



IDGC OF CENTRE

DAILY MARKET REVIEW

29 August, Friday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on the 28th of August some neutral external background formed on the Russian market. On Wednesday the U.S. indices DJIA and S&P500 closed the trading session with a slight increase in the range of 0.1%. On Thursday the major indices of the Asia-Pacific region showed mixed trends, and the composite MSCI Asia Pacific index decreased by 0.1%. October Brent crude futures traded around \$102.6 per barrel – at the level of our closing on the 27th of August.

Some slight decrease in the Russian market in early trading gave way to active sales on the news about the escalation of the conflict in Ukraine, where, according to the media, in fact a new front in the fighting in the south of the Donetsk region opened. The fall of the MICEX Index exceeded 2% after reports of the Ukrainian authorities on the Russian troops entering the territory of Ukraine. This, in particular, was said by President of Ukraine, having informed that Ukraine would initiate an urgent meeting of the UN Security Council and asked the European countries to convene an emergency meeting of the EU Council. Representatives of Western countries have so far refrained from such categorical judgments, but toughened their rhetoric against Russia, accusing it of involvement in the expansion of the conflict, in particular, increasing the supply of weapons to the militants, without which, in their opinion, the recent military successes of the confrontation with the Ukrainian army would have been impossible. Against the backdrop of another round of tensions in Ukraine European markets got also under pressure – in particular, the decline of the German DAX, the most sensitive to events in Ukraine, was about 1.5%. Good statistics from the United States, where data on the dynamics of GDP in the II quarter and applications for unemployment benefits were better than expected, failed to provide substantial support to investors.

During the entire trading session the MicexPWR Sector Index looked better than the market – the growth of geopolitical risks, associated with Ukraine, was traditionally reflected mainly in sales of "blue chips" of the Russian market. On Western exchanges the European DJStoxx 600 Index lost 0.66%, and the U.S. S&P Index decreased by 0.17%.

ELECTRIC POWER INDUSTRY NEWS

Rates for "Russian Grids" can be indexed by 4% above inflation

The Ministry of Energy of Russia has referred to the Ministry of Economic Development with a proposal to index the rate for "Russian Grids" in 2015 at 4% above inflation.

To read full text: <http://www.interfax.ru/business/393681>

COMPANY NEWS

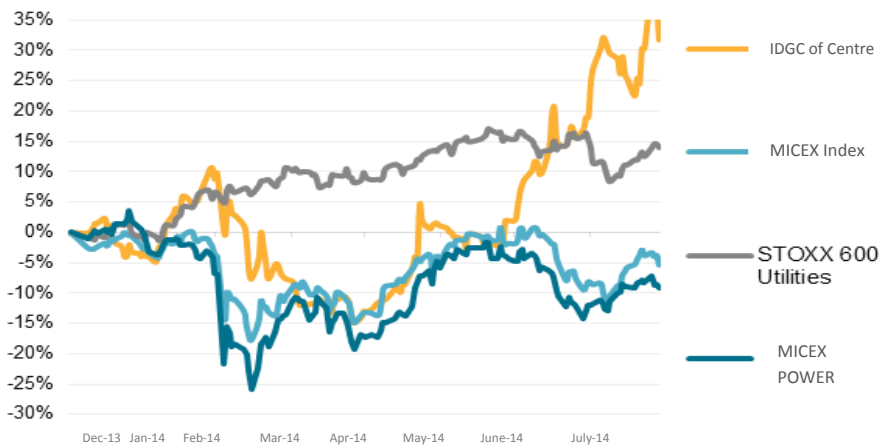
IDGC of Centre exceeded its targets for the energy saving program for the first half of 2014

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89601

A subsidiary of JSC "Russian Grids" - IDGC of Centre by the end of 2014 to connect 16 agricultural enterprises to the grid in the Lipetsk region

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89602

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 423,78	-1,67%	-5,34%
S&P 500	1 996,74	-0,17%	8,03%
FTSE 100	6 805,80	-0,36%	0,84%
DAX	9 462,56	-1,12%	-0,94%
DJStoxx 600	341,05	-0,66%	3,90%
STOXX Utilities	317,31	-0,49%	14,00%
Nikkei	15 459,86	-0,48%	-5,10%
Sensex	26 638,11	0,29%	25,83%
CSI300	2 311,28	-0,70%	-0,80%
Bovespa	60 290,87	-1,08%	17,05%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,32	-0,14%	-4,45%
USD/RUB	36,14	0,01%	10,42%
Euro/RUB	47,62	-0,23%	5,89%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 289,65	0,55%	7,32%
Brent*, USD/bbl	102,46	-0,25%	-4,53%

* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2880
Capitalisation**, billion RUB	12,16
Capitalisation**, million USD	336,44

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-0,84%	-9,17%
Shares of IDGC of Centre**	-4,64%	31,75%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-3,43%	-34,75%
FGC UES	-0,38%	-39,11%
IDGC of Volga	-3,20%	7,51%
MOESK	-0,49%	-26,65%
IDGC of Northern Caucasus	-0,80%	3,82%
IDGC of Centre and Volga Reg	-0,50%	47,47%
IDGC of North-West	-5,94%	12,53%
IDGC of Urals	-3,28%	-7,48%
IDGC of Siberia	0,00%	24,87%
IDGC of South	-1,31%	26,04%
Lenenergo	-1,71%	13,66%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM