

Credit ratings

Regarding strengthening the financial performance of RusHydro Group, the credit ratings (outlooks) of the company, assigned by international rating agencies (S&P,

Moody's, Fitch), improved. In October 2017 PJSC RusHydro became one of the first among state-owned Russian companies and the first company of the electrical utilities sector, which received the rating of creditworthiness from the Analytical Credit Rating Agency (ACRA), which was assigned on a national scale at the highest level of reliability.

Credit ratings as of April 27, 2018

Rating Agency	S&P	Moody's	Fitch	ACRA
Level of long-term credit rating ¹	BBB-	Ba1	BB+	AAA (RU)
Credit rating forecast	Stable	Positive	Stable	Stable
Date of change (confirmation) of rating	27.04.2018	29.01.2018	09.06.2017	03.10.2017

CASH FLOWS

Net cash flow from the group's operations in 2017 increased by 6,752 mn rubles (9.5 %) up to 78,125 mn rubles.

Net outflow of funds to finance investment activities increased by 35,095 mn rubles (141%), amounting to 60,013 mn rubles.

The financial activity of the group in the reporting period registered a net outflow of funds worth 15,064 mn rubles.

Negative exchange differences on the group's cash balances in 2017 amounted to 246 mn rubles, against negative exchange rate differences of last year worth 289 mn rubles.

At this backdrop, the group increased cash position to 70,156 mn rubles by the end of the year, which is 2,802 mn rubles (4.2 %) higher than at the beginning of the year.

Cash flows, RUB mn

	2015	2016	2017	2017 - 2016
Cash flows from operating activities	69,800	71,373	78,125	6,752
Use of funds for investment activities	(48,381)	(24,918)	(60,013)	(35,095)
Use of funds from financial activities	(8,584)	(26,837)	(15,064)	11,773
Positive/(negative) Exchange differences on cash balances	796	(289)	(246)	43
Total increase of funds	13,631	19,329	2,802	(16,527)
Funds for the end of the period	48,025	67,354	70,156	2,802

¹ International rating agencies S&P, Moody's, Fitch indicated the level of long-term credit rating on an international scale in foreign currency.