

June 24, 2014

Results of the Board of Directors on June 20, 2014

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on June 20, 2014.

The Board of Directors approved the report on interim results of 2014 business-plan execution for the 1st quarter of 2014 (including report on implementation of investment program for the 1st quarter of 2014).

The Board of Directors commissioned Evgeny Dod, Chairman of the Management Board of RusHydro, to develop and submit for the Board's review by December 31, 2014:

1. Key Performance Indicators of RusHydro for 2015.
2. The list and methodology of calculation of RusHydro's KPIs in compliance with the requirements to KPI's of the state companies developed by the Federal Agency for State Property Management (Rosimushchestvo).

The Board of Directors resolved to cut sales, general and administrative expenses (SG&A) in 2014 by 15% of their actual amount for 2013, including execution of the social partnership agreements, as well as through executive staff optimization, improvement of compensation scheme, and also through decreasing number and costs of works implemented by contracting parties. The Board of Directors commissioned Evgeny Dod, Chairman of the Management Board of RusHydro, to develop and approve the base for lowering SG&A and methodology of assessment of execution of these decisions by August 1, 2014.

The Board of Directors approved the amended insurance protection program of RusHydro for 2014.

The Board of Directors approved the Insurance Regulations of RusHydro.

The Board of Directors commissioned RusHydro's representatives at the AGM of CJSC TPP in Sovetskaya Gavan' to approve the general contractor agreement for construction of heat and power plant in Sovetskaya Gavan' city in the Far East of Russia, based on the results of an open tender, qualified as major transaction.

Subject of the Agreement: the General Contractor (to be selected based on tender results) shall perform or ensure performance of the entire scope of Work in accordance with the technical documents and deliver to the Customer (CJSC TPP in Sovetskaya Gavan') the completed, fully equipped, installed and performance-tested Facility connected to the External Infrastructure, ensuring the attainment of the Guaranteed Performance Indicators, along with all related documentation, and the Customer shall accept the result of the Work and pay the contract price.

Facility – TPP in Sovetskaya Gavan with the installed electric capacity of at least 126 MW and heat capacity of at least 200 Gcal/h, including, without limitation to the list provided, buildings, structures, utilities, equipment, being a combination of hazardous production facilities, subject to registration with the state register of hazardous production facilities supervised by the Federal Environmental, Industrial and Nuclear Supervision Service.

Guaranteed Performance Indicators:

Guaranteed performance indicators of TPP in Sovetskaya Gavan with cross links comprising:

Steam boiler E - 210 – 13.8 – 560 KTS – 3 units

Steam turbine T - 63 - 13/0.25 - 2 units

No.	Indicator description (for ISO 2314)	Guaranteed value
1.	Capacity:	
1.1.	Electric installed, MW	126
1.2.	Peak heat load, Gcal/h	200
2.	Efficiency at work in condensing mode, net, %	31.6
3.	Content of solid particles in exhaust gases after electric filters, mg/nm ³	100
4.	Equivalent sound level in the areas of constant maintenance, dBA	80

**Functional guaranteed performance
of steam boiler E-210-13.8-560 KTS**

No.	Indicator description (for ISO 2314)	Guaranteed value
1	Steam capacity, t/h	210
2	Superheated steam pressure in the boiler outlet, MPa (kgf/cm ²)	13.8/140
3	Superheated steam temperature, 0C	560
4	Feedwater temperature, 0C	232
5	Efficiency, gross %	91.5
6	Specific emissions of nitrogen oxides (NO) from the boiler when burning the estimated fuel, mg/nm ³	470
7	Equivalent sound level in the areas of constant maintenance, dBA	80
8	Exit gas temperature, 0C	145

**Functional guaranteed performance
of steam-turbine unit T-63-13/0.25**

No.	Indicator description (for ISO 2314)	Guaranteed value	
		condensing mode	heat-extraction mode
1.	Nominal electricity capacity, MW	63	
2.	Steam parameters before turbine stop valve		
2.1	- pressure (absolute), kgf/cm ²	130	
2.2	- main steam temperature, 0C	555	
2.3	- main steam rate, t/h	226.0	293.7
3.	Heat load of horizontal boiler 1, Gcal/h	-	70.28
	Heat load of horizontal boiler 2, Gcal/h	-	29.76
4.	Heat rate, ccal/(kWh)	-	2,179
5.	Equivalent sound level in the areas of constant maintenance, dBA	80	

Price of the Agreement:

The total limit price of the Work under the Agreement is determined based on the Tender results and amounts to 14,976,856,100, including VAT.

Facility construction period:

In accordance with the tender documents – 30 months from the date of the agreement. The period under the agreement is determined based on the results of the Tender.

The Board of Directors commissioned RusHydro's representatives at the AGM of CJSC TPP in Sovetskaya Gavan' to approve the following interrelated transactions, qualified as major transactions:

1. Sale-purchase agreement between RAO ES of East and CJSC TPP in Sovetskaya Gavan' of project documentation for implementation of the investment project for construction of heat and power plant in Sovetskaya Gavan' city in Khabarovsk region. According to the agreement RAO ES of East shall transfer the design documentation to JSC TPP in Sovetskaya Gavan' consisting of:

- Feasibility study of unit capacity of the main generating equipment and the total installed electric and thermal capacity of the TPP;
- Project Documentation;
- Working documentation.

Price of the Agreement amounts to RUB 307,024,208.84, including 18 % VAT in the amount of RUB 46,834,201.35.

2. Novation agreement. According to the agreement:

1) RAO ES of East transfers and the JSC TPP in Sovetskaya Gavan' accepts the following rights (claims) in relation to the Siberian Energy Research and Development Center CJSC assigned by RAO ES of East under Design and Survey Work Agreement No. 10-131/131-P dated June 21, 2010 (hereinafter referred to as the "DSW Agreement"), between RAO ES of East and Siberian Energy Research and Development Center CJSC:

- To develop working documentation on the project "Construction of TPP in Sovetskaya Gavan, Khabarovsk Krai" within the scope and term established by the DSW Agreement;
- To ensure performance of obligations and other related rights, including the right to outstanding interest;
- All other rights (claims) in relation to the Siberian Energy Research and Development Center under the DSW Agreement within the scope and under the terms applicable upon the date of the Agreement, including the right to recover penalty (fines) for breach of its obligations under the DSW Agreement by Siberian Energy Research and Development Center, as well as rights (claims) in relation to Siberian Energy Research and Development Center arising under the terms of the DSW Agreement after the Agreement enters into force.

2) RAO ES of East transfers and JSC TPP in Sovetskaya Gavan' accepts all debts (transfers all obligations) to Siberian Energy Research and Development Center under the DSW Agreement within the scope and under the terms applicable upon the date of the Agreement, as well as obligations arising under the terms of the DSW Agreement after the Agreement enters into force.

Price of the DSW Agreement is RUB 461,601,682.28, including 18 % VAT in the amount of RUB 70,413,815.94.

Siberian Energy Research and Development Center has partially performed its obligations to RAO ES of East under the DSW Agreement, having paid under the DSW Agreement the amount RUB 299,062,705.28, including VAT in the amount of RUB 45,619,734.70.

Siberian Energy Research and Development Center shall perform obligations under the DSW Agreement in the amount of RUB 162,538,977, including VAT in the amount of RUB 24,794,081.24.

The Board of Directors approved the Insurance Regulations of RusHydro.

The Board of Directors approved the voluntary medical insurance agreement (including the addendums) between RusHydro and Alliance Insurance Company, qualified as interested party transaction, and determined the price of the agreement in the amount of RUB 64,833,925.50 (VAT free).

The insurance regulations and agreement were updated in compliance with changes in the Russian insurance legislation.

The Board of Directors approved the paid service contract between RusHydro and the Russian Union of Industrialists and Entrepreneurs (RSPP), qualified as interested party transaction, and determined the price limit of the agreement in the amount of RUB 220,000 (including VAT).

The agreement provides for preparing the expert report on results of review of RusHydro Group corporate sustainability report.

The Board of Directors commissioned RusHydro's representatives in the governing bodies of the Company's subsidiaries and associates to vote for increase of share capital of the following companies and approved the acquisition of these stakes:

Company	Number of shares	Type of shares	Par value per share, RUB	Price of placement per share, RUB
JSC Leningradskaya PSPP	900,000,000	Ordinary	1	1
JSC Nizhne-Bureyskaya HPP	23,781,700,000	Ordinary	1	1
JSC Sulak Hydrocascade	1,393,100,000	Ordinary	1	1
JSC Zagorskaya PSPP-2	9,000,000,000	Ordinary	1	1
JSC Hydroinvest	15,104,267,985	Ordinary	1	1
JSC ESC RusHydro	14,221,368	Ordinary	1	1
JSC SHPP of Dagestan	27,581	Ordinary	1,000	1,000
JSC Zaramagskiye HPPs	7,083,260	Ordinary	1	1
JSC Ust-Srednekanskaya HPP	11,000,000,000	Ordinary	1	1

The shares are placed through a private subscription. RusHydro pays for these stakes through bank transfer of funds and/or setting off monetary claims to these companies. RusHydro's share in the share capital of the abovementioned companies remains unchanged.

The Board of Directors approved the additional contribution of funds to increase share capital of the following companies and commissioned RusHydro's representatives in the governing bodies of these companies to vote for the increase of share capital:

- Small HPPs of Stavropolye and Karachaevo-Cherkessia LLC in the amount of up to RUB 1,684,720,000;
- Fiagdonskaya Small HPP LLC in the amount of up to RUB 17,017,115.49.

RusHydro's share in the share capital of the abovementioned companies remains unchanged.

The Board of Directors approved the agreement on compensation payments due to termination or change of water usage conditions, qualified as transactions related to gratuitous transfer of property by RusHydro. The amount of all compensations shall not exceed RUB 49,000,050.60.

The Board of Directors approved an agreement between RusHydro and JSC Institute Lenhydroproject, qualified as interested party transaction, and determined the price of the agreement in the amount of RUB 472,000,000, including VAT (18 %) in the amount of RUB 72,000,000. The subject of the agreement is development of detailed documentation for comprehensive reconstruction of the Votkinskaya HPP.

Work period:

Commencement date – April 15, 2014.

Completion date – July 30, 2021.

The Board of Directors approved a contractor agreement between RusHydro and JSC Hydroproject and an Addendum No.9 to this agreement, qualified as interested party transaction, and determined the price of the agreement in the amount of RUB 112,063,508.20, including VAT (18 %) in the amount of RUB 17,094,433.45. The subject of the agreement is project works for connection of 500 kW of the Zagorskaya PSPP from the existing 500 kW outdoor switchgear to the combined 500 kW switchgear of the Zagorskaya PSPP and Zagorskaya PSPP No.2.

Works completion term:

Commencement of the Works – September 30, 2008.

Completion of the Works – November 21, 2014.

The Board of Directors approved the electricity sale in 2014 under free bilateral sale-purchase agreements in the 2nd pricing zone of the wholesale electricity and capacity market according to the list of guarantee suppliers. The Board of Directors also approved the pricing procedure for electricity sold by the Company under these agreements.

The Board of Directors took note of the information on the status of implementation of four priority projects in the Far East of Russia: Blagoveschenskaya TPP (2nd stage), Yakutskaya TPP No.2 (1st stage), TPP in Sovetskaya Gavan', and Sakhalinskaya TPP No. 2 (1st stage).

The Board of Directors approved the reports of the following Board's Committees:

1. Report of the Audit Committee under the Company's Board of Directors on results of the Committee's activity for the period of July 15, 2013 to May 31, 2014.
2. Report of the Investments Committee under the Company's Board of Directors on results of the Committee's activity for the period of July 15, 2013 to May 31, 2014.
3. Report of the Reliability, Energy Efficiency and Innovation Committee under the Company's Board of Directors on results of the Committee's activity for the period of July 15, 2013 to May 31, 2014.
4. Report of the Strategy Committee under the Company's Board of Directors on results of the Committee's activity for the period of July 15, 2013 to May 31, 2014.
5. Report of the HR and Remuneration Committee under the Company's Board of Directors on results of the Committee's activity for the period of July 15, 2013 to May 31, 2014.

The Board of Directors moved the deadline for execution of the Board of Directors' commissions.

The Board of Directors approved the report of the Company's Management Board activity for 2013.

About RusHydro

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 37.5 GW, heat capacity – 16.2 thousand GCal/h.

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

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