

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market on 12 September. On the eve, the U.S. DJIA and S&P500 indices rose by 0.9% and 0.3%, respectively, on the decreasing tensions around Syria. Underperformance of S&P500 was mainly due to more than a 5% drop in shares of Apple. Asia-Pacific stock indices showed no single trend. October Brent was trading at \$111.5 per barrel – at the level of our closing on Wednesday.

Russian and European markets began trading with a half-point increase, but after the publication of turned out much worse than expected statistics on industrial production in the Eurozone in July – the decline of the index was 2.1% y/y – the market sentiment deteriorated and the indices moved into negative territory. In the afternoon, the loss of the MICEX Index was about half a percent, despite the fact that the main European indices were able to return to zero. Released in the United States strong data on applications for unemployment benefits did not have any substantial support to the markets – first, the number of applications fell to the lowest level since March 2006 due to, as stated in the report of the Department of Labour, updating the system of counting applications in two states, and secondly, good statistics on the labour market, investors believe, can accelerate the implementation of exit strategy by the U.S. Central Bank. At the end of the day, the MICEX Index was able to regain some of the day's losses after the neutral start of trading in the U.S.

At closing, the MICEX index fell by 0.27% to close trading at 1,450.23 points and the RTS Index by strengthening of the ruble rose by 0.53% to close at 1,401.46 points. The MicexPWR Sector Index lost 1.70%, reaching 1,150.94 points.

In shares of the electricity sector companies for the second day in a row there is a high speculative activity. Yesterday, the papers looked significantly better than the market on the statement of the head of the Ministry of Energy that the Ministry supports the growth rates of energy companies in 2014 at the level of inflation, today – much worse than the market on media reports that the zero-indexed tariffs of natural monopolies in 2014 was approved at a meeting with the President of the Russian Federation. The main contribution to the decrease in the MicexPWR Index, about 40%, was made by shares of Russian Grids and FGC.

On Western exchanges the European DJStoxx 600 Index was down 0.05%, the American S&P 500 Index closed the session with a loss of 0.34%.

ELECTRIC POWER INDUSTRY NEWS

Limiting the growth of tariffs creates conditions for increasing the efficiency of the electric grid complex

"Freezing" of tariff rates increases the incentives for efficiency improvement and grid development. This point of view was stated by General Director of JSC "Russian Grids" Oleg Budargin during the meeting on the issues of work in limiting the growth of tariffs conditions.

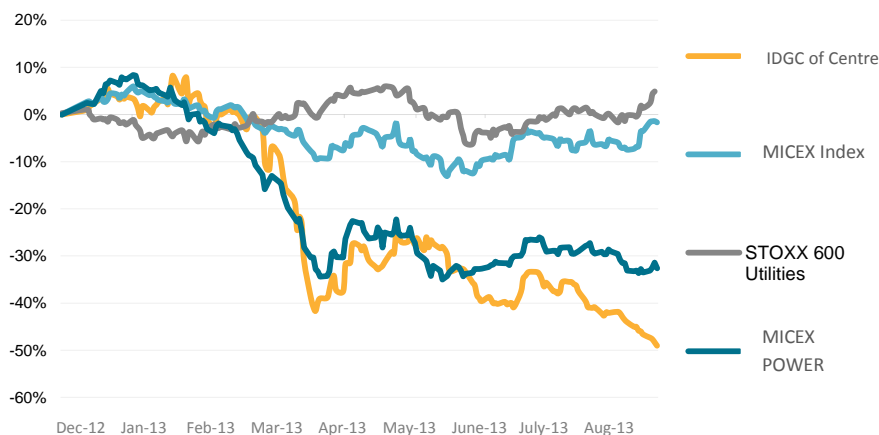
To read full text: http://www.rugrids.ru/press/news/?ELEMENT_ID=14432

COMPANY NEWS

IDGC of Centre paid dividends in accordance with the resolution of the Annual General Meeting of Shareholders following the results of 2012

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=88770

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 450.23	-0,27%	-1,66%
S&P 500	1 683,42	-0,34%	18,04%
FTSE 100	6 588,98	0,01%	11,72%
DAX	8 494,00	-0,02%	11,58%
DJStoxx 600	310,74	-0,05%	11,11%
STOXX Utilities	271,70	0,55%	4,91%
Nikkei	14 387,27	-0,26%	38,40%
Sensex	19 781,88	-1,08%	1,83%
CSI300	2 507,46	0,99%	-0,61%
Bovespa	53 307,09	-0,49%	-12,54%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,33	0,08%	0,86%
USD/RUB	32,96	-0,29%	8,53%
Euro/RUB	43,68	-0,41%	8,59%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 321,73	-3,19%	-21,11%
Brent*, USD/bbl	112,63	1,01%	1,37%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3058
Capitalisation**, billion RUB	12,91
Capitalisation**, million USD	391,66

Source: Central Bank of Russia, Company calculations

** - at the price of last transaction at MICEX

Russian indexes	Change for the day from 31.12.12	
MICEX-Power Index	-1,70%	-32,59%
Shares of IDGC of Centre**	-1,35%	-49,03%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	-3,54%	-47,06%
FGC UES	-3,12%	-47,37%
IDGC of Volga	-4,87%	-45,33%
MOESK	-1,71%	-23,79%
IDGC of Northern Caucasus	-1,61%	-30,72%
IDGC of Centre and Volga Reg	-2,24%	-35,61%
IDGC of North-West	-6,69%	-34,72%
IDGC of Urals	-5,02%	-40,47%
IDGC of Siberia	0,55%	-8,53%
IDGC of South	-2,17%	-30,46%
Lenenergo	-1,85%	-38,52%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

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Tickers

Moscow Exchange
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM