

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market on August 27. On the eve the U.S. S&P500 and DJIA indices lost 0.4% on the news about the state debt and the aggravation of the situation around Syria. The U.S. Treasury Department reported that the current limit of the government borrowing will run out in mid-October, after which it will not be able to fully fund all of the costs of the federal budget. In turn, the U.S. Secretary of State said that the U.S. has irrefutable evidence of the use of chemical weapons by the Syrian authorities against the rebels, and that the United States considers it necessary to bring to justice all those responsible for the use of the chemical weapons. According to analysts, these statements make military intervention by Western countries in the situation in Syria virtually inevitable. The losses in the Asia-Pacific stock indexes averaged over half a percent, good statistics from China kept the markets from a larger decline – the profit growth rate of the leading industrial companies in annual terms in July doubled compared to the previous month. October Brent traded near \$111 a barrel – at our closing on Monday.

Throughout the day, the Russian and European markets were under pressure from the U.S. news and fears of a full-scale military operation in Western Syria. Against this background, the growth of the index of business confidence in Germany in August up to a maximum of 16 months was unable to provide substantial support to the market. In the afternoon, the main European indices fell by an average 2%, the loss of the MICEX Index was about one percent. The decline of the Russian market was limited with the rise in oil prices, which added more than \$2 to the morning levels – Brent quotes climbed to the 6-months old level on the aggravation of the situation around Syria. Released at the end of the day better than expected statistics on consumer confidence in the U.S. in August was also ignored by investors and the Russian market closed trading near daily lows against the negative – nearly one percent minus – start of trading in the U.S.

At closing, the MICEX Index lost 0.93% to close trading at 1,374.21 points and the RTS Index fell by 1.52% to close at 1,304.33 points. The MicexPWR Sector Index decreased by 1.67%, reaching 1,182.02 points. On Western exchanges the European DJStoxx 600 Index was down 1.80%, the American S&P 500 Index closed the session with a loss of 1.59%.

ELECTRIC POWER INDUSTRY NEWS

Tariff rates in 2014 for gas and energy to grow for the population of Russia by 10%, for the production sector by 6%

The Ministry of Economic Development predicts an average annual growth of tariff rates for gas and electricity for the production sector of the Russian Federation in 2014 by 6%, in 2015 and 2016 — by 5%, as Deputy Economic Development Minister Andrey Klepach told journalists on Tuesday.

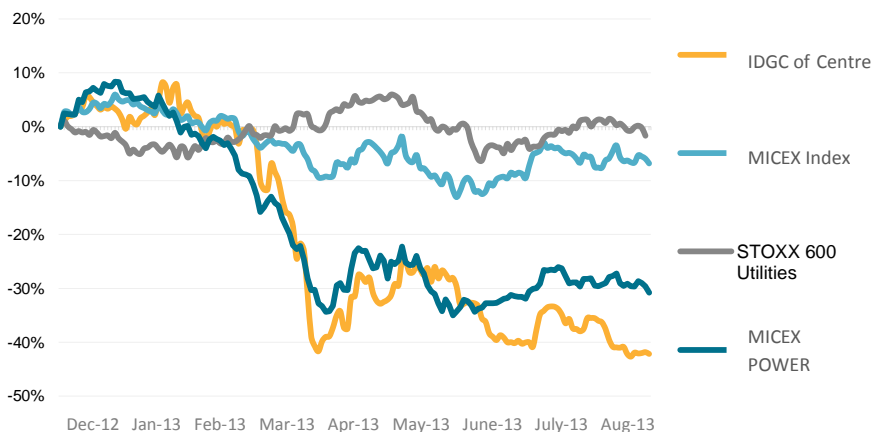
To read full text: <http://www.bigpowernews.ru/news/document51684.phtml>

COMPANY NEWS

IDGC of Centre reports that the interim consolidated financial statements under IFRS for the 1st half of 2013 (unaudited) will be published today after 17:00 (Moscow time) and is available on the corporate website

<http://www.mrsk-1.ru/ru/information/msfo/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 374,21	-0,93%	-6,82%
S&P 500	1 630,48	-1,59%	14,32%
FTSE 100	6 440,97	-0,79%	9,21%
DAX	8 242,56	-2,28%	8,28%
DJStoxx 600	299,01	-1,80%	6,91%
STOXX Utilities	254,64	-1,46%	-1,68%
Nikkei	13 542,37	-0,69%	30,28%
Sensex	17 968,08	-3,18%	-7,51%
CSI300	2 340,88	0,23%	-7,22%
Bovespa	50 091,55	-2,60%	-17,82%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,34	0,15%	1,45%
USD/RUB	32,96	-0,30%	8,51%
Euro/RUB	44,09	-0,03%	9,60%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 415,15	0,75%	-15,53%
Brent*, USD/bbl	114,36	3,28%	2,93%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3470
Capitalisation**, billion RUB	14,65
Capitalisation**, million USD	444,52

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	-1,67%	-30,77%
Shares of IDGC of Centre**	-0,57%	-42,17%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	-4,16%	-44,61%
FGC UES	-2,99%	-44,95%
IDGC of Volga	-1,64%	-34,23%
MOESK	-1,50%	-21,79%
IDGC of Northern Caucasus	-1,57%	-31,21%
IDGC of Centre and Volga Reg	-1,12%	-29,48%
IDGC of North-West	-5,24%	-31,52%
IDGC of Urals	-6,20%	-33,03%
IDGC of Siberia	0,00%	-7,97%
IDGC of South	-3,85%	-27,76%
Lenenergo	-1,88%	-28,19%

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