

**IDGC of Centre  
Joint-Stock Company**



**Stock market of IDGC of Centre, JSC  
in II quarter 2008**

Moscow, July 2008

### Stock market in II quarter 2008

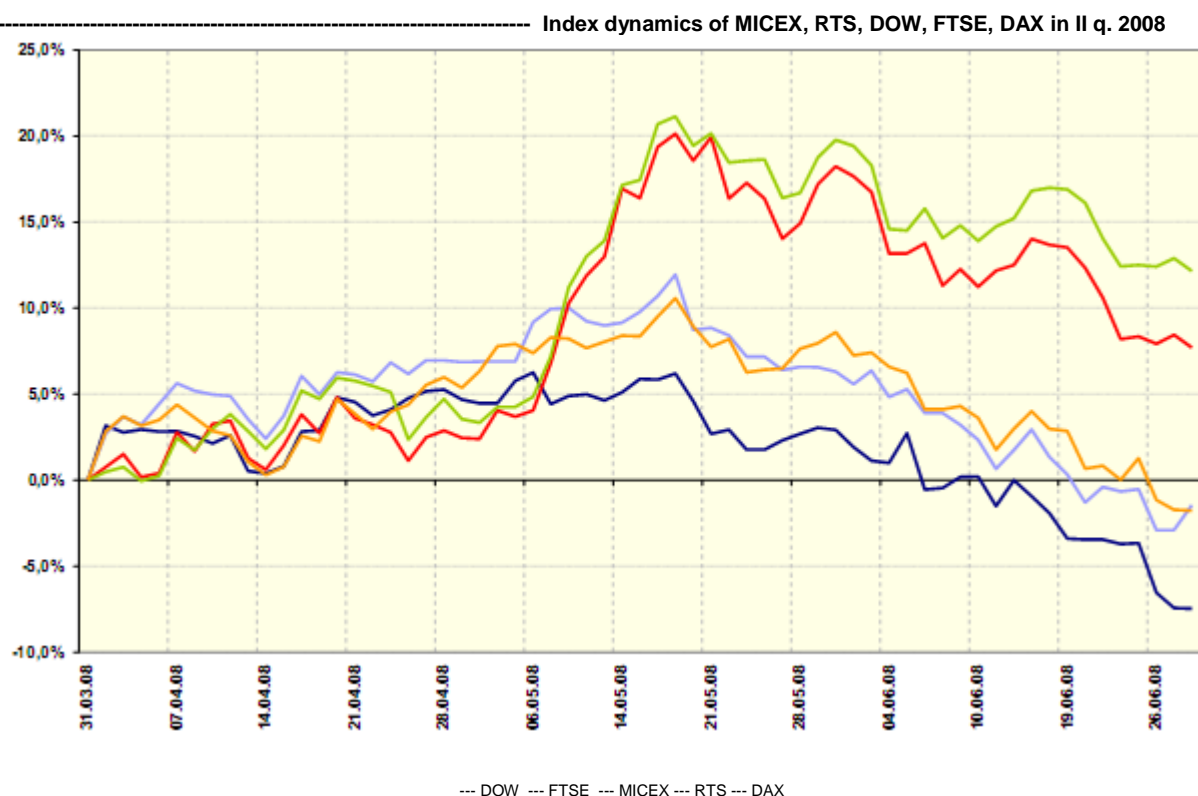
In the second quarter 2008 the share market showed multidirectional dynamics.

Till the third decade of May all markets had been growing – DOW increased by 5%, European indices FTSE and ВФЧ grew by 10%. RTS and MICEX showed significant 20% growth.

The major reasons of growth of foreign sites are moderate positive reporting of great number of companies following the results of the first quarter, regular decrease of the base rate by 0,25% up to 2% by USA FRS. Careful optimism was traced in speeches of FRS representatives, who spoke of slowing down of reduction rates of the leading world economy. Indices of statistics, including unsatisfactory ones, but those within analysts' forecasting, were used as the reason for growth.

Companies of oil and gas sector improved the domestic market. Investors discussed with inspiration the news of reduction of Mineral Extraction Tax and tax holidays for oil companies, which complied with inauguration of the new President and entry into office of the new Premier.

The situation started changing in the third decade of May, when investors heard signals of completion of period of monetary-credit policy watering-down in announcements of the Head of USA FRS. Dark mood of investors was aggravated against the background of growing inflation and unemployment, continuing crisis in immovable property market, growing concerns of new write-offs of the leading banks.



Source: MICEX, RTS, Bloomberg

Finally following the results of the quarter American and European indices closed in negative zone, DOW index decreased by 7,5%, FTSE and DAX indices decreased by 1,5% and 1,7% respectively. RTS and MICEX indices that increased by 12,4% and 7,7% respectively could remain in positive zone following the results of the quarter.

“Depositary and Corporate Technologies” Ltd, July 2008

### Market of distribution sector companies in II quarter 2008

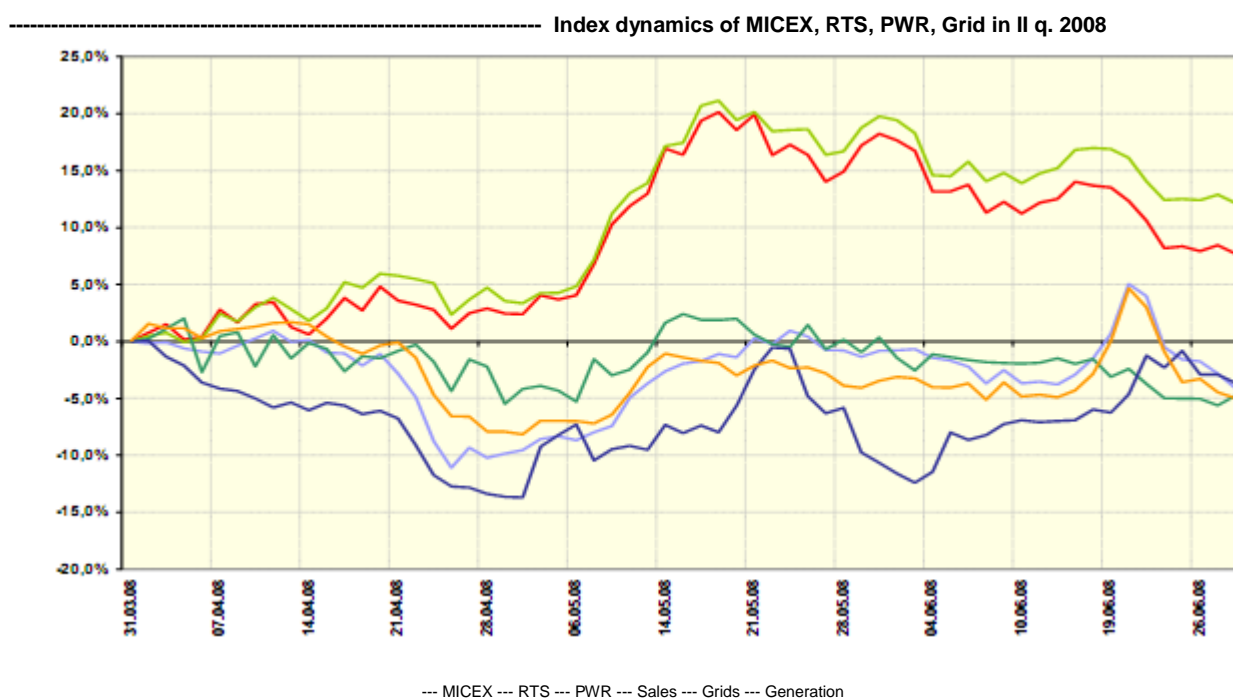
In the second quarter 2008 the shares of all IDGC appeared at stock exchanges, excluding IDGC of South, which shares started to be traded on July 03:

IDGC	Consolidation completion	Start of trading	
		RTS	MICEX
of Volga	April 01, 2008	May 19, 2008	May 23, 2008
of North Caucasus	March 03, 2008	June 04, 2008	June 19, 2008
of North and West	April 01, 2008	May 27, 2008	May 29, 2008
of Siberia	March 03, 2008	June 02, 2008	June 05, 2008
of Ural	April 30, 2008	June 11, 2008	June 18, 2008
of Centre	March 31, 2008	May 21, 2008	May 21, 2008
of Centre and Volga region	February 29, 2008	April 07, 2008	April 07, 2008
of South	March 31, 2008	July 03, 2008	July 03, 2008

Starting period of share trading of all IDGC is specified by extremely insignificant volumes and increased spreads. Defining of unified price points takes at least a week at MICEX, where shares of different issues are traded separately.

In terms of estimating results of trading of shares of individual distribution sector companies the second quarter is demonstrative least of all as far as temporary trading pause relates to this period – securities of companies included in IDGC had been not traded already, shares of the target IDGC had been not traded yet.

Therefore, the only criterion for estimation of distribution grids market is grid index dynamics. Index structure is constantly changing in accordance with procedures of admission to trading of shares of distribution companies. As of June 30, 2008 the index included securities of nine issuers: IDGC of Centre, IDGC of Centre and Volga region, IDGC of North-West, IDGC of Volga, Moscow Unified Power Grid Company, Moscow City Power Grid Company, preferred shares of Lenenergo, ordinary and preferred shares of Tomsk distribution company. Finally shares of all IDGC will be included in the grid index.



Source: MICEX, RTS, calculations of DCT

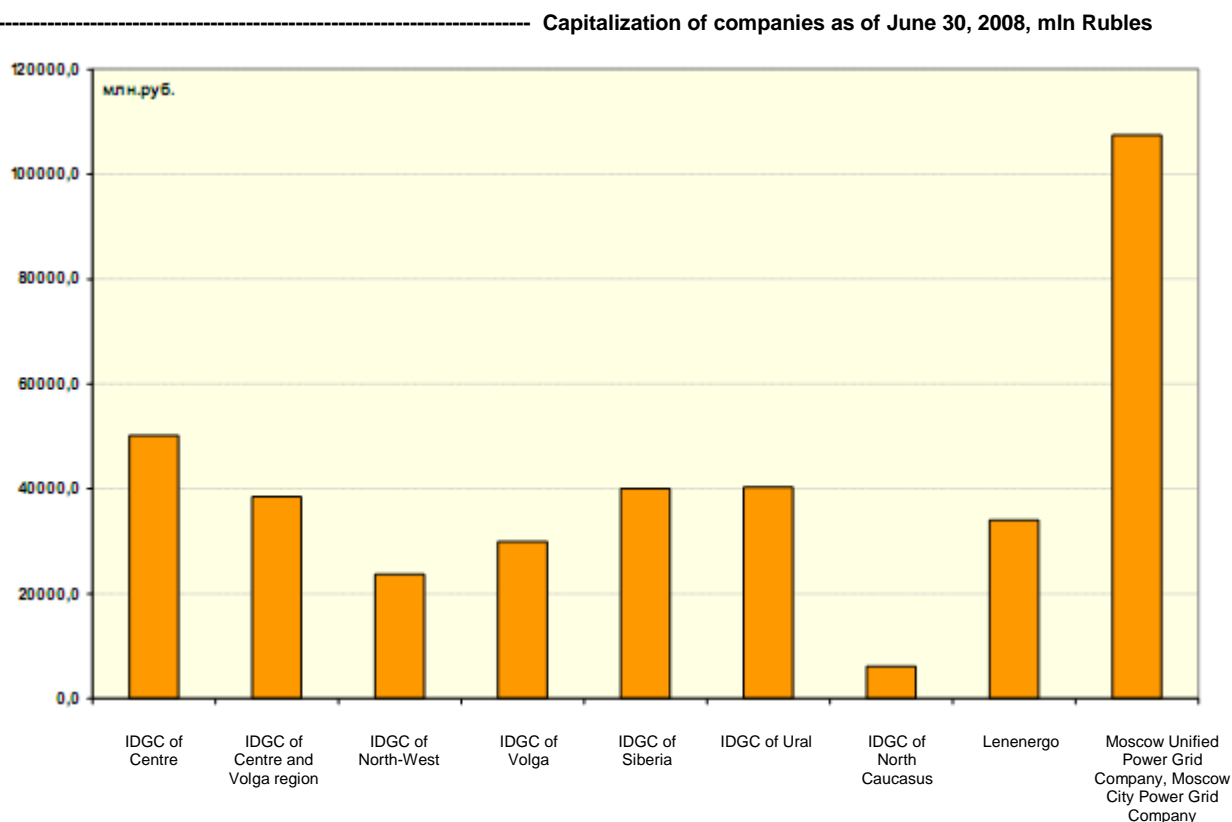
### Market of distribution sector companies in II quarter 2008

Within the considered period the native power engineering (MicexPWR index, sales, generation) looked out worse than the market, index of distribution companies sector showed even more negative dynamics.

The major reason is the same – indefiniteness in tariff formation principles for companies of power distribution sector and, therefore, uncertainty of investors in relation to perspectives of their investments in shares of the companies of this sector.

Some definiteness in this issue is beginning to appear. On June 18, 2008 the Government of the Russian Federation adopted the resolution on new method of tariff regulation. It was supposed that some “pilots” would transfer to RAB since July 1, 2008, and the system is planned to be implemented in wide-scale in 2009. Analysts note that it is RAB that provides the opportunities to estimate grid business and possibilities of investing in it correctly. However, in connection with delay of Federal Tariff System in providing regional grid companies with a number of parameters necessary for tariff calculation according to RAB method, implementation of new tariff formation system in “pilots” is delayed.

Following the results of the second quarter the summary capitalization of trading companies (IDGC of South, Tyumenenergo, Kurganenergo do not trade) of power distribution sector amounted to 370,8 bln Rubles. Distribution of companies according to capitalization as of June 30, 2008 is given at the diagram:



Source: MICEX, calculations of DCT

## Securities market of IDGC of Centre, JSC in II quarter 2008

On April 29, 2008 Federal Financial Markets Service registered report on the results of additional issues of uncertified registered ordinary shares of IDGC of Centre, JSC placed by means of conversion when reorganizing in the form of affiliation of "Belgorodenergo", JSC (MRKC-001D for registered ordinary shares and MRKS-002D for registered preferred shares), "Bryansenergo", JSC (MRKC-003D for registered ordinary shares and MRKS-004D for registered preferred shares), "Voronezhenergo", JSC (MRKC-005D for registered ordinary shares and MRKS-006D for registered preferred shares), "Kostromaenergo", JSC (MRKC-007D for registered ordinary shares and MRKS-008D for registered preferred shares), "Kurskenergo", JSC (MRKC-009D for registered ordinary shares and MRKS-0010D for registered preferred shares), "Oryolenergo", JSC (MRKC-011D for registered ordinary shares and MRKS-012D for registered preferred shares), "Smolenskenergo", JSC (MRKC-013D for registered ordinary shares and MRKS-014D for registered preferred shares), "Tambovenergo", JSC (MRKC-015D for registered ordinary shares and MRKS-016D for registered preferred shares), "Tverenergo", JSC (MRKC-017D for registered ordinary shares and MRKS-018D for registered preferred shares), "Yarenergo", JSC (MRKC-019D for registered ordinary shares and MRKS-020D for registered preferred shares) and "Lipetskenergo", JSC (MRKC-021D for registered ordinary shares).

On May 21, 2008 shares of IDGC of Centre, JSC began to circulate at organized sites of RTS and MICEX. For the period since May 21 till June 30, 2008 2 market transactions for the amount of 57,86 thousand USD or 1,37 mln Rubles were concluded, number of securities circulated at the site amounted to 1,120 mln at the classic market RTS. 1,899 mln securities for the amount of 2,37 mln Rubles were circulated, 60 transactions were settled at the stock exchange market RTS for the same period. 1720 transactions were settled, volume of trading was to 61,419 mln securities for the amount of 72,47 mln Rubles at MICEX according to issues.

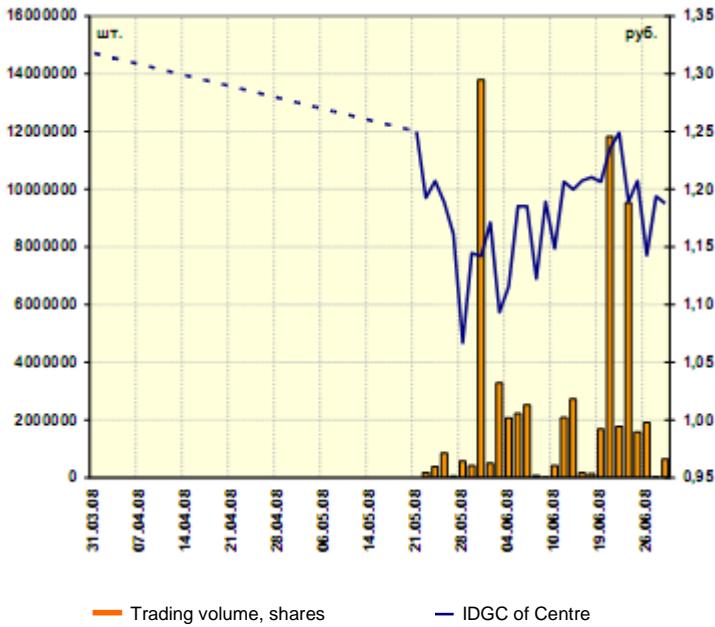
At MICEX number of settled transactions exceeded number of transactions at RTS (classic and stock exchange) more than in 27 times. Turnover on securities and in Ruble equivalent exceeded the relevant indicators more than in 20 times. Further the results of trading of the Company's shares at MICEX will be considered in the report as the base information on the market value of shares of IDGC of Centre, JSC.

Turnover on securities of all issues amounted to 61,42 mln Rubles or 0,1455% of total number of the Company's shares for the past year from the beginning of trading of shares of IDGC of Centre, JSC at MICEX. Securities of the sixth issue turned out to be the most liquid, since May 21 till June 30 over 20,20 mln securities circulated at the stock exchange, this exceeds the eleventh issue nearly twice (the second according to liquidity with the turnover of 11,67 mln securities). More than 76% of all volumes at MICEX site relate to shares of five issues (MRKS-008D, MRKC-009D, MRKC-010D, MRKC-011D and MRKC-006D). The biggest number of market transactions was registered with securities of the sixth issue – 368 transactions. Little number of transactions concerned securities of the first, fourteenth and nineteenth issues. For the past period the minimum price amounted to 1,01 RUR (MRKC-006D), the maximum price – 1,61 RUR (MRKC-017D).

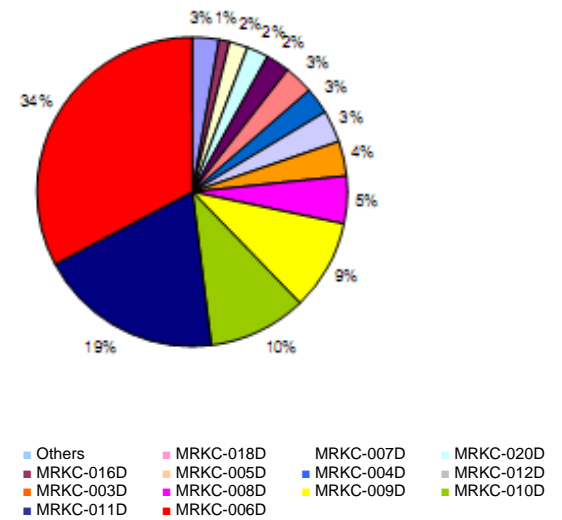
As of May 21, 2008 weighted average price of shares of IDGC of Centre, JSC (of all issues) amounted to 1,25 RUR, on June 30 the price reduced by 4,96% and amounted to 1,188 RUR. Weighted average price for the quarter was equal to 1,18 RUR. For trading period shares demonstrated high volatility. According to securities over half of turnovers related to three trading days – May 30, June 20 and 24. All issues are characterized by high spread, which average value is 6,16%. The spread is less than 2% (MRKC-005D, MRKC-010D, MRKC-011D) just according to shares of three issues. Securities of the first and the third issues have the maximum spread – 32,68% and 14,62% respectively. There was no any demand on a number of securities on the last trading day. No transactions on MRKC-002D were settled for the whole period.

The following diagram shows the dynamics of weighted average price of trading of shares of different issues and the summary trading volume on issues. Here there is distribution of trading volumes on the registered issues of the Central Bank of IDGC of Centre, JSC.

----- Dynamics of weighted average price of IDGC of Centre and trading volumes in II q. 2008



Stake of issue in securities volume (number) that had circulated at MICEX since May 21, 2008 till June 30, 2008



Source: MICEX, RTS, calculations of DCT

----- Trading results of issues of IDGC of Centre, JSC at MICEX for the period since May 21, 2008 till June 20, 2008

Security code (ticker)	Issue volume, securities	Trading volume, securities	% from issue	% from securities of IDGC of Centre	Volume, mln Rubles	Number of market transactions for the period, number	Price of transactions for the period, Rubles				Weighted average price for the quarter	Closing price on the last trading date	Weighted average price on the last trading date	Quotations for the period, Rubles		The last quotations, Rubles		Spread, % (the last quotations)
							first	min.	max.	last				the highest price of demand	the lowest price of demand	the highest price of demand	the lowest price of demand	
MRKC-001D	8 488 056 646	284 900	0,0034%	0,0007%	0,34	9	1,3	1,19	1,61	1,205	1,191	1,403	1,4030	1,5	1,19	1,205	1,6	32,78%
MRKC-002D	2 186 302 328	-	0,0000%	0,0000%	0,00	-	-	-	-	-	-	-	-	1,3	1,19	-	-	-
MRKC-003D	2 263 638 583	2 277 600	0,1006%	0,0054%	2,70	98	1,22	1,015	1,35	1,101	1,186	1,182	1,182	1,35	1,015	1,108	1,27	14,62%
MRKC-004D	686 361 395	1 799 600	0,2622%	0,0043%	2,14	156	1,22	1,094	1,298	1,19	1,190	1,190	1,194	1,308	1,094	1,166	1,21	3,77%
MRKC-005D	5 365 857 327	1 776 200	0,0331%	0,0042%	2,12	61	1,49 9	1,19	1,499	1,19	1,196	1,190	1,194	1,499	1,19	1,185	1,198	1,10%
MRKC-006D	1 637 988 666	20 202 300	1,2334%	0,0479%	22,75	368	1,49 8	1,01	1,574	1,121	1,126	1,121	1,169	1,574	0,999	1,15	1,198	4,17%
MRKC-007D	1 716 907 079	1 121 300	0,0653%	0,0027%	1,34	110	1,25	1,051	1,291	1,2	1,199	1,200	1,200	1,3	1,051	1,172	1,22	4,10%
MRKC-008D	524 118 040	3 129 700	0,5971%	0,0074%	3,74	137	1,19	1,12	1,25	1,185	1,195	1,185	1,185	1,3	1,12	1,131	1,185	4,77%
MRKC-009D	3 108 458 367	5 756 000	0,1852%	0,0136%	6,84	127	1,3	1,14	1,5	1,199	1,188	1,199	1,199	1,5	1,01	1,131	1,199	6,01%
MRKC-010D	608 206 466	6 324 700	1,0399%	0,0150%	7,56	161	1,3	1,089	1,3	1,185	1,195	1,185	1,199	1,3	1,089	1,185	1,2	1,27%
MRKC-011D	1 339 094 085	11 674 800	0,8718%	0,0277%	14,41	87	1,59 9	1,102	1,599	1,175	1,234	1,234	1,175	1,61	1,102	1,176	1,19	1,19%
MRKC-012D	283 983 170	1 965 700	0,6922%	0,0047%	2,38	133	1,19	1,102	1,3	1,18	1,213	1,180	1,112	1,67	1,102	1,107	1,18	6,59%
MRKC-013D	2 299 735 306	334 500	0,0145%	0,0008%	0,40	18	1,19	1,18	1,23	1,18	1,210	1,180	1,180	1,23	1,18	1,152	1,199	4,08%
MRKC-014D	450 265 899	171 100	0,0380%	0,0004%	0,21	7	1,21	1,193	1,285	1,285	1,209	1,285	1,285	1,285	1,19	1,205	1,25	3,73%
MRKC-015D	1 429 654 118	329 100	0,0230%	0,0008%	0,40	46	1,23	1,19	1,39	1,245	1,204	1,204	1,211	1,39	1,19	1,2	1,245	3,75%
MRKC-016D	187 008 006	1 524 600	0,8153%	0,0036%	1,84	31	1,2	1,18	1,3	1,2	1,204	1,200	1,200	1,3	1,18	1,181	1,219	3,22%
MRKC-017D	1 649 138 333	42 300	0,0026%	0,0001%	0,05	15	1,61	1,19	1,61	1,197	1,202	1,197	1,197	1,61	1,19	-	1,344	-
MRKC-018D	503 423 819	686 000	0,1363%	0,016%	0,82	46	1,19	1,19	1,23	1,2	1,199	1,200	1,200	1,3	1,19	1,171	1,219	4,10%
MRKC-019D	3 065 693 658	296 000	0,0097%	0,0007%	0,36	9	1,19	1,19	1,21	1,2	1,199	1,200	1,200	1,22	1,19	1,2	1,299	8,25%
MRKC-020D	738 152 638	1 406 000	0,1905%	0,0033%	1,69	79	1,19	1,19	1,215	1,21	1,199	1,210	1,210	1,22	1,19	1,171	1,21	3,33%
MRKC-021D	3 585 897 539	317 500	0,0089%	0,0008%	0,38	22	1,61	1,19	1,61	1,19	1,208	1,190	1,190	1,61	1,19	-	1,215	-
MRKC	100 000 000	-	0,0000%	0,0000%	0,00	-	-	-	-	-	-	-	-	1,215	-	-	-	-
Total/average value	42 217 941 468	61 419 900		0,1455%	72,47	1 720		1,01	1,61		1,18					1,166	1,2425	6,16%

Source: MICEX, calculations of DCT

“Depositary and Corporate Technologies” Ltd, July 2008

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