the Board of Directors (approved by the Board of Directors of PJSC RusHydro on 23.06.2016, Minutes №239).

The purpose of the Audit Committee is to promote the effective implementation of the functions of the Board of Directors particularly concerning control of financial and economic activities of the Company.

The competence of the Audit Committee includes: control (ensuring completeness, accuracy and truthfulness) of Company's financial statements; of system operation of internal control, risk management and corporate management; ensuring of the independence and objectivity of the internal audit function; monitoring of system operation of notification system on potential cases of unethical practices of employees of the Company (including the dishonest use of insider or confidential information) and third parties, as well as control over the implementation of measures taken by the Company in the framework of such a system.

Information on availability of separate structural subdivision(s) for risk management and internal control (other body (structural subdivision) different from the Internal Audit Commission (Internal Auditor) performing internal control over financial and business activity of the Issuer), its tasks and functions, information on availability at the Issuer of separate structural subdivision (service) of internal audit, its tasks and functions:

The Company operates the Department of control and risk management.

The Department is a structural subdivision of the Company subordinate to the Company's Chairman of the Management Board—CEO.

The Head of the Internal Audit, Control and Risk Management Department is Posevina Irina Olegovna, Director of the Department.

The main tasks and functions of the Department concerning internal audit are as follows:

- the organization of an effective enterprise risk management, internal controls, anti-corruption system in the Company;
- Development and monitoring of the execution of plans and programs for improving corporate risk management and internal control of the Company and the companies with his participation (indirect participation) (hereinafter - S&A).
- Interaction with the territorial bodies of the Russian Federation, the executive, the Accounts Chamber of the Russian Federation, the Company's Audit Commission and other supervisory authorities on internal control, as well as in the course of their audit of the Company and S&A;
- Control over the disclosure of information on Company and S&A;

Information on the Issuer's separate structural unit (service) internal audit, its tasks and functions:

The Internal Audit Service operates in The Company. Service is a structural division of the Company's Head of the Internal Audit Service functionally subordinated to the Audit Committee of the Board of Directors, administrative – Chairman of the Board – General Director of the Company.

The tasks and functions of the Internal Audit Service are:

- Organizing and conducting internal audits of the Company and S&A.
- Assessment of the effectiveness of internal control systems, risk management, corporate governance and S&A.
- Organization of methodological support and control over the activities of the representatives of the Company Auditing Committee of S&A.
- Interaction with the Audit Committee of the Board of Directors.

Information about the issuer's policy in the field of risk management and internal controls, as well as the presence of the issuer's internal document establishing the rules to prevent the misuse of confidential and insider information:

Systems of internal control and risk management, internal audit in the Company were formed taking into account international standards as well as regulatory requirements and recommendations in force in the Russian Federation, common principles and approaches of which that are fixed in the Policy in the field of internal control and risk management and policy in the field of internal audit:

1. Policy on Internal Control and Risk Management PJSC RusHydro
URL to its full contents:
http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/
2. Regulations on the Internal Audit PJSC RusHydro
URL to its full contents:
http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/
3. Order of interactions of the Audit Committee of the Board of Directors with executive bodies of the Issuer's management is set out in the Regulations on the Board of Directors on the Audit Committee of PJSC RusHydro.
URL to its full contents:
http://www.rushydro.ru/corporate/regulations_and_docs/documents/board/
4. Regulations on insider information approved by the Board of Directors of PJSC RusHydro
URL to its full contents:
<http://www.rushydro.ru/investors/disclosure/inside/>

The Regulation governs the practice of the Company meeting the requirements of Russian legislation with regard to the prevention of unlawful use of insider information and market manipulation. During preparation of the Regulation international corporate governance practice was taken into account, including the requirements of the Disclosure and Transparency Rules of the Financial Conduct Authority.

The Regulation established categories of persons, who/which are included into the list of insiders by PJSC RusHydro, access procedure and rules for confidentiality protection of the insider information as well as restrictions for use of the information by insiders for making transactions with financial instruments of the Company and for transfer of the relevant information to third parties. This list also includes employees of PJSC RusHydro who have access to information and documents containing insider information to perform their employment functions.

The list of insider information is prepared in Russian and English and is published on the corporate website of PJSC RusHydro (www.rushydro.ru and www.eng.rushydro.ru). The Company publishes the insider information in Russian in the newswire of the authorized news agency Interfax (www.e-disclosure.ru) and in English—on RNS newswire (<http://www.londonstockexchange.com/exchange/prices-andnews/news/market-news/market-news-home.html>).

The current list of insider information of PJSC RusHydro approved by the order of PJSC

RusHydro from 16/03/2015 № 198

Address of the Internet page on which free access to the full text:

<http://www.rushydro.ru/investors/disclosure/inside/>

5.5. Information on Members of the Issuer's Bodies, Monitoring Financial and Economic Activities

Name of the Issuer's financial and economic activities monitoring body: ***Internal Audit Commission (approved by resolution of the General Meeting of Shareholders on June 27, 2016)***

Full name: ***Annikova Naliia Nikolaevna***

Born in: ***1955***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2010	2010	OJSC "BetElTrans"	CEO's counselor
2010	2013	OJSC "RZDstroy"	CEO's counselor
2013	present	OJSC "Construction Management № 308"	First Deputy General Director

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: ***none***

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: ***none***

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Full name: ***Mandal Denis Ryshyevych Kant***

Year of birth: ***1987***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2008	2011	OJSC Renaissance Capital	Customer Service Manager
2012	2016	Federal Property Management Agency	Deputy Head of Department of Federal Property Management Agency*
2016	present	OJSC ANK "Bashneft"	Member of the Committee on Budget Board

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Full name: ***Igor Nikolaevich Repin***

Year of birth: ***1966***

Education: ***Higher education***

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2003	present	Nonprofit organization Investment Rights Association	Deputy Executive Director

Share of the person in the authorized capital of the Issuer; share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's

management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Full name: ***Aleksandr Evgenevich Bogashov***

Year of birth: ***1989***

Education: ***Higher education***

Positions held by this person at the Issuer and other organisations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2011	2013	Federal Property Management Agency	Specialist of the 1 class, lead professional, expert of the Board of management
2013	present	The Russian Ministry of Energy	Chief of Branch of Department

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: ***none***

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: ***none***

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Full name: ***Khvorov Vladymyr Vasylievych***

Year of birth: ***1947***

Education: ***Higher education***

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of entity	Position
from	by		
2009	present	Ministry of Economic Development of the Russian Federation	Lead Expert of Branch of Department

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person can acquire as a result of execution of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic infringements, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on holding by the person any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Body exercising control of financial and economic activities of the issuer: the **Audit Committee of the Board of Directors**

Full name: ***Sergey Nikilaievych Ivanov (Chairman)***

Born in: ***1961***

Education: ***higher education***, Moscow Engineering Physics Institute, Department - Theoretical Nuclear Physics, year of graduation - 1984; Doctor of Economic Sciences - 2007; Professor - 2010; Corresponding Member of the Russian Academy of Natural Sciences - 1999.

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
			Director, Chairman of the Academic Council
2002	2015	INPK CJSC "RET"	Member of the Board of Directors
2007	2013	JSC "Malaya Energetika"	Member of the Board of Directors
2007	2014	ANO "National Energy Security Institute"	Chairman of the Presidium
2008	2010	Open Joint Stock Company "Federal Grid Company of Unified Energy System"	First Deputy Chairman of the Board
2011	2016	Open Joint Stock Company "Russian Energy Company"	Director General
2012	2015	LLC "LENSENT"	General Director
2012	2013	Open Joint Stock Company "Exhibition pavilion" Electrification "	Member of the Board of

			Directors
2014	2015	CJSC "Novoyeniseysk Wood Chemical Complex"	Member of the Board of Directors
2013	2016	LLC "Oberon"	General Director of the managing organization
2013	present	PJSC RusHydro	Member of the Board of Directors
2013	2016	LLC "Almateia"	General Director of the managing organization
2014	2016	JSC "Nechernozemagropromstroy" Corporation	Director General
2015	2016	Open Joint Stock Company "Russian Energy Company"	Member of the Board of Directors
2016	present	LLC "RT-Capital"	Director General
2016	present	LLC "RT-Capital"	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Share of the person in the authorized (reserve) capital (unit fund) of the Issuer's subsidiaries and affiliates. Share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Full name: **Maksym Sergiyoych Bystrov**

Born in: **1964**

Education: **higher education**, Moscow Civil Engineering Institute. VV Kuibyshev hydraulic engineering structures and river hydropower plants, year of graduation - 1986; All-Russian Academy of Foreign Trade, the global economy, the end of the year - 1998.

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		

2010	2013	Russian Presidential Administration	Deputy Plenipotentiary Representative of RF President in the North Caucasian Federal District
2012	present	LLC "Management Company Airport to Mineralnye Vody»	Chairman of the Board of Directors, member of the Board of Directors
2013	present	JSC "Resorts of the North Caucasus"	Chairman of the Board of Directors, member of the Board of Directors
2013	present	PJSC RusHydro	Member of the Board of Directors
2013	present	NP "Market Council"	And about. Chairman of the Board, Chairman of the Board, member of the Supervisory Board
2013	present	OJSC "ATS"	Chairman of the Board
2014	present	PJSC "UES FGC"	Member of the Board of Directors
2014	present	OJSC "SO UES"	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Full name: **Viacheslav Viktorovich Pyvovarov**

Born in: **1972**

Education: **higher education**, State Academy of Management Sergo Ordzhonikidze, the world economy, the year of graduation: 1995; American University in Paris, applied economics, year of graduation: 1995; Stanford Business School, MBA, graduated in 2002.

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period	Name of the company	Title
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from	to		
2009	2011	Ministry of Economic Development of the Russian Federation	Adviser to the Minister of Economic Development
2011	present	LLC "Altera Capital"	President
2013	present	PJSC RusHydro	Member of the Board of Directors

Share of the person in the authorized capital of the Issuer, %: **none**

Share of the Issuer's equity shares held by the person, %: **none**

Number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**.

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Internal Audit, Control and Risk Management Department

Full name: ***Irina Olegovna Posevina — Director of the Department***

Born in: ***1970***

Education: ***higher education***

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	to		
2008	2010	PJSC INTER RAO UES	Deputy Director for Internal Control, Head of the Internal Audit, Controlling and Risk Management Block
2010	31.10.2016	PJSC RusHydro	Director for Internal Control and Risk Management — Chief Auditor; Director of the Internal Audit, Control and Risk Management Department; Director for Internal Audit and Risk Management

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by

the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

The person has no said shares

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

Head of the Internal Audit Department

Full name: ***Oleg Evginiyovich Adzhymov***

Born in: ***1977***

Education: **higher education**

Positions held by this person at the Issuer and other organizations in the past 5 years and currently, in chronological order, including part-time positions

Period		Name of the company	Title
from	To		
2008	2010	JSC "IDGC of Urals"	Head of Internal Control and Audit Department
2010	present	PJSC RusHydro	Head of the Internal Audit / Deputy Director of the Audit Department of Internal Audit, Control and Risk Management / Head of Internal Audit Department

Share of the person in the authorized capital of the Issuer, share of the Issuer's equity shares held by the person and number of the Issuer's shares of any category (type) that such person may acquire as a result of the exercise of rights under the Issuer's options in its possession: **none**

Person's share in the authorized (share) capital (share fund) of subsidiaries and dependent companies of the issuer, share of owned ordinary shares of subsidiaries and dependent companies of the issuer and number of shares of each category (type) that such a person can be acquired as a result of the rights of options of subsidiaries and dependent companies of the issuer: **none**

Information on the nature of any kinship with other individuals included into the Issuer's management entities and/or bodies monitoring financial and economic activities:

There is no said kinship

Information on imposition of administrative sanctions upon the person due to violations in finance, taxes and levies, securities market, or imposition of penal sanctions (previous convictions) due to economic violations, or wrongful acts against state authorities:

No said sanctions have been imposed upon the person

Information on the person holding any position in management entities of commercial organizations during any period when an action of bankruptcy was brought against the said organizations and/or one of the bankruptcy procedures stipulated by the insolvency (bankruptcy) laws of the Russian Federation was implemented against the said organizations:

The person has not held such positions

5.6. Information on Remuneration, Benefits, and/or Compensation as to the Issuer's Bodies, Monitoring Financial and Economic Activities

Information on remuneration as to the Issuer's financial and economic monitoring bodies. All types of remuneration, including salaries, bonuses, commission remunerations, benefits and/or compensation, as well as other types of remuneration paid by the Issuer for the last completed calendar year and for the first quarter, shall be specified:

Internal Audit Commission

Unit of measure: ***RUB***

Indicator	30.09.2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	629,475.00
Salary	0
Bonuses	0
Commission	0
Compensation of expenses	0
Other types of remuneration	0
TOTAL	629 475.00
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	0

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

Regulation on remuneration and compensation to Members of Internal Audit Commission of PJSC RusHydro approved by the Annual General Meeting of 27.06.2016 (Minutes No. 15 of 29.06. 2016)

No agreements concerning the amount of remuneration have been concluded with the members of the Internal Audit Commission.

Audit Committee under the Board of Directors

Unit of measure: ***RUB***

Indicator	As of 30.09.2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	0
Bonuses	0
Commission	0
Compensation of expenses	0
Other types of remuneration	0
TOTAL	0

Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	0
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Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

Remuneration shall be paid to the Members of Audit Committee under approved documents by General Shareholders Meeting.

Payment of remuneration to the members of the Audit Committee of the Board of Directors shall be made in accordance with the Regulations on payment of remunerations and compensations to members of the Board of Directors of PJSC RusHydro, approved by the General Meeting of Shareholders of PJSC RusHydro on 27/06/2016 (Minutes of 29.06.2016 No. 15), <http://www.rushydro.ru/upload/iblock/170/05Polozhenie-o-vyplate-vozn-chlenov-SD-novaja-redakcija.pdf>.

Regulations on payment of remuneration and compensation to members of the Board of Directors of PJSC RusHydro, approved on June 27, 2016 does not apply to members of the Board who are (for the full or partial terms of office of the Board of Directors member) members of the collegial executive body of the Company or acting as a sole executive body of the Company.

Remuneration to the Chairman and members of the Board of Directors, who are (for the full or partial terms of office of the Board of Directors member) persons in respect of which the legislation of the Russian Federation provided the restriction or prohibition on the receipt of any payments from commercial organizations shall not be charged and paid.

Agreements concerning the remuneration of the members of the Audit Committee of the Board of Directors are not available.

Control and Risk Management Department

Unit of measure: ***RUB***

Indicator	As of 30.09.2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	25,261,934.80
Bonuses	8,517,081.00
Commission	0
Compensation of expenses	0
Other types of remuneration	0
TOTAL	33,779,015.80
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	1,294,711.00

Internal Audit Service

Unit of measure: ***RUB***

Indicator	As of 30.09.2016
Remuneration for participation in activities of the Issuer's financial and economic activities monitoring body	0
Salary	6,886,760.58
Bonuses	2,480,333.00
Commission	0
Compensation of expenses	0

Other types of remuneration	0
TOTAL	9,367,093.58
Expenses connected with performance of functions of a member of the bodies controlling financial and economic activities of the Issuer compensated by the Issuer	438,907.00

Information on decisions taken by the authorized management entities of the Issuer and/or current agreements in relation to such remuneration to be paid and/or such expenses to be compensated:

Remuneration is paid to the employees in accordance with the terms and conditions of their labour agreements.

5.7. Information on the Number, General Information on Content of the Issuer's Employees (Workers), and Alterations of the Number of the Issuer's Employees (Workers)

Average number of employees (workers) of the Issuer, including employees (workers) working at its branches and representative offices as well as accrued salary and social payments

Indicator	9 months of 2016
Average number of employees, persons	5 493.3
Total payroll for the reporting period	4,691,374,001
Social payments to the employees for the reporting period, RUB	247,565,133

Employees (workers) of the Issuer include employees having significant impact on financial and economic activities of the Issuer (key employees). Information on such key employees of the Issuer:

- Nicolai Shulginov, Chairman of the Management Board — General Director, member of the Board of Directors (personal information shall be given in clause 5.2. of the quarterly report);
- Members of the Board (personal information shall be given in clause 5.2. of the quarterly report).

Employees of the Issuer did not create a trade union committee. As a result of affiliation of S&A to the Company during the Issuer's reorganisation, employees of the affiliated S&A, which currently are members of various trade unions created in S&A before affiliation with the Issuer, were included in the Issuer's staff.

5.8. Information on Any Liabilities of the Issuer to its Employees (Workers) Concerning their Possible Participation in the Issuer's Authorized Capital

The Issuer has no liabilities to its employees (workers) as to the possibility of their participation in its authorized capital.

VI. Information on the Issuer's Participants (Shareholders) and Non-arm's length transactions Made by the Issuer

6.1. Information on Total Number of the Issuer's Participants (Shareholders)

Total number of persons with non-zero balances on their personal accounts recorded in the Issuer's register of shareholders as at the end of the last reporting quarter: : **305 530**

Nominee shareholders of Issuer enter to the membership of person registered in the Registry of Issuer's shareholders. Total number of the Issuer's nominee shareholders: **16**

Total number of persons included in the final list of persons which had (have) the right to participate in the General Meeting of Shareholders of the Issuer (other list of persons composed for purposes of execution of rights attached to the Issuer's shares and for composition of which the Issuer's nominee shareholders presented data on persons, in the interests of which they hold the Issuer's shares): **345 289**

Class of the Issuer, the owners of which had to be included in such list: **uncertified registered ordinary shares;**

Preparation date of such list: 23.05.2016

Quantity of own shares on the balance sheet of the Issuer as at the end of the reporting quarter: On Issuer's balance, own shares are absent

Quantity of the Issuer's **uncertified registered ordinary shares** owned by the controlled organizations: **18 852 353.167**

6.2. Information on the Issuer's Participants (Shareholders) Holding at least Five Per Cent of the Authorized Capital or at least Five Per Cent of its Equity Shares, as well as Information on Persons Controlling such Participants (Shareholders) and, in the Absence thereof, on such Participants (Shareholders) Holding at least 20 Per Cent of the Authorized (Reserve) Capital (Unit Fund) or at least 20 Per Cent of their Equity Shares

The Issuer's participants (shareholders), holding at least five per cent of its authorized capital or at least five per cent of its equity shares

The participants (shareholders) holding at least five percent of its authorized capital or not less than five percent of its common shares

Full corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Abbreviated corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location

9 Nikolskiy Pereulok, Moscow, Russia, 109012

INN: **7710723134**

PSRN: **1087746829994**

Share of the Issuer's participant (shareholder) in the authorized capital of the Issuer, %: **66.836992**

Share of the Issuer's equity shares held by the participant (shareholder), %: **66.836992**

Persons controlling the Issuer's participant (shareholder)

None

Participants (shareholders) of such person, holding at least 20 per cent of its authorized capital or at least 20 per cent of its equity shares:

None

The Issuer's shares, that constitute not less than five per cent of the authorized capital or not less than five per cent common shares registered in the Issuer's shareholder register in the name of a nominee shareholder

Information on the nominee holder:

Full corporate name: **Full name: Non-bank credit organization Joint Stock Company "National Settlement Depository"**

Abbreviated corporate name: **NCO JSC NSD**

Location

105066, Spartakovskaya str., bldg.12, Moscow.

INN: **7702165310**

PSRN: **1027739132563**

Tel.: **(495) 234-4827**

Fax: **(495) 956-0938**

E-mail: info@ndc.ru

Information of the license of the securities market professional

Number: **177-12042-000100**

Date of issue: **February 19, 2009**

Expiry date:

Unlimited

Name of the issuing authority: **Bank of Russia**

Number of the Issuer's equity shares, registered in the Issuer's register of shareholders in favour of the nominee holder: **115 572 995 479**

Number of the Issuer's preferred shares, registered in the Issuer's register of shareholders in favour of the nominee holder: **0 (the Issuer hasn't issued the preferred shares)**

December 30, 2015 The Issuer received a notification from Gazprombank (Joint Stock Company) (Moscow, INN 7744001497, PSRN 1027700167110) on the right to dispose of a certain number of votes of the Issuer. According to the present notice, the Issuer disclosed the information that on the December 24, 2015 Gazprombank (Joint Stock Company) has acquired the right to dispose of 6.367% of the votes attached to the voting shares of the Issuer. Information on the shareholder is also in para. 6.5 of the present Quarterly Report

As of 30.09.2016, the Issuer has no information about the ownership and/or the accurate share owned by Gazprombank (Joint Stock Company) in the authorized capital and ordinary shares of the Issuer.

6.3. Information on the Share of the State or Municipal Entity in the Authorized Capital of the Issuer, and Availability of the Special Right (Golden Share)

Information on the share of the state (municipal entity) is specified in the authorized capital of the Company and special right:

Share of the Issuer's authorized capital in state (federal, Russian Federation constituent entities), municipal ownership: **66.93050994%²**

Information on managers of state, municipal blocks of shares: **None;**

Information on persons acting as the Issuer's participant (shareholder) on behalf of the Russian Federation, constituent entity of the Russian Federation or municipal entity

1) State property (federal):

1. Name: **Federal Agency for State Property Management**

Location: **9 Nikolsky Per., Moscow, 109012**

Share of the Issuer's authorized capital in state (federal) ownership: **66,836992%**

2. Full corporate name: **ITAR-TASS News Agency (Federal State Unitary Enterprise)**

Location: **10-12 Tverskoi Blvd., Moscow, 125993**

Share of the Issuer's authorized capital in state (federal) ownership: **: 0,000064%**

2) State property (property of Russian Federation constituent entities)

1. Name: **Rostov Oblast in the face of state budget institutions of Rostov Oblast Property Fund of Rostov Oblast**

Location: **112 Sotsialisticheskaya St., Rostov-on-Don, Rostov Oblast, 344050**

Share of the Issuer's authorized capital in state (Russian Federation subjects) ownership: **0.000022%**

2. Name: **Financial Department of Administration for Orenburg Oblast**

Location: **54 Sovetskaya St., Orenburg, 460311**

Share of the Issuer's authorized capital in state (Russian Federation subjects) ownership: **0.00000009%**

3) Municipal property

1. Name: **Bureysky District Administration for Amur Oblast**

Location: **49 Sovetskaya St., Novobureysk, Amur Oblast, 676701**

Share of the Issuer's authorized capital in municipal ownership: **0.000394 %**

2. Name: **Administration of municipal entity Selsovet Zubutli-Miatlinsky of Kizilyurtovsky District of the Republic of Dagestan**

Location: **Lenina St., Zubutli-Miatli, Kizilyurtovsky District, Republic of Dagestan, Russia**

Share of the Issuer's authorized capital in municipal ownership: **0,002838%**

3. Name: **Administration of Ashilta**

Location: **Ashilta, Untsukulsky District, Republic of Dagestan, 368240**

Share of the Issuer's authorized capital in municipal ownership: **0.001704 %**

4. Name: **Administration of Verkhny Chiryurt-Gelbakh**

Location: **2-11-38 Verkhny Chiryurt, Kizilyurtovsky District, Republic of Dagestan, 368100**

Share of the Issuer's authorized capital in municipal ownership: **0.010122 %**

5. Name: **Administration of Gergebil**

Location: **Gergebil, Gergebil District, Republic of Dagestan, 368250**

Share of the Issuer's authorized capital in municipal ownership: **0.005552 %**

6. Name: **Administration of Untsukul**

Location: **Untsukul, Untsukul District, Republic of Dagestan, 368240**

Share of the Issuer's authorized capital in municipal ownership: **0.002901 %**

7. Name: **Municipal entity of rural settlement Chirkata rural community of Gumbetovsky District of the Republic of Dagestan**

Location: **Chirkata, Gumbetovsky District, Republic of Dagestan, 368933**

Share of the Issuer's authorized capital in municipal ownership: **0.011710 %**

8. Name: **Municipal entity of Chirkey represented by the municipal entity administration of Chirkey**

Location: **Chirkey, Buynaksky District, Republic of Dagestan, 368114**

Share of the Issuer's authorized capital in municipal ownership: **0.050897 %**

9. Name: **Administration of rural settlement Selsovet Khvartikuninsky**

Location: **Khvartikuni, Gergebil District, Republic of Dagestan, 368258**

Share of the Issuer's authorized capital in municipal ownership: **0.005552 %**

10. Name: **Municipal Property Management Committee of Zeya**

Location: **217 Mukhina St., Zeya, Amur Oblast, 676246**

Share of the Issuer's authorized capital in state municipal ownership: **0.000356 %**

11. Name: **MUNICIPAL EDUCATIONAL INSTITUTION OF MIXED TYPE BOARDING SCHOOL**

Location: *32 Chkalova St., Partizansk, Primorsky Krai*

Share of the Issuer's authorized capital in municipal ownership: **0.00000002 %**

Information on the availability of the special right of the Russian Federation, constituent entity of the Russian Federation, municipal entity to participate in management of the Issuer — joint-stock company (golden share) and the validity of the special right (golden share): ***There is no such right.***

6.4. Information on Restriction to Participate in the Issuer's Authorized Capital

There are no restrictions to participate in the Issuer's authorized capital (unit fund).

6.5. Information on Changes in the Structure and Interests of the Issuer's Participants (Shareholders), Holding at least Five Per Cent of its Authorized Capital or at least Five Per Cent of its Equity Shares

Structure of the Issuer's participants (shareholders) holding at least five per cent of the Issuer's authorized capital and being joint-stock companies for the Issuer, as well as at least five per cent of the Issuer's equity shares specified as of the date of the list of persons which had right to participate in each General Meeting of Shareholders (Participants) of the Issuer held for the last complete reporting year preceding the end date of the reporting quarter, as well as for the period after the start date of the current year and up to the end date of the reporting quarter, according to the list of persons which had right to participate in every such meeting.

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: ***May 25, 2015***

List of shareholders (participants)

Name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***9 Nikolsky Per., Moscow 109012***

INN: ***7710723134***

PSRN: ***1087746829994***

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: ***66.836992***

Portion of the Issuer's equity shares held by the person, %: ***66.836992***

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: ***November 23, 2015***

List of shareholders (participants)

Name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***9 Nikolsky Per., Moscow 109012***

INN: ***7710723134***

PSRN: ***1087746829994***

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: ***66.836992***

Portion of the Issuer's equity shares held by the person, %: ***66.836992***

Preparation date of a list of persons entitled to take part in the General Meeting of Shareholders (Participants) of the Issuer: ***May 23, 2015***

List of shareholders (participants)

Name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***9 Nikolsky Per., Moscow 109012***

INN: ***7710723134***

PSRN: ***1087746829994***

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %: ***66.836992***

Portion of the Issuer's equity shares held by the person, %: ***66.836992***

Name: Gazprombank (Joint Stock Company)

Location: 117420,bldg.16, Nametkina str., bldg. 1, Moscow.

INN: 7744001497

PSRN:1027700167110

Share of the person in the authorized capital of the Issuer (of the total amount of placed shares), %:
6,367032

Portion of the Issuer's equity shares held by the person, %: **6,367032**

6.6. Information on Non-arm's length transactions Made by the Issuer

Information on the number and volume of transactions in monetary terms made by the Issuer, which in accordance with the laws of the Russian Federation are considered as non-arm's length transactions requiring approval of the authorized management entities of the Issuer, according to the results of the last reporting quarter

Unit of measure: **Russian rubles**.

Indicator	Total number	Total volume in monetary terms, RUB
Non-arm's length transactions made by the Issuer for the reporting period, requiring approval of the authorized management entity of the Issuer	12	12,180,807,126.17 (Footnote 1)
Non-arm's length transactions made by the Issuer for the reporting period, which have been approved by the General Meeting of Shareholders (Participants) of the Issuer	2	12,100,306,493.64
Non-arm's length transactions made by the Issuer for the reporting period, which have been approved by the Board of Directors (the Supervisory Board) of the Issuer	10	80,500,632.53 (Note 1)
Non-arm's length transactions made by the Issuer for the reporting period, requiring approval of, but have not been approved by, the authorized management entity of the Issuer		

Note 1: Of a total number, 3 sales are additional agreements to the previously concluded agreements and do not provide for the emergence of new obligations, modify the price parameters of deals, and therefore the price of such transactions is indicated in combination with the previously concluded agreements.

Transactions (groups of related transactions), which price is 5 or more per cents of the Issuer's assets balance value, defined according to its financial statements as of the last reporting date before the transaction made by the issuer for the last reporting quarter:

No such transactions

Transactions (groups of related transactions) of current interest and the decision on approval of which has not been taken by the Board of Directors (Supervisory Board) or the General Meeting of Shareholders (Participants) of the Issuer, if such approval is mandatory according to the laws of the Russian Federation:

No such transactions

6.7. Information on Accounts Receivable

As of 30.09.2016

Measurement unit: **Russian rubles**.

Indicator	Indicator value
Accounts receivable of buyers and customers	6,591,348,377.95
including overdue	299,897,521.65
Accounts receivable for bills receivable	50,055,797,777.76

including overdue	13,521,000,000.00
Accounts receivable of members (founders) as to contributions to the authorized capital	-
including overdue	-
Other accounts receivable	73,933,003,646.39
including overdue	2,996,327,599.68
Total accounts receivable	130,580,149,802.10
including total overdue accounts receivable	16,817,225,121.33

Debtors owning less than 10 per cent of the total accounts receivable for the specified reporting period

Full corporate name: **Public Joint-Stock Company Power machines — ZTL, LMZ, Electrosila, Energomachexport**

Abbreviated corporate name: **PJSC Power Machines**

Location: **3, Lit. A, Vatutina St., St. Petersburg, 190000 Russia**

INN: **7702080289**

PSRN: **1027700004012**

Accounts receivable: **15,999,674,891.15 Russian rubles**

Amount and terms and conditions of the overdue accounts receivable (interest rate, fine sanctions, penalties): **No**

The debtor is an affiliate of the Issuer: **no**

Full corporate name: **Public Joint-Stock Company Boguchanskaya HPP**

Abbreviated corporate name: **PJSC Boguchanskaya HPP**

Location: **1 Unified Base No. 1, Left Bank Construction Base, Kodinsk, Kezhemskiy District, Krasnoyarsk Krai, Russian Federation**

INN: **2420002597**

PSRN: **1022400828119**

Accounts receivable: **21,027,454,895.67 Russian rubles**

Amount and terms and conditions of the overdue accounts receivable (interest rate, fine sanctions, penalties): **No**

The debtor is an affiliate of the Issuer: **no**

VII. Accounting (Financial) Statements of the Issuer and other Financial Information

7.1. Annual Accounting (Financial) Statements of the Issuer

Annual accounting (financial) statements of the Issuer for 2015 and the Audit report to it includes in the Quarterly Report for the 1 quarter of 2016.

The Issuer does not prepare annual financial statements in accordance with IFRS or other internationally accepted rules different from IFRS.

The Issuer prepares consolidated financial statements of PJSC RusHydro and subsidiaries in accordance with IFRS.

7.2. Interim Accounting (Financial) Statements of the Issuer

Interim accounting (financial) statements for 9 months of 2016 attached to this quarterly report (Appendix No. 1) include:

- Balance sheet as of September 30, 2016;
- Profit and loss statement for the period from January 01, 2016 to September 30, 2016;

The Auditor did not perform any procedures in relation to and did not give its opinion on reliability of interim accounting statements of the Issuer for 9 months of 2016 attached to this quarterly report and prepared in accordance with RAS.

The Issuer does not prepare separate interim financial statements in accordance with IFRS or other internationally accepted rules different from IFRS.

7.3. Consolidated Financial Statements of the Issuer

The Issuer prepares consolidated financial statements in accordance with IFRS which complies with Article 2 of Federal Law No. 208-FZ on Consolidated Financial Statements, dated July 27, 2010.

Consolidated financial statements are prepared in accordance with IFRS and the auditor's report for the year ended on December 31, 2015 and as at that date are included in the Quarterly Report for the 1st quarter 2016.

Composition attached to this Quarterly Report, Condensed Consolidated Interim (Financial) Information (Unaudited), prepared in accordance with IAS 34, As at and for the six months ended on 30 June 2016 (Appendix 2):

- Condensed Consolidated Interim Financial Report of financial position;
- Condensed Consolidated Interim Financial Report of profit and loss statement;
- Condensed Consolidated Interim Financial Report of comprehensive income;
- Condensed Consolidated Interim Financial Report of cash flows;
- Condensed Consolidated Interim Financial Report of changes in equity;
- Notes to Condensed Consolidated Interim Financial Information.

7.4. Information on the Accounting Policy of the Issuer

The accounting policies adopted by the Issuer for the current year, in the reporting period no significant changes were made. The information is listed in the Quarterly Report for the 1st quarter 2016.

7.5. Information on the Total Amount of Export, as well as on Export Share in Total Sales

The Issuer does not export products (goods, works, services)

7.6. Information on Material Changes in the Issuer's Property since the

Expiry Date of the Last Complete Reporting Year

Information on material changes in the Issuer's property which took place within 12 months prior to the expiry date of the reporting quarter:

There were no material changes in the Issuer's property within 12 months prior to the expiry date of the reporting quarter.

7.7. Information on the Issuer's Participation in Judicial Proceedings, if such Participation may have a Material Effect on Financial and Business Activities of the Issuer

The Issuer did not participate/is not participating in any judicial proceedings, which had/may have a material effect on financial and business activities of the Issuer, within the period from the start date of the last complete reporting year to the expiry of the reporting quarter.

VIII. Additional Information on the Issuer and Equity Securities Placed by it

8.1. Additional Information on the Issuer

8.1.1. Information on the Amount and Structure of the Authorized Capital of the Issuer

Information on Amount, structure of the authorized capital of the Issuer as at the end date of the reporting quarter: **three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety (386,255,464,890) RUB**

Breakdown of the issuer's authorized capital for common and preferred shares with an indication of the total nominal value of each class of shares and the amount of each class of shares in the authorized capital of the issuer

Equity shares

Total par value: **three hundred eighty-six billion two hundred fifty-five million four hundred sixty-four thousand eight hundred and ninety (386,255,464,890) RUB**

Share in the authorized capital: **100 %**

Preferred shares was not produced by the Issuer.

The amount of the authorized capital (provided in this paragraph) corresponds

Information on correspondence between the amount of the authorized capital specified in this Clause and the Issuer's constituent documents: *The amount of the authorized capital corresponds to the Issuer's Statute.*

The shares of the Issuer are traded outside the Russian Federation by circulation of the deposit securities (securities of a foreign issuer certifying the title for the said shares of the Russian issuer)

Category (class) of shares traded outside the Russian Federation: *equity*

Percentage of shares which are traded outside the Russian Federation from the total shares of the relevant category (class): **5,40%**

Name and location of Foreign issuer, depository securities of which certify rights in respect to the Issuer's shares of the relevant category (class): The Bank of New York Mellon, One Wall Street & 101 Barclay Street, New York City, New York

Summary description of the program (program type) on issue of depository securities of a foreign issuer, certifying rights in respect to shares of the relevant category (class):

Program type	GDR according to Rule 144A ADR, 1st level
Depository bank	The Bank of New York Mellon
Relation	1 GDR, 1 ADR = 100 equity shares
Ticker	HYDR
Number CUSIP GDR 144A	782183503
Number CUSIP ADR 1st level	782183404
Maximum possible program capacity, pcs	832,131,000

Information on obtaining a permit from the Bank of Russia and/or the authorized state authority of the Russian Federation to place and/or arrange trade in the Issuer's shares of relevant category (type) outside the Russian Federation:

permit of the Federal Financial Markets Service of the Russian Federation No. 08-EK-03/10335 dated May 23, 2008 (order №1116/pz-i of the Russian FFMS of May 20, 2008), permit of the Federal Financial Markets Service of the Russian Federation No. 09-EK-03/27137 dated November 19, 2009 (order №09-3711/pz-i of the Russian FFMS of November 19, 2009), permit of the Federal Financial Markets Service of the Russian Federation No. 11-SH-03/350 dated November 17, 2010 (order №11-22/pz-i of the Russian FFMS of January 13, 2011), permit of the Federal Financial Markets Service of the Russian Federation No. 11-SH-03/21348 dated August 18, 2011 (order №11-2064/pz-i of the Russian FFMS of August 16, 2011).

Name of the foreign listing authority, through which the Issuer's shares are traded (depository securities certifying rights in respect to the Issuer's shares): *London Stock Exchange, Main Market (trading with listing procedure) and in USA electronic system of over-the-counter trading OTCQX, 304 Hudson Street, 2nd Floor, New York, NY 10013, USA.*

Other Information on the issuer's shares organizations outside the Russian Federation by the Issuer at its sole discretion, are not available.

8.1.2. Information on Change in the Amount of the Authorized Capital of the Issuer

Information on changes in the Issuer's authorized capital for the last completed reporting year as well as for the period from the beginning date of the current year to the end date of the reporting quarter:

During 2015 and in the period of 9 months of 2016 there were no changes in amount of the authorized capital.

8.1.3. Information on Convening and Holding the Meeting of the Issuer's Supreme Management Body

The information is provided in the Quarterly Report for Q2 2016, in Q3 2016 there were no changes in such information

8.1.4. Information on Commercial Organisations, in which the Issuer Holds at least Five Per Cent of the Authorized Capital or at least Five Per Cent of Equity Shares

The information is described in Quarterly report for Q2 of 2016, there were no changes in the Information for Q3 of 2016.

8.1.5. Information on Major Transactions Made by the Issuer

Such transactions were not made.

8.1.6. Information on the Issuer's Credit Ratings

The information is described in Quarterly report for Q2 of 2016, there were no changes in the Information for Q3 of 2016.

8.2. Information on each category (class) of the Issuer's shares

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q3 of 2016.

8.3. Information on Previous Issues of the Issuer's Equity Securities, Except for the Issuer's Shares

8.3.1. Information on Issues with Cancelled Securities

The information is described in Quarterly report for Q2 of 2016, there were no changes in the Information for Q3 of 2016.

8.3.2. Information on Issues with Outstanding Securities

The information is described in Quarterly report for Q2 of 2016, there were no changes in the Information for Q3 of 2016.

8.4. Information on Persons Providing a Security for the Issuer's Secured Bonds, as well as on Security Provided for the Issuer's Secured Bonded Obligations

The Issuer did not register the secured bond prospectus, secured bonds were not listed for trading.

8.5. Information on Companies Registering Rights to the Issuer's Equity Securities

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q3 of 2016.

8.6. Information on Legislative Enactments Governing Import and Export of Capital, which may Influence Payment of Dividends, Interest and Others Payments to Non-Residents

The information is described in Quarterly report for Q1 of 2016, there were no changes in the Information for Q3 of 2016.

8.7. Information on Declared (Accrued) and/or Paid Dividends on the Issuer's Shares, as well as on the Issuer's Bond Yield

8.7.1. Information on Declared and Paid Dividends on the Issuer's Shares

Information about declared and/or paid dividends on the Issuer's shares for the last five completed reporting years as well as for the period from the beginning date of the current year to the end date of the reporting quarter: According to the results of 2008, the Issuer's dividends were not accrued and paid.

At year-end 2009, the Issuer's dividends were not declared.

At the end of 3; 6 and 9 months of 2016 the Issuer declared no dividends

Indicator	Dividend period: 2010
Category of shares and type for preferred shares	equity registered
Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 30, 2011, Minutes No. 7 dated July 04, 2011
Declared dividends per one share, RUB	RUB 0.00860091
Declared dividends per all shares of that category (class), RUB	2,496,867,415.91
Date of making a list of the persons entitled to dividends are (were) determined	May 23, 2011
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2010
Fixed Payment period (date) of declared dividends	60 days
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit
Share of the declared dividends in the net profit for the reporting year, %	6.6 %

Total dividends paid on shares of such category (class), RUB	RUB 2,483,922,593.78
Share of paid dividends in total declared dividends on shares of that category (class), %	99.48 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2010, dividends are paid to all persons included in the dividend list, apart from persons who failed to submit in the enquiry form of the registered person the reliable and complete details necessary for dividend payment
Other information on declared and (or) paid dividends specified at the Company's discretion	Due to the 3-year term expiry, during which the Company's shareholders had the right to claim payment of the dividends declared for the 2010 financial year, declared and unclaimed dividends are restored as part of the Company's undistributed profits, and the obligation to pay them terminated.

Indicator	Dividend period: 2011
Category of shares and type for preferred shares	equity registered
Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 29, 2012, Minutes No. 8 dated June 29, 2012
Declared dividends per one share, RUB	RUB 0.00789317
Declared dividends per all shares of that category (class), RUB	RUB 2,500,000,051.36
Date of making a list of the persons entitled to dividends are (were) determined	May 24, 2012
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2011
Fixed Payment period (date) of declared dividends	60 days
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit of the reporting year
Share of the declared dividends in the net profit for the reporting year, %	8.16 %
Total dividends paid on shares of such category (class), RUB	RUB 2,482,255,452.38
Share of paid dividends in total declared dividends on shares of that category (class), %	99.29 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2011, dividends were paid to all persons included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons.
Other information on declared and/or paid dividends specified at the Company's discretion	Due to the 3-year term expiry, during which the Company's shareholders had the right to claim payment of the dividends declared for the 2011 financial year, declared and unclaimed dividends are restored as part of the Company's undistributed profits, and the obligation to pay them terminated.

Indicator	Dividend period: 2012
Category of shares and type for preferred shares	equity registered

Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 28, 2013, minutes No. 11 dated June 28, 2013
Declared dividends per one share, RUB	RUB 0.00955606
Declared dividends per all shares of that category (class), RUB	RUB 3,675,573,209.73
Date of making a list of the persons entitled to dividends are (were) determined	May 23, 2013
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2012
Fixed payment period (date) of declared dividends	60 days
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit in reporting period
Share of the declared dividends in the net profit for the reporting year, %	25 %
Total dividends paid on shares of such category (class), RUB	RUB 3,655,693,765.92
Share of paid dividends in total declared dividends on shares of that category (class), %	99.46 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2011, dividends were paid to all person included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons.
Other information on declared and/or paid dividends specified at the Company's discretion	None

Indicator	Dividend period: 2013
Category of shares and type for preferred shares	Equity registered
Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation, and number of minutes of the meeting of the management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 28, 2014, Minutes No. 12 dated June 27, 2014
Declared dividends per one share, RUB	RUB 0.01358751
Declared dividends per all shares of that category (class), RUB	RUB 5,248,249,991.75
Date of making a list of the persons entitled to dividends are (were) determined	July 8, 2014
Reporting period (year, quarter) for which (according to the results of which) declared dividends are (were) paid	2013
Fixed payment period (date) of declared dividends	For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, and for other persons registered in the shareholders register, 25 business days upon the date when the persons entitled to dividends are determined.
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit in reporting period

Share of the declared dividends in the net profit for the reporting year, %	14.86 %
Total dividends paid on shares of such category (class), RUB	RUB 5,229,222,911.69
Share of paid dividends in total declared dividends on shares of that category (class), %	99.64 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2013, dividends are paid to all persons included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons.
Other information on declared and/or paid dividends specified at the Company's discretion	None

Indicator	Dividend period: 2014
Category of shares and type for preferred shares	Equity registered
Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: June 26, 2015, minutes No. 13 dated June 26, 2015
Declared dividends per one share, RUB	RUB 0,01561855
Declared dividends per all shares of that category (class), RUB	RUB 6,032,750,291.16
Date of making a list of the persons entitled to dividends are (were) determined	July 07, 2015
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2014
Fixed payment period (date) of declared dividends	For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, i.e. not later than July 21, 2015, and for other persons registered in the shareholders register, 25 business days, i.e. August 11, 2015, upon the date when the persons entitled to dividends are determined.
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit in reporting period
Share of the declared dividends in the net profit for the reporting year, %	19,63 %
Total dividends paid on shares of such category (class), RUB	RUB 6,010,881,793.46
Share of paid dividends in total declared dividends on shares of that category (class), %	99.64 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2014, dividends were paid to all person included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons, as well as persons in relation to which the nominal holder failed to perform its obligation to transfer dividends due to reasons beyond its control.
Other information on declared and/or paid dividends specified at the Company's discretion	None

Indicator	Dividend period: 2015
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Category of shares and type for preferred shares	Equity registered
Management body of the Company which took decision on dividend declaration, date of such decision, date of preparation and number of minutes of the meeting of the management body where such decision was taken	General Meeting of Shareholders of the Issuer, date of the decision: July 27, 2016, minutes No. 15 dated July 29, 2015
Declared dividends per one share, RUB	RUB 0,038863
Declared dividends per all shares of that category (class), RUB	RUB 15,011,046,132.02
Date of making a list of the persons entitled to dividends are (were) determined	June 08, 2015
Reporting period (year, quarter), for which (according to the results of which) declared dividends are (were) paid	2015
Fixed payment period (date) of declared dividends	For a nominee holder and beneficial owner being the professional participant in the securities market, registered in the shareholders register, 10 business days, i.e. not later than June 22, 2015, and for other persons registered in the shareholders register, 25 business days, i.e. August 12, 2016, upon the date when the persons entitled to dividends are determined.
Form of payment of declared dividends (money, other property)	In monetary form
Source of payment of declared dividends (net profit for the reporting year, undistributed net profit for prior years, special purpose fund)	Net profit in reporting period
Share of the declared dividends in the net profit for the reporting year, %	50 %
Total dividends paid on shares of such category (class), RUB	14,973,353,567.31 RUB.
Share of paid dividends in total declared dividends on shares of that category (class), %	99,75 %
If declared dividends were not paid or incompletely paid by the Issuer, reasons for failure to pay declared dividends shall be specified	According to the results of 2015, dividends were paid to all person included in the dividend list, apart from persons who failed to submit reliable and complete details necessary for dividend payment in the questionnaires of registered persons, as well as persons in relation to which the nominal holder failed to perform its obligation to transfer dividends due to reasons beyond its control.
Other information on declared and/or paid dividends specified at the Company's discretion	None

8.7.2. Information on Accrued and Paid Yield on the Issuer's Bonds

Indicator	Reporting period: 2011–Q3 2016
Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 01, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-01-55038-E dated September 23, 2010

Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 39.89 (thirty-nine rubles eighty-nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 3,989,000,000.00 (tree billion nine hundred eighty-nine million rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 24, 2011; The second coupon yield is paid on April 23, 2012 The third coupon yield is paid on October 22, 2012; The fourth coupon yield is paid on April 22, 2013; The fifth coupon yield is paid on October 21, 2013 The sixth coupon yield is paid on April 21, 2014; The seventh coupon yield is paid on October 20, 2014; The eighth coupon yield is paid on April 20, 2015; The ninth coupon yield is paid on October 19, 2015; The tenth coupon yield is paid on April 18, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form.
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 3,989,000,000.00 (tree billion nine hundred eighty-nine million rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds is 10 years. Tender offer for purchase of the bonds at the request of their holders for the period of 5 years from the beginning of placement is possible in respect of the said securities. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

Indicator	Reporting period: 2011–Q3 2016
Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 02, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 5,000,000, issue at par value — RUB 5,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-02-55038-E dated September 23, 2010
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 39.89 (thirty-nine rubles eighty-nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 1,994,500,000.00 (one billion nine hundred ninety-four million fifty thousand rubles)

Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 24, 2011; The second coupon yield is paid on April 23, 2012; The third coupon yield is paid on October 22, 2012; The fourth coupon yield is paid on April 22, 2013; The fifth coupon yield is paid on October 21, 2013; The sixth coupon yield is paid on April 21, 2014; The seventh coupon yield is paid on October 20, 2014; The eighth coupon yield is paid on April 20, 2015; The ninth coupon yield is paid on October 19, 2015; The tenth coupon yield is paid on April 18, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form.
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 1,994,500,000.00 (one billion nine hundred ninety-four million fifty thousand rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds is 10 years. Tender offer for purchase of the bonds at the request of their holders for the period of 5 years from the beginning of placement is possible in respect of the said securities. April 8, 2016 Issuer decided to set a new interest rate for eleventh-twelfth coupon periods. April 22, 2016 Acquisition of bonds was hold at the owner's request

Indicator	Reporting period: 2013–Q3 2016
Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 07, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-07-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	Forty-two rubles thirty-eight kopecks (RUB 42.38)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 2,966,600,000 (two billion nine hundred and sixty-six million six hundred thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on August 15, 2013 The second coupon yield is paid on February 13, 2014 The third coupon yield is paid on August 14, 2014 The fourth coupon yield is paid on February 12, 2015 The fifth coupon yield is paid on August 13, 2015 The sixth coupon yield is paid on February 11, 2016 The seventh coupon yield is paid on August 11, 2016

Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 2,966,600,000 (two billion nine hundred and sixty-six million six hundred thousand rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds of series 07 is 10 years. Tender offer for the period of 5 years from the beginning of placement is possible in respect of securities.

Indicator	Reporting period: 2013–Q3 2016
Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 08, possible early redemption at the request of the holder and at the discretion of the Issuer, quantity — 10,000,000, issue at par value — RUB 10,000,000,000.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-08-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 42.38 (forty-two rubles thirty-eight kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 2,966,600,000 (two billion nine hundred and sixty six million six hundred thousand rubles)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on August 15, 2013 The second coupon yield is paid on February 13, 2014 The third coupon yield is paid on August 14, 2014 The fourth coupon yield is paid on February 12, 2015 The fifth coupon yield is paid on August 13, 2015 The sixth coupon yield is paid on February 11, 2016 The seventh coupon yield is paid on August 11, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 2,966,600,000 (two billion nine hundred and sixty-six million six hundred thousand rubles)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds of series 08 is 10 years. Tender offer for the period of 5 years from the beginning of placement is possible in respect of securities.

Indicator	Reporting period: Q2 2015 – Q3 2016
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Series, form, and other identifiers of securities issue	Certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series 09, possible early redemption at the request of the holder and at the discretion of the Issuer.
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4-09-55038-E dated December 27, 2012
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 63.58 (sixty-three rubles fifty-eight kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 1,271,600,000.00 (One billion two hundred seventy-one million six hundred thousand)
Payment period (date) of bond yield of the issue	The first coupon yield is paid on October 27, 2015 The second coupon yield is paid on April 26, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 1,271,600,000.00 (One billion two hundred seventy-one million six hundred thousand)
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro bonds of series 09 is 10 years. Tender offer for the period of 2,5 years from the beginning of placement is possible in respect of securities.

Indicator	Reporting period: Q3 2015 - Q2 2016
Series, form, and other identifiers of securities issue	Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P01
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4B02-01-55038-E-001P dated July 03, 2015
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 59.09 (fifty-nine rubles nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2015 The second coupon yield is paid on July 6, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form

Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro exchange-traded bonds of series BO-P01 is 3 years.

Indicator	Reporting period: Q3 2015 - Q2 2016
Series, form, and other identifiers of securities issue	Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P02
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4B02-02-55038-E-001P dated July 03, 2016
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield
Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 59.09 (fifty-nine rubles nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2016 The second coupon yield is paid on July 6, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro exchange-traded bonds of series BO-P02 is 3 years.

Indicator	Reporting period: Q2 2016
Series, form, and other identifiers of securities issue	Exchange-traded certificated inconvertible interest bearing bonds to the bearer with obligatory central storage, series BO-P03
State registration number of the bonds issue and state registration date thereof (identification number of the issue and allocation date thereof, if the bonds issue is not subject to state registration)	4B02-03-55038-E-001P dated July 03, 2016
Type of yield paid on bonds of the issue (par value, interest (coupon), etc.)	Coupon yield

Yield available for disbursement against bonds of the issue, in terms of money, as per one bond of the issue, RUB/foreign currency	RUB 59.09 (fifty-nine rubles nine kopecks)
Yield available for disbursement against bonds of the issue, in terms of money, as per all bonds of the issue, RUB/foreign currency	RUB 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Payment period (date) of bond yield of the issue	The first coupon yield is paid on January 11, 2016 The second coupon yield is paid on July 6, 2016
Form of revenue payment upon the Issuer's bonds (money, other property)	Money in the currency of the Russian Federation in cashless form
Total yield paid on all bonds of the issue, RUB/foreign currency	RUB 590,900,000 (five hundred and ninety million nine hundred thousand rubles).
Share of paid bond yield of the issue in total payable bond yield of the issue, %	100
If bond yield to be paid was not paid or incompletely paid by the Issuer, reasons for failure to pay such yield shall be specified	-
Other information on bonds of the issue specified at the Issuer's discretion	Maturity of PJSC RusHydro exchange-traded bonds of series BO-P02 is 3 years.

8.8. Other Information

Absent

8.9. Information on Underlying Securities and the Issuer of Underlying Securities, Title to which is Certified by Russian Depositary Receipts

The Issuer is not the Issuer of Russian depositary receipts.

BALANCE SHEET
as at 30 September 2016

	Form on OKUD	Codes
	Date (year, month, day)	0710001
Company Public Joint Stock Company Federal Hydro-Generating Company – RusHydro PJSC RusHydro)	OKPO	2016/09/30
Taxpayer identification number	INN	75782411
Field of activity Electricity generation by hydro power plants	OKVED	2460066195
Legal form / form of ownership Public Joint Stock Company / mixed Russian property with a federal share	OKOPF / OKFS	35.11.2
Unit of measurement: millions of RR	OKEI	47 / 41
Address: Krasnoyarsk, the Krasnoyarsk Territory		385

Note	ASSETS	Line code	As at 30 September 2016	As at 31 Desember 2015	As at 31 December 2014
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	1 427	893	1 032
	Results of research and development	1120	1 079	1 091	843
	Property, plant and equipment, incl.:	1150	399 892	392 723	378 027
	fixed assets	1151	351 785	344 986	321 645
	construction in process	1152	48 107	47 737	56 382
	Income-bearing investments in tangible assets	1160	6 972	7 065	7 189
	Financial investments	1170	323 334	320 097	264 352
	Other non-current assets	1190	3 010	3 287	3 538
	Total Section I	1100	735 714	725 156	654 981
	II. CURRENT ASSETS				
	Inventories	1210	4 331	4 115	3 437
	Value added tax on goods purchased	1220	41	40	105
	Accounts receivable, incl.:	1230	130 580	129 291	144 565
	accounts receivable (payments expected later than 12 months after the reporting date), incl.:	1231	60 596	62 549	62 341
	buyers and customers	1231.1	372	976	409
	advances issued	1231.2	24 523	28 524	31 099
	other debtors	1231.3	35 701	33 049	30 833
	accounts receivable (payments expected within 12 months after the reporting date), incl.:	1232	69 984	66 742	82 224
	buyers and customers	1232.1	6 219	6 741	5 840
	advances issued	1232.2	10 334	14 495	12 870
	other debtors	1232.3	53 431	45 506	63 514
	Financial investments (excl. cash equivalents)	1240	7 528	15 879	43 446
	Cash and cash equivalents	1250	40 437	18 139	9 032
	Other current assets	1260	12	11	14
	Total Section II	1200	182 929	167 475	200 599
	TOTAL	1600	918 643	892 631	855 580

is formalized and shall irrevocably prevail.

Note	LIABILITIES	Line code	As at 30 September 2016	As at 31 Desember 2015	As at 31 December 2014
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Charter capital	1310	386 255	386 255	386 255
	Revaluation of non-current assets	1340	52 749	52 928	53 111
	Additional capital (excl. revaluation)	1350	58 424	58 424	58 424
	Reserve capital	1360	11 278	9 776	8 240
	Retained earnings (loss), incl.:	1370	261 559	235 086	212 430
	undistributed profit of previous years	1371	218 753	205 064	181 701
	undistributed profit of the current year	1372	42 806	30 022	30 729
	Total Section III	1300	770 265	742 469	718 460
	IV. LONG-TERM LIABILITIES				
	Borrowings and bank loans	1410	114 299	105 070	92 262
	Deferred tax liabilities	1420	12 911	12 402	9 672
	Other liabilities	1450	2 059	2 195	2 335
	Total Section IV	1400	129 269	119 667	104 269
	V. SHORT-TERM LIABILITIES				
	Borrowings and bank loans	1510	7 996	18 940	21 915
	Accounts payable, incl.:	1520	9 667	9 822	8 575
	suppliers and contractors	1521	3 761	5 492	5 295
	payables to employees	1522	271	669	823
	payables to state non-budgetary funds	1523	106	135	119
	taxes payable	1524	4 822	3 103	1 923
	dividends payable	1525	115	67	65
	other creditors	1526	592	356	350
	Income of future periods	1530	93	70	75
	Estimated liabilities	1540	448	601	1 405
	Other liabilities	1550	905	1 062	881
	Total Section V	1500	19 109	30 495	32 851
	TOTAL	1700	918 643	892 631	855 580

Chairman of Management Board – General Director

(signature)

N. G. Shulginov

(print full name)

Acting Chief Accountant

(signature)

K.V. Permyakov

(print full name)

28 October 2016

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.

STATEMENT OF FINANCIAL RESULTS
for the in nine months ended 30 September 2016

Company **Public Joint Stock Company Federal Hydro-Generating Company – RusHydro**
(**PJSC RusHydro**)
Taxpayer identification number
Field of activity **Electricity generation by hydro power plants**
Legal form / form of ownership
Public Joint Stock Company / mixed Russian property with a federal share
Unit of measurement: **millions of RR**

Form on OKUD	0710002
Date (year, month, day)	2016/09/30
OKPO	75782411
INN	2460066195
OKVED	35.11.2
OKOPF / OKFS	12247 / 41
OKEI	385

Note	Narrative	Line code	Nine months ended 30 September 2016	Nine months ended 30 September 2015
1	2	3	4	5
	Revenue	2110	86 765	78 023
	Cost of sales	2120	(39 568)	(45 558)
	Gross profit	2100	47 197	32 465
	Profit from sales	2200	47 197	32 465
	Income from participation in other companies	2310	526	808
	Interest income	2320	6 150	7 262
	Interest expense	2330	(5 841)	(6 133)
	Other income	2340	10 456	12 095
	Other expense	2350	(7 043)	(11 212)
	Profit before tax	2300	51 445	35 285
	Current income tax, incl.:	2410	(8 142)	(5 352)
	permanent tax liabilities (assets)	2421	1 078	537
	Change in deferred tax liabilities	2430	(1 327)	(2 134)
	Change in deferred tax assets	2450	818	(35)
	Other	2460	12	(206)
	Net profit	2400	42 806	27 558
	REFERENCE			
	Gain or loss from other operations not included in the net profit of the period	2520	-	-
	Total financial result for the period	2500	42 806	27 558
	Basic earnings per share, RR	2900	0,11082	0,07135

Chairman of Management Board – General Director

(signature)

N. G. Shulginov

(print full name)

Acting Chief Accountant

(signature)

K. V. Permyakov

(print full name)

28 October

2016

This is an English language translation of the document originally prepared in the Russian language. The Russian version is formalized and shall irrevocably prevail.



RUSHYDRO GROUP

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

As at and for the three and six months ended 30 June 2016

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Report on Review of Condensed Consolidated Interim Financial Information

To the Shareholders and Board of Directors of Public Joint Stock Company Federal Hydro-Generating Company – RusHydro

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Public Joint Stock Company Federal Hydro-Generating Company – RusHydro and its subsidiaries (the “Group”) as of 30 June 2016 and the related condensed consolidated interim statements of income and comprehensive income for the three-month and six-month periods then ended, and cash flows and changes in equity for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

AO PricewaterhouseCoopers Audit

29 August 2016

Moscow, Russian Federation

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



	Note	30 June 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant and equipment	6	764,371	744,585
Investments in associates and joint ventures		14,433	14,142
Available-for-sale financial assets	7	13,616	6,094
Deferred income tax assets		5,339	5,486
Other non-current assets	8	21,993	21,402
Total non-current assets		819,752	791,709
Current assets			
Cash and cash equivalents	9	65,853	48,025
Income tax receivable		1,972	1,396
Accounts receivable and prepayments	10	51,124	49,646
Inventories	11	23,364	23,999
Other current assets	12	16,274	22,574
		158,587	145,640
Non-current assets and assets of disposal group classified as held for sale		-	788
Total current assets		158,587	146,428
TOTAL ASSETS		978,339	938,137
EQUITY AND LIABILITIES			
Equity			
Share capital	13	386,255	386,255
Treasury shares	13	(22,578)	(26,092)
Share premium		39,202	39,202
Retained earnings and other reserves		227,457	203,114
Equity attributable to the shareholders of PJSC RusHydro		630,336	602,479
Non-controlling interest	13	3,229	11,440
TOTAL EQUITY		633,565	613,919
Non-current liabilities			
Deferred income tax liabilities		38,960	37,034
Non-current debt	15	160,447	135,179
Other non-current liabilities		14,821	14,551
Total non-current liabilities		214,228	186,764
Current liabilities			
Current debt and current portion of non-current debt	15	47,349	62,214
Accounts payable and accruals	16	68,283	60,307
Current income tax payable		278	898
Other taxes payable	17	14,636	14,035
Total current liabilities		130,546	137,454
TOTAL LIABILITIES		344,774	324,218
TOTAL EQUITY AND LIABILITIES		978,339	938,137

Chairman of Management Board – General Director



N. G. Shulginov

Acting Chief Accountant

K. V. Permyakov

29 August 2016

RusHydro Group
Condensed Consolidated Interim Income Statement (unaudited)

(in millions of Russian Rubles unless noted otherwise)



	Note	Six months ended 30 June		Three months ended 30 June	
		2016	2015	2016	2015
Revenue	18	187,861	170,788	83,457	76,174
Government grants	19	6,479	5,520	3,176	2,466
Other operating income		2,055	1,759	1,814	826
Operating expenses (excluding impairment losses)	20	(158,830)	(154,569)	(71,879)	(69,772)
Operating profit excluding impairment losses		37,565	23,498	16,568	9,694
Impairment of property, plant and equipment, net		(1,879)	(1,336)	(1,102)	(1,336)
Impairment of impairment of accounts receivable, net		(3,144)	(785)	(1,782)	506
Operating profit		32,542	21,377	13,684	8,864
Finance income	21	5,519	7,276	2,929	3,018
Finance costs	21	(4,314)	(5,181)	(2,051)	(2,770)
Profit in respect of associates and joint ventures		558	1,449	74	834
Profit before income tax		34,305	24,921	14,636	9,946
Total income tax expense	14	(8,830)	(6,339)	(4,208)	(3,226)
Profit for the period		25,475	18,582	10,428	6,720
Attributable to:					
Shareholders of PJSC RusHydro		26,714	21,662	12,546	9,898
Non-controlling interest		(1,239)	(3,080)	(2,118)	(3,178)
Earnings per ordinary share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	22	0.0728	0.0594	0.0341	0.0272
Weighted average number of shares outstanding – basic and diluted (millions of shares)	22	366,871	364,469	367,403	364,469

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



	Note	Six months ended 30 June		Three months ended 30 June	
		2016	2015	2016	2015
Profit for the period		25,475	18,582	10,428	6,720
Other comprehensive income, net of tax:					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of pension benefit obligations		(525)	(1,038)	(525)	(1,038)
Other comprehensive (loss) / income		(35)	42	(766)	51
Total items that will not be reclassified to profit or loss		(560)	(996)	(1,291)	(987)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Gain arising on available-for-sale financial assets	7	7,479	2,696	3,614	741
Total items that may be reclassified subsequently to profit or loss		7,479	2,696	3,614	741
Other comprehensive income / (loss) for the period		6,919	1,700	2,323	(246)
Total comprehensive income for the period		32,394	20,282	12,751	6,474
Attributable to:					
Shareholders of PJSC RusHydro		33,749	23,702	15,000	9,995
Non-controlling interest		(1,355)	(3,420)	(2,249)	(3,521)

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



	Note	Six months ended 30 June	
		2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		34,305	24,921
Depreciation of property, plant and equipment and intangible assets	6, 20	12,061	11,157
Loss on disposal of property, plant and equipment, net	20	120	210
Profit in respect of associates and joint ventures		(558)	(1,449)
Other operating income		(2,055)	(1,759)
Finance income	21	(5,519)	(7,276)
Finance costs	21	4,314	5,181
Impairment of property, plant and equipment, net		1,879	1,336
Impairment of accounts receivable, net		3,144	785
Pension loss		15	46
Other (income) / loss		(170)	93
Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities		47,536	33,245
Working capital changes:			
Increase in accounts receivable and prepayments		(2,831)	(4,843)
Decrease in inventories		577	852
Decrease in accounts payable and accruals		(5,053)	(1,072)
Increase in other taxes payable		580	224
Increase in other non-current assets		(740)	(355)
(Decrease) / increase in other non-current liabilities		(677)	694
Income tax paid		(7,873)	(5,595)
Net cash generated by operating activities		31,519	23,150
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(24,558)	(39,530)
Proceeds from sale of property, plant and equipment		48	615
Investment in bank deposits and purchase of other investments		(9,620)	(31,470)
Redemption of bank deposits and proceeds from sale of other investments		22,175	42,836
Placement of special funds on special accounts	12	(6,998)	-
Contribution to share capital of associates and joint ventures		-	60
Purchase of shares of subsidiary	13	(414)	-
Interest received		3,875	4,937
Net cash used in investing activities		(15,492)	(22,552)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from current debt	15	40,498	36,423
Proceeds from non-current debt	15	30,998	11,418
Repayment of debt	15	(59,255)	(31,208)
Interest paid		(9,628)	(9,089)
Finance lease payments		(273)	(333)
Dividends paid		(223)	(6)
Net cash generated by financing activities		2,117	7,205
Effect of foreign exchange differences on cash and cash equivalents balances		(316)	(45)
Increase in cash and cash equivalents		17,828	7,758
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	65,853	42,152

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		-	-	-	-	-	-	-	-	21,662	21,662	(3,080)	18,582
Gain arising on available-for-sale financial assets		-	-	-	-	-	-	2,693	-	-	2,693	3	2,696
Remeasurement of pension benefit obligations		-	-	-	-	-	-	-	(696)	-	(696)	(342)	(1,038)
Other comprehensive income		-	-	-	-	45	(1)	-	-	(1)	43	(1)	42
Total other comprehensive income		-	-	-	-	45	(1)	2,693	(696)	(1)	2,040	(340)	(1,700)
Total comprehensive income		-	-	-	-	45	(1)	2,693	(696)	21,661	23,702	(3,420)	20,282
Dividends	13	-	-	-	-	-	-	-	-	(5,897)	(5,897)	(8)	(5,905)
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	130	130
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(287)	-	-	287	-	-	-
As at 30 June 2015		386,255	(26,092)	39,202	(135,075)	(317)	190,188	2,693	1,025	138,847	596,726	12,932	609,658
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		-	-	-	-	-	-	-	-	26,714	26,714	(1,239)	25,475
Income arising on available-for-sale financial assets		-	-	-	-	-	-	7,416	-	-	7,416	63	7,479
Remeasurement of pension benefit obligations		-	-	-	-	-	-	-	(330)	-	(330)	(195)	(525)
Other comprehensive loss		-	-	-	-	(67)	17	-	-	(1)	(51)	16	(35)
Total other comprehensive income		-	-	-	-	(67)	17	7,416	(330)	(1)	7,035	116	6,919
Total comprehensive income		-	-	-	-	(67)	17	7,416	(330)	26,713	33,749	(1,355)	32,394
Purchase of shares of PJSC RAO ES East	13	-	3,514	-	-	-	-	-	-	4,872	8,386	(6,694)	1,692
Dividends	13	-	-	-	-	-	-	-	-	(14,278)	(14,278)	(238)	(14,516)
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	76	76
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(159)	-	-	159	-	-	-
As at 30 June 2016		386,255	(22,578)	39,202	(135,075)	(541)	188,410	9,368	359	164,936	630,336	3,229	633,565

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 value of 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 six months ended 30 June 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 30 June 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 and procurement in the Group and the way accounts receivable are accrued and repaid has a significant influence on the interim financial statements.



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) and discount rate for pension benefit obligations as provided below.

Discount rate. Principal actuarial assumptions used in determining pension benefit obligations as at 30 June 2016 remained unchanged in comparison with 31 December 2015 except for the discount rate which decreased from 9.8 percent as at 31 December 2015 to 8.75 percent as at 30 June 2016.

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.

Apart from new standards and interpretations becoming effective from 1 January 2017 and after that date applicable to the Group as disclosed in Consolidated Financial Statements as at and for the year ended 31 December 2015, amendments to IFRS 15 were issued in April.

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 30 June 2016 and 31 December 2015.

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.

	30 June 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:

	30 June 2016		31 December 2015	
	% of ownership	% of voting	% of ownership	% of voting
PJSC RAO ES East*	99.98%	99.98%	85.92%	86.20%
PJSC DEK	52.11%	52.17%	44.92%	52.17%
JSC DGK	52.11%	100.00%	44.92%	100.00%
JSC DRSK	52.11%	100.00%	44.92%	100.00%
PJSC Kamchatskenergo	98.72%	98.74%	84.83%	98.74%
PJSC Magadanenergo**	48.99%	49.00%	42.10%	49.00%
OJSC Sakhalinenergo	57.80%	57.82%	49.67%	57.82%
PJSC Yakutskenergo	79.15%	79.16%	72.21%	79.16%

* Voting and ownership percent interests in PJSC RAO ES East as at 30 June 2016 include 15.59 percent interest held by the Group's subsidiary LLC Vostok-Finance (31 December 2015: 1.81 percent).

** 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.

Group's share in PJSC RAO ES East and its subsidiaries increased as a result of voluntary and obligatory offers to purchase shares of PJSC RAO ES East (Note 13).

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
as at and for the three and six months ended 30 June 2016 (unaudited)

(in millions of Russian Rubles unless noted otherwise)



Principal subsidiaries included in all other segments are presented below:

	30 June 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 Gidroremont-VKK	100.00%	100.00%	100.00%	100.00%
JSC Zagorskaya GAES-2	100.00%	100.00%	100.00%	100.00%
JSC Zaramag HS	99.75%	99.75%	99.75%	99.75%
JSC Institute Hydroproject	100.00%	100.00%	100.00%	100.00%
PJSC Kolimaenergo	98.76%	98.76%	98.76%	98.76%
JSC Lenhydroproject	100.00%	100.00%	100.00%	100.00%
JSC NIIES	100.00%	100.00%	100.00%	100.00%
JSC Nizhne-Bureiskaya HPP	100.00%	100.00%	100.00%	100.00%
JSC Sahalin GRES-2	100.00%	100.00%	100.00%	100.00%
JSC Sulak GidroKaskad	100.00%	100.00%	100.00%	100.00%
JSC HPP in Sovetskaya Gavan	100.00%	100.00%	100.00%	100.00%
JSC Ust'-Srednekangesstroy	98.76%	100.00%	98.76%	100.00%
JSC Ust'-Srednekanskaya HPP	99.63%	100.00%	99.63%	100.00%
JSC Chirkeigesstroy	100.00%	100.00%	100.00%	100.00%
JSC ESCO UES	100.00%	100.00%	100.00%	100.00%
JSC Yakutskaya GRES-2	100.00%	100.00%	100.00%	100.00%

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 insurance indemnity, 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.

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 and six months ended 30 June 2016 and 30 June 2015 and as at 30 June 2016 and 31 December 2015 is presented below.

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information as at and for the three and six months ended 30 June 2016 (unaudited)
(in millions of Russian Rubles unless noted otherwise)



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Six months ended 30 June 2016							
Revenue	57,214	45,520	87,948	11,022	201,704	(13,843)	187,861
<i>including:</i>							
<i>from external companies</i>							
<i>sales of electricity</i>	51,999	45,504	87,793	2,565	187,861	-	187,861
<i>sales of heat and hot water sales</i>	37,644	44,951	54,219	302	137,116	-	137,116
<i>sales of capacity</i>	93	-	22,726	-	22,819	-	22,819
<i>other revenue</i>	13,909	-	3,107	207	17,223	-	17,223
<i>from intercompany operations</i>	353	553	7,741	2,056	10,703	-	10,703
<i>Government grants</i>	5,215	16	155	8,457	13,843	(13,843)	-
<i>Other operating income</i>	-	-	6,441	38	6,479	-	6,479
<i>Operating expenses (excluding depreciation and other non-monetary items)</i>	-	1	13	305	319	-	319
EBITDA	39,435	1,574	8,540	(570)	48,979	(959)	48,020
Insurance indemnity	-	-	-	1,736	1,736	-	1,736
Depreciation of property, plant and equipment and intangible assets	(6,681)	(403)	(3,992)	(1,101)	(12,177)	116	(12,061)
Other non-monetary items of operating income and expenses	(2,140)	(911)	(2,075)	(24)	(5,150)	(3)	(5,153)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(1,398)	-	(481)	-	(1,879)	-	(1,879)
<i>impairment of accounts receivable, net</i>	(786)	(902)	(1,437)	(19)	(3,144)	-	(3,144)
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	44	(9)	(151)	(5)	(121)	1	(120)
<i>loss on disposal of subsidiaries and joint venture, net</i>	-	-	(6)	-	(6)	(4)	(10)
Operating profit / (loss)	30,614	260	2,473	41	33,388	(846)	32,542
Finance income							5,519
Finance costs							(4,314)
Profit in respect of associates and joint ventures							558
Profit before income tax							34,305
Total income tax expense							(8,830)
Profit for the period							25,475
Capital expenditure	12,471	17	8,283	12,481	33,252	1,379	34,631
30 June 2016							
Non-current and current debt	120,483	3,037	78,743	5,533	207,796	-	207,796

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information as at and for the three and six months ended 30 June 2016 (unaudited)
(in millions of Russian Rubles unless noted otherwise)



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Six months ended 30 June 2015							
Revenue	48,292	42,965	81,167	11,168	183,592	(12,804)	170,788
<i>including:</i>							
<i>from external companies</i>	43,670	42,960	81,033	3,125	170,788	-	170,788
<i>sales of electricity</i>	30,504	42,453	51,007	218	124,182	-	124,182
<i>sales of heat and hot water sales</i>	81	-	20,061	-	20,142	-	20,142
<i>sales of capacity</i>	12,582	-	3,041	182	15,805	-	15,805
<i>other revenue</i>	503	507	6,924	2,725	10,659	-	10,659
<i>from intercompany operations</i>	4,622	5	134	8,043	12,804	(12,804)	-
Government grants	-	-	5,505	15	5,520	-	5,520
Other operating income	-	-	284	246	530	-	530
Operating expenses (excluding depreciation and other non-monetary items)	(18,604)	(41,411)	(82,778)	(12,485)	(155,278)	12,107	(143,171)
EBITDA	29,688	1,554	4,178	(1,056)	34,364	(697)	33,667
Insurance indemnity	-	-	-	760	760	-	760
Depreciation of property, plant and equipment and intangible assets	(6,298)	(348)	(3,837)	(777)	(11,260)	103	(11,157)
Other non-monetary items of operating income and expenses	(291)	(348)	(873)	(366)	(1,878)	(15)	(1,893)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(961)	-	(375)	-	(1,336)	-	(1,336)
<i>reversal / (impairment) of accounts receivable, net</i>	924	(344)	(1,146)	(219)	(785)	-	(785)
<i>(loss) / profit on disposal of property, plant and equipment, net</i>	(175)	(4)	20	(147)	(306)	96	(210)
<i>(loss) / profit on disposal of subsidiaries and joint venture, net</i>	(79)	-	628	-	549	(111)	438
Operating profit / (loss)	23,099	858	(532)	(1,439)	21,986	(609)	21,377
Finance income							7,276
Finance costs							(5,181)
Profit in respect of associates and joint ventures							1,449
Profit before income tax							24,921
Total income tax expense							(6,339)
Profit for the period							18,582
Capital expenditure	16,080	40	6,809	26,291	49,220	(438)	48,782
31 December 2015							
Non-current and current debt	121,861	1,847	68,019	5,666	197,393	-	197,393

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information as at and for the three and six months ended 30 June 2016 (unaudited)
(in millions of Russian Rubles unless noted otherwise)



Three months ended 30 June 2016	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	30,117	19,294	35,191	6,248	90,850	(7,393)	83,457
<i>including:</i>							
<i>from external companies</i>	27,731	19,289	35,134	1,303	83,457	-	83,457
<i>sales of electricity</i>	21,010	19,013	22,677	148	62,848	-	62,848
<i>sales of heat and hot water sales</i>	25	-	6,998	-	7,023	-	7,023
<i>sales of capacity</i>	6,473	-	1,768	110	8,351	-	8,351
<i>other revenue</i>	223	276	3,691	1,045	5,235	-	5,235
<i>from intercompany operations</i>	2,386	5	57	4,945	7,393	(7,393)	-
Government grants	-	-	3,159	17	3,176	-	3,176
Other operating income	-	1	13	64	78	-	78
Operating expenses (excluding depreciation and other non-monetary items)	(9,258)	(18,725)	(38,063)	(6,711)	(72,757)	6,854	(65,903)
EBITDA	20,859	570	300	(382)	21,347	(539)	20,808
Insurance indemnity	-	-	-	1,736	1,736	-	1,736
Depreciation of property, plant and equipment and intangible assets	(3,131)	(202)	(2,017)	(578)	(5,928)	61	(5,867)
Other non-monetary items of operating income and expenses	(1,025)	(731)	(1,263)	25	(2,994)	1	(2,993)
<i>including:</i>							
<i>impairment of property, plant and equipment (impairment) / reversal of accounts receivable, net</i>	(794)	-	(308)	-	(1,102)	-	(1,102)
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	(271)	(731)	(810)	30	(1,782)	-	(1,782)
<i>profit / (loss) on disposal of property, plant and equipment, net</i>	40	-	(145)	(5)	(110)	1	(109)
Operating profit / (loss)	16,703	(363)	(2,980)	801	14,161	(477)	13,684
Finance income							2,929
Finance costs							(2,051)
Profit in respect of associates and joint ventures							74
Profit before income tax							14,636
Total income tax expense							(4,208)
Profit for the period							10,428
Capital expenditure	6,035	3	5,147	6,614	17,799	236	18,035

RusHydro Group
Notes to the Condensed Consolidated Interim Financial Information as at and for the three and six months ended 30 June 2016 (unaudited)
(in millions of Russian Rubles unless noted otherwise)



Three months ended 30 June 2015	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
Revenue	25,794	18,031	32,794	6,215	82,834	(6,660)	76,174
<i>including:</i>							
<i>from external companies</i>	23,685	18,029	32,746	1,714	76,174	-	76,174
<i>sales of electricity</i>	17,397	17,775	21,528	108	56,808	-	56,808
<i>sales of heat and hot water sales</i>	25	-	6,273	-	6,298	-	6,298
<i>sales of capacity</i>	5,798	-	1,719	95	7,612	-	7,612
<i>other revenue</i>	465	254	3,226	1,511	5,456	-	5,456
<i>from intercompany operations</i>	2,109	2	48	4,501	6,660	(6,660)	-
Government grants	-	-	2,457	9	2,466	-	2,466
Other operating income	-	-	49	16	65	1	66
Operating expenses (excluding depreciation and other non-monetary items)	(9,741)	(17,427)	(36,611)	(6,660)	(70,439)	6,288	(64,151)
EBITDA	16,053	604	(1,311)	(420)	14,926	(371)	14,555
Insurance indemnity	-	-	-	760	760	-	760
Depreciation of property, plant and equipment and intangible assets	(3,186)	(175)	(1,837)	(328)	(5,526)	52	(5,474)
Other non-monetary items of operating income and expenses	202	129	(1,062)	(227)	(958)	(19)	(977)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(961)	-	(375)	-	(1,336)	-	(1,336)
<i>reversal / (impairment) of accounts receivable, net</i>	1,341	133	(767)	(201)	506	-	506
<i>(loss) / profit on disposal of property, plant and equipment, net</i>	(99)	(4)	(3)	(26)	(132)	16	(116)
<i>(loss) / profit on disposal of subsidiaries and joint venture, net</i>	(79)	-	83	-	4	(35)	(31)
Operating profit / (loss)	13,069	558	(4,210)	(215)	9,202	(338)	8,864
Finance income							3,018
Finance costs							(2,770)
Profit in respect of associates and joint ventures							834
Profit before income tax							9,946
Total income tax expense							(3,226)
Profit for the period							6,720
Capital expenditure	10,481	20	3,359	13,518	27,378	122	27,500



(in millions of Russian Rubles unless noted otherwise)

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 six months ended 30 June 2016 and 30 June 2015 and as at 30 June 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:

	30 June 2016	31 December 2015
Promissory notes	5,982	5,711
Advances to suppliers	5,794	-
Loans issued	2,403	2,725
Loans received	750	750

The Group had the following transactions with its joint ventures:

	Six months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
Sales of electricity and capacity	812	86	85	24
Other revenue	161	263	83	138
Purchased electricity and capacity	1,463	1,080	612	410

Associates

The Group had the following balances with its associates:

	30 June 2016	31 December 2015
Trade and other receivables	583	440
Trade payables	709	481

The Group had the following transactions with its associates:

	Six months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
Sales of electricity and capacity	1,467	1,300	550	518
Other revenue	70	78	32	39
Purchased electricity and capacity	11	12	4	4
Rent	245	225	132	149



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 and six months ended 30 June 2016 and 30 June 2015 and balances outstanding as at 30 June 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 and six months ended 30 June 2016 (for the three and six months ended 30 June 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 six months ended 30 June 2016 the Group received government subsidies in amount of RR 6,479 million (for the six months ended 30 June 2015: RR 5,520 million). During the three months ended 30 June 2016 the Group received government subsidies in amount of RR 3,176 million (for the three months ended 30 June 2015: RR 2,466 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 and six months ended 30 June 2016 (for the three and six months ended 30 June 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 and six months ended 30 June 2016 (for the three and six months ended 30 June 2015: approximately 55 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 six months ended 30 June 2016 comprised RR 614 million (for the six months ended 30 June 2015: RR 1,443 million). Short-term remuneration paid to the key management of the Group for the three months ended 30 June 2016 comprised RR 454 million (for the three months ended 30 June 2015: RR 1,134 million).



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	(30)	(103)	(2,508)	2,625	16	-
Additions	9	8	200	34,083	331	34,631
Transfers	509	1,985	19,572	(22,156)	90	-
Disposals and write-offs	(58)	(176)	(515)	(660)	(176)	(1,585)
Balance as at 30 June 2016	84,317	400,407	285,262	299,184	13,907	1,083,077
Accumulated depreciation (including impairment)						
Balance as at 31 December 2015	(31,803)	(131,656)	(105,881)	(29,192)	(6,914)	(305,446)
Impairment charge	(88)	(291)	(203)	(1,291)	(6)	(1,879)
Charge for the period	(1,034)	(4,103)	(6,258)	-	(653)	(12,048)
Transfers	(275)	(59)	(774)	1,135	(27)	-
Disposals and write-offs	11	17	361	170	108	667
Balance as at 30 June 2016	(33,189)	(136,092)	(112,755)	(29,178)	(7,492)	(318,706)
Net book value as at 30 June 2016	51,128	264,315	172,507	270,006	6,415	764,371
Net book value as at 31 December 2015	52,084	267,037	162,632	256,100	6,732	744,585
Accumulated depreciation (including impairment)						
Balance as at 31 December 2014	81,110	378,702	226,137	256,121	14,925	956,995
Reclassification	(174)	133	(1,954)	2,401	(406)	-
Reclassification to assets of disposal group classified as held for sale	16	40	536	47,974	216	48,782
Additions	(469)	(278)	(404)	(72)	(170)	(1,393)
Transfers	670	8,888	15,263	(25,044)	223	-
Disposals and write-offs	(29)	(5)	(554)	(245)	(149)	(982)
Balance as at 30 June 2015	81,124	387,480	239,024	281,135	14,639	1,003,402
Accumulated depreciation (including impairment)						
Balance as at 31 December 2014	(29,504)	(116,411)	(89,161)	(29,062)	(6,667)	(270,805)
Impairment charge	(9)	(7)	(109)	(1,203)	(8)	(1,336)
Charge for the period	(713)	(4,122)	(5,587)	-	(334)	(10,756)
Reclassification to assets of disposal group classified as held for sale	290	179	326	72	153	1,020
Transfers	(78)	(2,250)	(1,038)	3,380	(14)	-
Disposals and write-offs	11	5	399	22	92	529
Balance as at 30 June 2015	(30,003)	(122,606)	(95,170)	(26,791)	(6,778)	(281,348)
Net book value as at 30 June 2015	51,121	264,874	143,854	254,344	7,861	722,054
Net book value as at 31 December 2014	51,606	262,291	136,976	227,059	8,258	686,190

As at 30 June 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 7,741 million (31 December 2015: RR 7,793 million) which are stated at cost.

Assets under construction represent the expenditures for property, plant and equipment that are being constructed, including hydropower plants under construction, and advances to construction companies and suppliers of property, plant and equipment. As at 30 June 2016 such advances amounted to RR 52,449 million (31 December 2015: RR 59,531 million).



(in millions of Russian Rubles unless noted otherwise)

Additions to assets under construction included capitalised borrowing costs in the amount of RR 7,109 million, the capitalisation rate was 10.54 percent (for the six months ended 30 June 2015: RR 6,188 million, the capitalisation rate was 9.91 percent).

Additions to assets under construction included capitalised depreciation in the amount of RR 264 million (for the six months ended 30 June 2015: RR 133 million).

Impairment. Management of the Group considered the market and economic environment in which the Group operates and other factors 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 1,879 million for the six months ended 30 June 2016 in respect of additions of property, plant and equipment related to cash-generating units impaired in previous periods (for the six months ended 30 June 2015: RR 1,336 million).

Events on Zagorskaya GAES-2. On 17 September 2013 there was a partial flooding at Zagorskaya GAES-2 which is under construction in the Moscow Region. The flooding of the GAES building originated from the lower reservoir via functional joints of the station block and a newly formed cavity in the right junction of the GAES-2 building foundation. Construction and assembly works as well as property, including equipment, were insured by PIJSC Ingosstrakh, JSC AlfaStrakhovanie and JSC SOGAZ. As at 30 June 2016 all insurance companies have finished all payments on the insured event.

Other operating income for the six months ended 30 June 2016 include insurance indemnity received from JSC SOGAZ in the amount of RR 1,383 million (for the six months ended 30 June 2015: RR 540 million) and from JSC AlfaStrakhovanie in the amount of RR 353 million (for the six months ended 30 June 2015: RR 220 million).

For the six months ended 30 June 2016 a loss on disposal of damaged equipment and assets under construction which are not recoverable was recognised in Operating expenses in the amount of RR 13 million. Also for six months ended 30 June 2016 the Group has carried expenses on recovery works in the total amount of RR 587 million which are recognized in the following items of Operating expenses: services of subcontracting companies, other third parties services, other materials, employee benefit expenses, rent expenses.

Currently management of the Group cannot reliably estimate future expenses that may be necessary to eliminate consequences of the technical incident. However, these expenses may be material for the Group.

Management of the Group believes that there are no indications of property, plant and equipment impairment as at 30 June 2016 there were capacity supply contracts concluded in respect of new power generation facilities of Zagorskaya GAES-2, that guarantee the payback period of 20 years for all capital expenses invested in construction in the period.

Note 7. Available-for-sale financial assets

	30 June 2016		31 December 2015	
	% of ownership	Fair value	% of ownership	Fair value
PJSC Inter RAO	4.92%	12,798	4.92%	5,606
PJSC Russian Grids	0.28%	348	0.28%	228
PJSC FGC UES	0.13%	260	0.13%	99
Other	-	210	-	161
Total available-for-sale financial assets		13,616		6,094



Note 8. Other non-current assets

	30 June 2016	31 December 2015
Long-term promissory notes	38,492	38,189
Discount	(16,725)	(16,946)
Impairment provision	(14,025)	(14,025)
Long-term promissory notes, net	7,742	7,218
VAT recoverable	2,440	2,546
Dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs	2,117	2,164
Goodwill	481	481
Customer base of LLC ESC Bashkortostan	277	553
Other non-current assets	8,936	8,440
Total other non-current assets	21,993	21,402

Note 9. Cash and cash equivalents

	30 June 2016	31 December 2015
Cash equivalents	51,437	36,137
Cash at bank	14,391	11,857
Cash in hand	25	31
Total cash and cash equivalents	65,853	48,025

Cash equivalents held as at 30 June 2016 and 31 December 2015 comprised short-term bank deposits with original maturities of three months or less.

Note 10. Accounts receivable and prepayments

	30 June 2016	31 December 2015
Trade receivables	55,926	55,075
Provision for impairment of trade receivables	(22,786)	(20,158)
Trade receivables, net	33,140	34,917
VAT recoverable	8,052	8,156
Advances to suppliers and other prepayments	6,900	3,540
Provision for impairment of advances to suppliers and other prepayments	(980)	(1,021)
Advances to suppliers and other prepayments, net	5,920	2,519
Other receivables	7,424	7,248
Provision for impairment of other receivables	(3,412)	(3,194)
Other receivables, net	4,012	4,054
Total accounts receivable and prepayments	51,124	49,646

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

Note 11. Inventories

	30 June 2016	31 December 2015
Fuel	12,416	14,291
Materials and supplies	7,485	6,555
Spare parts	2,983	2,782
Other materials	711	606
Total inventories before write-off	23,595	24,234
Write-off of inventories	(231)	(235)
Total inventories	23,364	23,999



Note 12. Other current assets

	30 June 2016	31 December 2015
Special funds	6,998	-
Deposits and promissory notes	6,637	19,532
Loans issued	2,396	2,728
Other short-term investments	243	314
Total other current assets	16,274	22,574

As at 30 June 2016 the rest of special funds in the amount of RR 6,998 million received in the course of additional share issue 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 30 June 2016	386,255,464,890
As at 31 December 2015	386,255,464,890
As at 30 June 2015	386,255,464,890
As at 31 December 2014	386,255,464,890

Treasury shares. As at 30 June 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 six months ending 30 June 2016 2,934,258,766 treasury shares were transferred to shareholders of PJSC RAO ES East in exchange for purchased shares of the subsidiary under voluntary and obligatory offers to purchase shares of PJSC RAO ES East as described below.

Voluntary and obligatory offers to purchase shares of PJSC RAO ES East. On 3 November 2015 in accordance with decision of the Board of Directors of the Company subsidiary of the Group - LLC Vostok - Finance declared voluntary offer to purchase shares of PJSC RAO ES East. Under voluntary offer shareholders of PJSC RAO ES East could choose to sell their ordinary and preferred shares of PJSC RAO ES East for a cash consideration or exchange them for ordinary shares of the Company.

During six months ended 30 June 2016 PJSC RAO ES East shareholders that accepted terms of the voluntary offer transferred 4,715,738,904 ordinary shares and 346,195,762 preference shares of PJSC RAO ES East to LLC Vostok-Finance for a cash consideration of RR 34 million and in exchange for 2,934,258,766 shares of the Company in the amount of RR 3,514 million.

According to current Russian legislation repurchase of more than 10 percent and consolidation of more than 95 percent of PJSC RAO ES East shares allowed the Group to claim the remaining shareholders for obligatory shares purchase.

Under obligatory offer to purchase shares LLC Vostok-Finance has repurchased 887,217,472 ordinary shares and 312,687,580 preference shares of PJSC RAO ES East for a cash consideration of RR 380 million.

Effect of changes in non-controlling interest of subsidiaries. As a result of the voluntary and obligatory offers to purchase shares of PJSC RAO ES East as described above non-controlling interest decreased by RR 6,694 million.

Retained earnings of the Group increased by RR 4,872 million as a result of treasury shares disposal, decrease in non-controlling interest and derecognition of the remaining obligation to purchase shares after they were partly purchased for cash.

Dividends. On 27 June 2016 the Company declared dividends for the year ended 31 December 2015 of RR 0.0389 per share in the total amount of RR 15,011 million (RR 14,278 million excluding dividends to subsidiaries).

On 26 June 2015 the Company declared dividends for the year ended 31 December 2014 of RR 0.0156 per share in the total amount of RR 6,033 million (RR 5,897 million excluding dividends to subsidiaries).

Declared dividends of the Group's subsidiaries in favour of non-controlling interest holders amounted to RR 238 million for the six months ended 30 June 2016 (for the six months ended 30 June 2015: RR 8 million).



(in millions of Russian Rubles unless noted otherwise)

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, 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 six months ended 30 June 2016 was 26 percent (for the six months ended 30 June 2015: 25 percent).

	Six months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
Current income tax expense	6,677	5,013	2,771	1,983
Deferred income tax expense	2,153	1,326	1,437	1,243
Total income tax expense	8,830	6,339	4,208	3,226

Note 15. Current and non-current debt

Non-current debt

	Due date	30 June 2016	31 December 2015
PJSC Sberbank of Russia	2016–2027	46,310	47,865
Russian bonds (PJSC RusHydro) issued in February 2013	2018*	20,635	20,635
EBRD	2016–2027	19,780	20,280
Russian bonds (PJSC RusHydro) issued in July 2015	2018	15,843	15,840
Russian bonds (PJSC RusHydro) issued in April 2016	2019	15,328	-
PJSC Bank VTB	2017–2027	12,420	4,522
Russian bonds (PJSC RusHydro) issued in April 2015	2017*	10,215	10,214
PJSC ROSBANK	2016–2018	7,291	4,909
UniCredit Bank Austria AG	2017–2026	5,867	6,585
Crédit Agricole Corporate and Investment Bank Deutschland	2018–2029	5,538	6,252
Bank GPB (JSC)	2016–2018	3,329	469
Municipal authority of Kamchatka region	2016–2034	1,583	1,535
ASIAN Development bank	2017–2026	1,512	1,787
Bayerische Landesbank	2016–2025	1,022	1,212
PJSC Bank Vozrozhdenie	2017	440	440
Russian bonds (PJSC RusHydro) issued in April 2011	2016/2021**	255	15,240
Other long-term debt	-	973	964
Finance lease liabilities	-	2,104	2,262
Total		170,445	161,011
Less current portion of non-current debt		(9,458)	(25,159)
Less current portion of finance lease liabilities		(540)	(673)
Total non-current debt		160,447	135,179

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

** On 22 April 2016 bonds issued in April 2011 were partially redeemed under put option exercised by bond holders. 14,750,061 bonds with a nominal value of RR 14,750 million were bought as a result. The bonds which were not redeemed mature in 2021 with a coupon set at 9.5 percent per annum.

Bonds issue. In April 2016 the Group placed non-convertible interest bearing market bonds of series BO-P04 with a nominal amount of RR 15,000 million. The term of the offer – 3 years, coupon rate is of 10.35 percent per annum.

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Current debt

	30 June 2016	31 December 2015
PJSC Sberbank of Russia	13,092	19 668
Bank GPB (JSC)	11,366	7 038
PJSC ROSBANK	5,028	6 776
PJSC Bank VTB	2,547	-
AO Raiffeisenbank	2,412	-
LLC AlstomRusHydroEnergy	750	750
Bank «RRDB» (JSC)	681	966
BANK «ROSSIYA»	647	-
JSC Alfa-Bank	-	501
Current portion of non-current debt	9,458	25 159
Current portion of finance lease liabilities	540	673
Other current debt	828	683
Total current debt and current portion of non-current debt	47,349	62,214
<i>Reference:</i>		
Interest payable	3 120	2,942

Compliance with covenants. The Group is subject to certain covenants related to its debt. As at 30 June 2016 and 31 December 2015 the Group met all required covenant clauses of the credit agreements.

Note 16. Accounts payable and accruals

	30 June 2016	31 December 2015
Trade payables	31,514	33,475
Dividends payable	14,379	86
Settlements with personnel	8,218	8,410
Advances received	8,086	9,849
Accounts payable under factoring agreements	3,058	4,071
Obligation to PJSC RAO ES East shares purchase	3	2,108
Other accounts payable	3,025	2,308
Total accounts payable and accruals	68,283	60,307

All accounts payable and accruals are denominated in Russian Rubles.

Note 17. Other taxes payable

	30 June 2016	31 December 2015
VAT	8,327	8,085
Insurance contributions	3,242	2,864
Property tax	2,204	2,159
Other taxes	863	927
Total other taxes payable	14,636	14,035

Note 18. Revenue

	Six months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
Sales of electricity	137,116	124,182	62,848	56,808
Sales of heat and hot water	22,819	20,142	7,023	6,298
Sales of capacity	17,223	15,805	8,351	7,612
Other revenue	10,703	10,659	5,235	5,456
Total revenue	187,861	170,788	83,457	76,174

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 six months ended 30 June 2016 the Group received government subsidies in the amount of RR 6,479 million (for the six months ended 30 June 2015: RR 5,520 million). During the three months ended 30 June 2016 the Group received government subsidies in amount of RR 3,176 million (for the three months ended 30 June 2015: RR 2,466 million). The subsidies were received in the following territories: Kamchatka territory, Republic of Sakha (Yakutiya), Magadan region and other Far East regions.

Note 20. Operating expenses (excluding impairment losses)

	Six months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
Employee benefit expenses (including payroll taxes and pension benefit expenses)	35,986	35,899	17,699	18,065
Fuel expenses	30,262	28,760	10,830	10,269
Purchased electricity and capacity	29,365	30,485	12,075	12,622
Electricity distribution expenses	22,600	20,724	9,916	9,189
Depreciation of property, plant and equipment and intangible assets	12,061	11,157	5,867	5,474
Taxes other than on income	5,042	4,854	2,567	2,399
Other materials	3,518	3,710	2,053	2,034
Third parties services, including:				
Provision of functioning of electricity and capacity market	1,825	1,809	910	902
Repairs and maintenance	1,823	1,486	1,240	990
Purchase and transportation of heat power	1,793	1,590	755	628
Security expenses	1,698	1,630	867	865
Rent	1,037	1,066	515	557
Insurance cost	1,031	801	511	416
Services of subcontracting companies	969	1,808	591	1,025
Consulting, legal and information expenses	793	1,134	621	735
Transportation expenses	789	396	314	194
Other third parties services	3,439	3,031	1,869	1,448
Water usage expenses	1,609	1,409	828	723
Social charges	727	727	622	500
Purchase of oil products for sale	157	141	80	80
Loss on disposal of property, plant and equipment, net	120	210	109	116
Other expenses	2 186	1 742	1 040	541
Total operating expenses (excluding impairment losses)	158,830	154,569	71,879	69,772



Note 21. Finance income, costs

	Six months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
<i>Finance income</i>				
Interest income	3,770	5,230	1,835	2,439
Foreign exchange gain	1,425	1,874	1,012	552
Income on discounting	131	143	38	25
Other income	193	29	44	2
Total finance income	5,519	7,276	2,929	3,018
<i>Finance costs</i>				
Interest expense	(3,075)	(3,324)	(1,738)	(1,642)
Foreign exchange loss	(368)	(425)	-	(256)
Expense on discounting	(210)	(747)	(118)	(327)
Finance lease expense	(165)	(116)	(78)	(29)
Other costs	(496)	(569)	(117)	(516)
Total finance costs	(4,314)	(5,181)	(2,051)	(2,770)

Note 22. Earnings per share

	Six months ended 30 June		Three months ended 30 June	
	2016	2015	2016	2015
Weighted average number of ordinary shares issued (millions of shares)	366,871	364,469	367,403	364,469
Profit for the period attributable to the shareholders of PJSC RusHydro	26,714	21,662	12,546	9,898
Earnings per share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	0.0728	0.0594	0.0341	0.0272

Note 23. Capital commitments

In accordance with the investment programme of the Company and separate investment programmes of subsidiaries, the Group has to invest RR 325,764 million for the period 2016–2018 for reconstruction of the existing and construction of new power plants (RR 341,208 million for the period 2015–2017).

Capital commitments of the Group as at 30 June 2016 were RR 292,416 million, including: second half of 2016 year – RR 105,178 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 and construction of new power plants: Saratovskaya HPP in the amount of RR 20,376 million, Volzhskaya HPP in the amount of RR 17,611 million, Zhigulevskaya HPP in the amount of RR 11,267 million; and to construction of power plants: Sakhalin GRES-2 in the amount of RR 24,968 million, Zaramagskie HPP in the amount of RR 22,753 million, Ust'-Srednekanskaya HPP in the amount of RR 13,355 million, HPP in Sovetskaya Gavan in the amount of RR 8,360 million, Zagorskaya GAES-2 in the amount of RR 7,248 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



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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 six months ended 30 June 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 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 30 June 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 705 million as at 30 June 2016 (31 December 2015: RR 683 million).

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Guarantees. The Group has issued guarantees for CJSC Boguchansky Aluminium Plant in favour of its suppliers for future equipment deliveries and for PJSC Boguchanskaya HPP in favour of the State Corporation Vnesheconombank for the loan facility:

Counterparty	30 June 2016	31 December 2015
<i>for PJSC Boguchanskaya HPP:</i>		
State Corporation Vnesheconombank	27,067	27,398
<i>for CJSC Boguchansky Aluminium Plant:</i>		
ALSTOM Grid SAS	34	77
Total guarantees issued	27,101	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.

This Condensed Consolidated Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements; it 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 six months ended 30 June 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 as at 30 June 2016 and 31 December 2015:

As at 30 June 2016	Loans and receivables	Available-for-sale financial assets	Total
Assets			
Other non-current assets (Note 8)	8,362	-	8,362
Promissory notes	7,742	-	7,742
Long-term loans issued	606	-	606
Net settled derivatives	14	-	14
Available-for-sale financial assets (Note 7)	-	13,616	13,616
Trade and other receivables (Note 10)	36,657	-	36,657
Trade receivables	33,140	-	33,140
Other financial receivables	3,517	-	3,517
Other current assets (Note 12)	16,045	-	16,045
Special funds	6,998	-	6,998
Deposits and promissory notes	6,637	-	6,637
Short-term loans issued	2,396	-	2,396
Net settled derivatives	14	-	14
Cash and cash equivalents (Note 9)	65,853	-	65,853
Total financial assets	126,917	13,616	140,533
Non-financial assets			837,806
Total assets			978,339
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 (Note 7)	-	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	19,532	-	19,532
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:

30 June 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale financial assets	13,567	-	49	13,616
Non-financial assets				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	485,954	485,954
Total assets recurring fair value measurements	13,567	-	486,003	499,570
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)	-	-	479,427	479,427
Total assets recurring fair value measurements	6,057	-	479,464	485,521

The Group had no liabilities measured at fair value as at 30 June 2016 and 31 December 2015.

There were no changes in valuation techniques, inputs and assumptions for recurring fair value measurements during the six months ended 30 June 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 and cash equivalents, short-term deposits (Level 1 of the fair value hierarchy) 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 30 June 2016 the fair value of bonds exceeded their carrying value by RR 138 million (31 December 2015: carrying value exceeded fair value by RR 763 million).

As at 30 June 2016 the carrying value of non-current fixed rate debt exceeded their fair value by RR 7,798 million (31 December 2015: by RR 7,121 million).

Note 27. Subsequent events

There were no significant subsequent events that can influence the Group's financial position, cash flows or operating results which took place during the period between reporting date and date of signing of the Group's condensed consolidated interim financial information for the six months ended 30 June 2016 prepared in accordance to IFRS.