

December 28, 2016. Moscow, Russia.

Results of the Board of Directors on December 26, 2016

PJSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces that the Company's Board of Directors held a meeting in absentia on December 26, 2016.

The Board of Directors approved report on interim results of 2016 business plan execution accounting for actual performance for 9 months of 2016 (including report on execution of investment program, including Program of complex modernization of generating facilities), Annual procurement program for 9 months of 2016 and report on cost optimization and operating costs reduction for 9 months of 2016.

Actual production and output to grid for 9 months of 2016 exceeded the planned figures (110.3% and 110.9% y-to-y respectively). Higher production was driven by elevated water inflows to Volga-Kama and Novosibirskoye reservoirs.

During the 9 months of 2016 installed capacity increased by 29 MW due to rerating of equipment (including by 3 MW at Kamskaya HPP, 21 MW at Zhigulevskaya HPP and 5 MW at Novosibirskaya HPP).

Financing of PJSC RusHydro capex program for 9 months of 2016 totaled RUB 22.53 bn or 34.3% of the annual plan and 60.9% of the 9 month financing plan. In addition, financing of capex programs of RusHydro's subsidiaries totaled RUB 13.6 bn or 98.6% of the 9 month plan and 39.86% of the annual financing plan. Actual financing of the Complex modernization program was RUB 12.49 bn or 36 % of the annual plan and 72 % of the 9 month plan.

The Board of Directors reviewed results of field inspections of investment projects of rehabilitation and modernization of Cheboksarskaya HPP turbines and plan of measures, aimed at addressing identified issues

The Board of Directors approved forward transaction agreement to be concluded between PJSC RusHydro and VTB Bank via two forward contracts in regard to 40 bn shares and 15 bn shares belonging to two companies of RusHydro Group (JSC Gidroinvest and LLC ESOP).

The Board of Directors approved lending of funds to be received from VTB Bank, JSC Gidroinvest and LLC ESOP to companies of RAO ES of East subgroup for purposes of redeeming liabilities before banks. The Board also approved conclusion of respective loan agreements.

The Board of Directors reviewed and approved organizational structure of PJSC RusHydro.

The change in organizational structure is driven by integration of headquarters of PJSC RAO ES of East and PJSC RusHydro. Integration will be based on functional approach: part of RAO ES East personnel will be transferred to respective units of RusHydro, and part, responsible for stand-alone regional functions will be transferred to a newly created unit: Far East Division.

Integration of headquarters of PJSC RAO ES of East and PJSC RusHydro will allow to reduce administrative costs related to headquarters of PJSC RAO ES of East and will also enable to reduce costs related to management contracts.

The Board of Directors approved a new version of the List of non-core assets of RusHydro and Plan of divestment of non-core assets for the 4th quarter of 2016 and 2017.

Total worth of non-core assets earmarked for divestment is RUB 1.2 bn. It is planned to sell approximately two hundred facilities in 2017.

The Board of Directors adopted decision on amending the Regulation on the procurement of products for the needs of PJSC RusHydro.

The Board of Directors approved termination of Company's participation in the capital of the PJSC Krasnoyarskaya HPP by selling shares of PJSC Krasnoyarskaya HPP to JSC EuroSibenergo. The Board of Directors determined price of shares of PJSC Krasnoyarskaya HPP for the purposes of the transaction at 97 rubles for share. Indicated price is set by an independent assessor in accordance with clause 4 of the Article 84.8 of the Federal Law On Joint-Stock Companies.

In the result of the transaction RusHydro's stake in Krasnoyarskaya HPP will change from 0,117022% to 0%.

The Board of Directors decided to terminate participation of RusHydro in HydroOGK Power Company Limited (Republic of Cyprus) by its voluntary liquidation and instructed representatives of the Company in the governance bodies of HydroOGK Power Company Limited to vote for all the necessary resolutions aimed at its voluntary liquidation.

Liquidation of the company is caused by transfer of management of BEMO project under jurisdiction of the Russian Federation and transfer of main asset of HydroOGK Power Company Limited – 50% stake in BoGES Ltd – in ownership JSC BoGES Holding Company, 100% subsidiary of RusHydro.

The Board of Directors instructed representatives of RusHydro in governance bodies of JSC BoGES Holding Company to approve participation of BoGES Holding Company in BOGES LIMITED via purchase of 5 000 class "A" shares of BOGES LIMITED at a price, determined by an independent appraiser.

The share of JSC BoGES Holding Company in BOGES LIMITED in the result of transaction will increase from 0 to 50%.

The Board of Directors instructed representatives of RusHydro in governance bodies of JSC BoGES Holding Company to approve major transaction involving purchase of 5 000 class "A" shares of BOGES LIMITED.

The Board of Directors approved Supplementary Agreement with JSC NPF of Electric-power Industry as a non-arm's length transaction.

The Supplementary Agreement introduces the following amendments in existing Agreement:

- Adds to the members of the collective executive body of the Company to list the participants of the pension scheme
- Increases duration of pension payment to participant up to "not less than ten (10) years."
- Excludes remuneration for Fund services

The Board of Directors approved Agreement of non-state pension provision with the Joint-Stock Company Non-state pension fund of VTB Pension Fund (JSC NPF VTB Pension Fund) as non-arm's transaction.

The Board of Directors approved Loan Agreements between PJSC RusHydro and JSC RAO ES East as non-arm's transaction within limits:

- RUB 700 mn for financing working capital of PJSC RAO ES of East.
- RUB 200 mn for preparation of Vostochnaya CHP for the 2016-2017 Autumn-Winter season.

The Board of Directors approved Agreement on voluntary medical insurance services between PJSC RusHydro and JSC SOGAS as non-arm's transaction and determined limit on the price of services under the agreement as RUB 46 563 812.48.

The Board of Directors approved Agreement on voluntary Group accident and illness insurance between PJSC RusHydro and JSC SOGAS as non-arm's transaction and determined limit on the price of services under the agreement as RUB 4 468 749.70 (VAT not applicable).

Both agreements concluded for one year from January 1st to December 31, 2017.

The Board of Directors approved Agreement of Donation between RusHydro and Administration of Bureysky district of Amur region in regards to waste disposal site in the territory of Talakan settlement.

The Board of Directors approved two Addenda to Collateral Agreement Between RusHydro and Vnesheconombank in regard to shares of CJSC Organizer of BoGES Construction and CJSC Developer of BoGES construction as transaction with shares of an entity, related to RusHydro.

The Addenda do not change the price of the Agreement. The changes refer to prolongation of loan facility for construction of Boguchansky Aluminium Smelter, loan redemption schedule and date of commissioning of the second shift of the smelter.

The Board of Directors approved agreement on compensation payment related to changes in condition of water usage as transaction of gratuitous transfer of the Company's property.

Since 1978 residents of Dagestani settlements, affected by construction of hydropower plants, are entitled to benefits on cost of water- and electricity supply. Earlier payment of compensation related to water utilization to municipalities affected by construction of Chirkeyskaya HPP were carried out by JSC Dagenergo. After its reorganization in accordance with separation balance the payments are carried out by Dagestani branch of RusHydro.

About RusHydro

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets

are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 38.6 GW, heat capacity – 16.2 thousand GCal/h.

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

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