



IDGC OF CENTRE

DAILY MARKET REVIEW

28 August, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 27th of August some moderately positive external background formed on the Russian market. On the eve the U.S. indices DJIA and S&P500 gained 0.1-0.2%, while the S&P500 once again updated its historical high and closed above the psychological mark of 2,000 points. On Wednesday the major indices of the Asia-Pacific region were trading slightly up, and the composite index of the region added 0.1%. Markets were supported by strong statistics from the United States: in July orders for durable goods rose by a record of 22.6%, the consumer confidence index in August rose to a maximum of 7 years. October Brent traded around \$102.7 per barrel – half a dollar below the level of our closing on the 26th of August.

Most of the day the MICEX Index had lateral dynamics in the half-point plus. Positive background for the market was the information of the held bilateral meeting of Presidents of Russia and Ukraine, which, according to investors, increases the chances of a political settlement of the Ukrainian conflict. According to the media, the held for two hours talks the Russian president described as "positive", the head of Ukraine – as "very complicated and difficult". Following the meeting, Mr. Putin reiterated that Russia would do everything for the peace process in Ukraine, in turn, Mr. Poroshenko said that he had agreed with the Russian president to consult border agencies and the general staffs of the two countries to resolve the situation in the east of Ukraine. One of the main outcomes of the meeting was also an agreement on the resumption of dialogue on the gas issue – next round of consultations will be held on the 6th of September. As stated by the European Commissioner for Energy, having noted the constructive nature of the talks, "gas, maybe, will open the door to the entire political process at a high level over the next weeks and months". However, the activity of buyers in the Russian market was restrained with understated dynamics of European indices – investors took profits after the two days of strong growth, the reason for which was the published worse than expected statistics on consumer confidence in Germany and Italy, and business confidence in France in August. At the end of the day the growth rate of the MICEX Index fell to less than half a percent after the start of trading in the United States with a small loss.

During the trading session the MicexPWR Sector Index was generally in line with the market dynamics. The main contribution to the overall MicexPWR growth was made by shares of Inter RAO, which added about 2% after the publication of financial statements under IFRS for the I half-year. On Western exchanges the European DJStoxx 600 Index added 0.11%, and the U.S. S&P Index closed near zero.

ELECTRIC POWER INDUSTRY NEWS

The total investment of the largest energy companies of Russia until 2020 is estimated at about 3,455 billion rubles

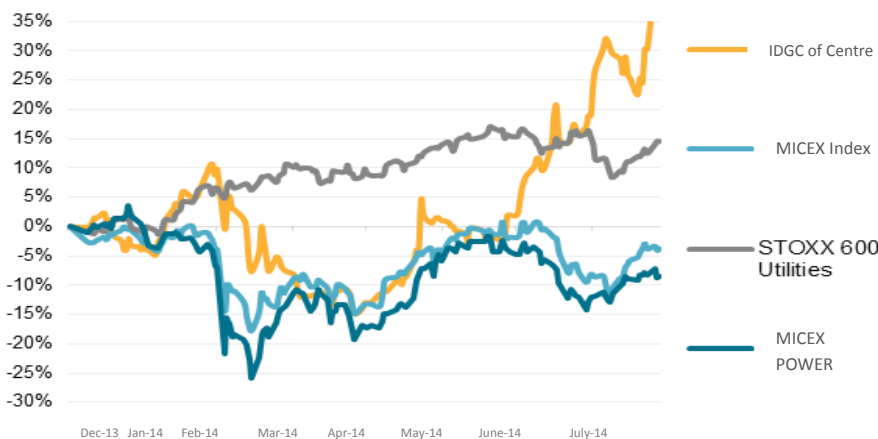
To read full text: http://minenergo.gov.ru/press/min_news/19599.html

COMPANY NEWS

Scientific and Technical Council of IDGC of Centre discussed the issues of improving system performance of capacitive fault current compensation circuits

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89597

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change for the day | fr 31.12.13 |
|-----------------|-----------|--------------------|-------------|
| MICEX | 1 447,91 | 0,32% | -3,73% |
| S&P 500 | 2 000,12 | 0,00% | 8,21% |
| FTSE 100 | 6 830,66 | 0,12% | 1,21% |
| DAX | 9 569,71 | -0,19% | 0,18% |
| DJStoxx 600 | 343,33 | 0,11% | 4,59% |
| STOXX Utilities | 318,86 | -0,04% | 14,56% |
| Nikkei | 15 534,82 | 0,09% | -4,64% |
| Sensex | 26 560,15 | 0,44% | 25,46% |
| CSI300 | 2 327,60 | 0,15% | -0,10% |
| Bovespa | 60 950,57 | 1,89% | 18,33% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.13 |
|----------------|-------|--------------------|-------------|
| Euro/USD | 1,32 | 0,02% | -4,32% |
| USD/RUB | 36,14 | 0,04% | 10,41% |
| Euro/RUB | 47,73 | 0,13% | 6,13% |

Source: Bloomberg, Company calculations

| Raw | Value | Change for the day | fr 31.12.13 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz | 1 282,63 | 0,11% | 6,74% |
| Brent*, USD/bbl | 102,72 | 0,21% | -4,29% |

* - October futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,3020 |
| Capitalisation**, billion RUB | 12,75 |
| Capitalisation**, million USD | 352,83 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change for the day | fr 31.12.13 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index | 0,34% | -8,39% |
| Shares of IDGC of Centre** | 0,63% | 38,15% |

Source: MOEX, Company calculations

| Grid companies | Change** for the day | fr 31.12.13 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids | 2,34% | -32,43% |
| FGC UES | 0,73% | -38,88% |
| IDGC of Volga | -2,54% | 11,06% |
| MOESK | 2,39% | -26,29% |
| IDGC of Northern Caucasus | 0,62% | 4,66% |
| IDGC of Centre and Volga Reg | -2,89% | 48,21% |
| IDGC of North-West | 3,00% | 19,64% |
| IDGC of Urals | 1,72% | -4,34% |
| IDGC of Siberia | -0,87% | 24,87% |
| IDGC of South | 0,17% | 27,72% |
| Lenenergo | -0,59% | 15,65% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

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MRKC

MRKC.RX

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