

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market. On Tuesday U.S. indices fell by 0.7-0.8%, as noted by the Wall Street Journal, after the shares of a number of retailers who published worse than analysts' expectations statements for the last quarter. Stock markets in the Asia-Pacific region showed predominantly negative dynamics, including the pressure was given by the strengthened yen to a maximum of more than three months against the decision of the Bank of Japan following the meeting to refrain from expanding incentive programs. U.S. index futures were slightly positive, and July Brent traded near \$110 per barrel – half a dollar above our closing on Tuesday.

The trading session on Wednesday differed with increased volatility. As on Tuesday a half-point increase in the MICEX Index was replaced with correction, and by the second half of the day the indicator went to the comparable minus. Sentiment improved again in the second half of the trading session, and the MICEX Index was back into positive territory, the increase reached one percent on news that a contract for the supply of gas to China during the visit of Russian President to China was signed. According to the head of Gazprom Alexey Miller, the contract price is a trade secret, and the total cost for 30 years is \$400 billion. In addition, changes in Western markets became some positive background for domestic exchanges – the growth of the European indices exceeded half a percent, and U.S. markets showed similar dynamics at opening before publication of Minutes of the April's meeting of the U.S. Federal Reserve. According to the Wall Street Journal, the first task of Janet Yellen as Chair of the Central Bank will be not the timing of rising interest rates, but a decision as to how the bank is going to do it. This question has been discussed at the April's meeting of the management of the Fed, and the market is expecting to receive some information from the Minutes.

By the end of the trading session, dynamics of the MicexPWR Sector Index looked comparable to the overall market due mainly to Inter RAO's shares – after increasing by 3% on Tuesday, the securities continued to play back corporate news and closed on Wednesday with growth of 6.5%. In particular, on the eve the company presented strong, analysts say, IFRS results for the I quarter 2014 – adjusted EBITDA and net profit grew by 26.5% and 24.1%, respectively. The company also held a conference during which announced EBITDA forecast for 2014 at the level of 46-49 billion rubles, whereas previously it expected 42-47 billion rubles. In addition, positive background for the securities was the conclusion of a cooperation agreement with the Chinese company Huaneng in China's engineering. On Western exchanges the European DJStoxx 600 Index rose 0.60%, and the American S&P 500 Index gained 0.81%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" and "Tavrida Electric" begin to work together in the development of smart grids

May 22 at the St. Petersburg International Economic Forum 2014 General Director of JSC "Russian Grids" Oleg Budargin and General Director of CJSC "Group of Companies "Tavrida Electric" Vladimir Chernyshev signed a cooperation agreement .

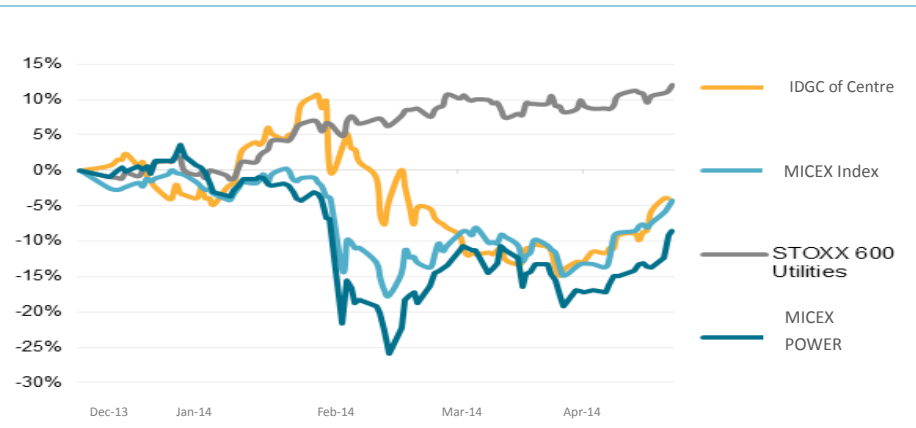
To read full text: [http://www.rosseti.ru/press/news/index.php?ELEMENT\\_ID=17607](http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=17607)

COMPANY NEWS

IDGC of Centre's management held a meeting with a representative of the managing company TKB BNP Paribas Investment Partners

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89359](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89359)

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 439,90	1,00%	-4,27%
S&P 500	1 888,03	0,81%	2,15%
FTSE 100	6 821,04	0,28%	1,07%
DAX	9 697,87	0,61%	1,53%
DJStoxx 600	340,34	0,60%	3,68%
STOXX Utilities	311,91	0,78%	12,06%
Nikkei	14 042,17	-0,24%	-13,81%
Sensex	24 298,02	-0,32%	14,77%
CSI300	2 135,91	0,95%	-8,33%
Bovespa	52 203,37	-0,31%	1,35%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,37	-0,19%	-0,91%
USD/RUB	34,60	-0,40%	5,72%
Euro/RUB	47,40	-0,51%	5,40%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 292,04	-0,18%	7,52%
Brent*, USD/bbl	110,55	0,78%	1,40%

\* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2100
Capitalisation**, billion RUB	8,87
Capitalisation**, million USD	256,23

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day from 31.12.13	
MICEX-Power Index	0,78%	-8,51%
Shares of IDGC of Centre**	0,05%	-3,93%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-0,21%	-39,77%
FGC UES	0,74%	-32,29%
IDGC of Volga	0,46%	-23,57%
MOESK	1,93%	-10,75%
IDGC of Northern Caucasus	-0,91%	-0,84%
IDGC of Centre and Volga Reg	0,58%	23,64%
IDGC of North-West	-0,15%	-6,55%
IDGC of Urals	1,04%	-23,95%
IDGC of Siberia	5,41%	-36,18%
IDGC of South	0,82%	-19,92%
Lenenergo	-1,13%	13,36%

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