

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market on October 10. On the eve of the U.S. S&P500 and DJIA indices rose by 0.1-0.2% – writes Bloomberg, investors reacted positively to the official nomination of Janet Yellen by the President of the United States for the post of Chairperson of the Federal Reserve in the expectation that she will continue the stimulating monetary policy in the case of her appointment. In addition, the market is supported by a statement of Barack Obama that he is once again on October 10 to hold talks on the debt ceiling with Republican leaders. Asia-Pacific stock indices traded without a single trend, while the U.S. index futures added half a percent on media reports on the beginnings of progress in addressing the debt ceiling – the Republicans began to discuss the possibility of a short-term – for 4-6 weeks – raising of the limit of borrowing so that during this period to conduct comprehensive negotiations with the administration on the budget cuts. November Brent was trading at the level of \$109.5 per barrel – a dollar above the levels of our closing on Wednesday.

Investors' hopes for the success of the next round of negotiations of American politicians on the debt issue were the main driver of growth in the Russian and European markets on Thursday. In the afternoon, the growth rate of the MICEX Index was close to 1.5%, and major European indices on average added more than 1.5%. The growth driver of Europe was banks – the Stoxx 600 Banks Index rose by almost 2.5%. Released significantly worse than expected U.S. statistics on applications for unemployment benefits did not upset markets – according to Bloomberg, it was associated with the transition of California to a new system of counting applications, as well as the shutdown of the U.S. government. At the end of the day, the MICEX Index retreated from the day's highs, the players chose to take some profits, despite the nearly 1.5% increase in the U.S. indices and accelerating rise in European indices up to 2%.

At closing, the MICEX Index gained 1.05% to close trading at 1,516.73 points, and the RTS Index rose by 1.63% to close at 1,484.82 points. The MicexPWR Sector Index increased by 1.27%, reaching 1,073.88 points. On Western exchanges the European DJStoxx 600 Index rose by 1.69%, and the American S&P 500 Index soared 2.18%.

ELECTRIC POWER INDUSTRY NEWS

A decision on the last mile in the near future will be introduced to the State Duma

Amendments for the second reading in the Parliament of the already considered bill would cancel the last mile in 2014 with the exception of 20 regions. In 16 of them the last mile will be in effect until July 2017. In Buryatia, Trans-Baikal Territory, Amur Region and the Jewish Autonomous Region – the last mile will be applied until 2029.

To read full text: <http://www.bigpowernews.ru/news/document52437.phtml>

Proposals for revision of the capacity provision contracts have been excluded from the plan of the Ministry of Economic Development

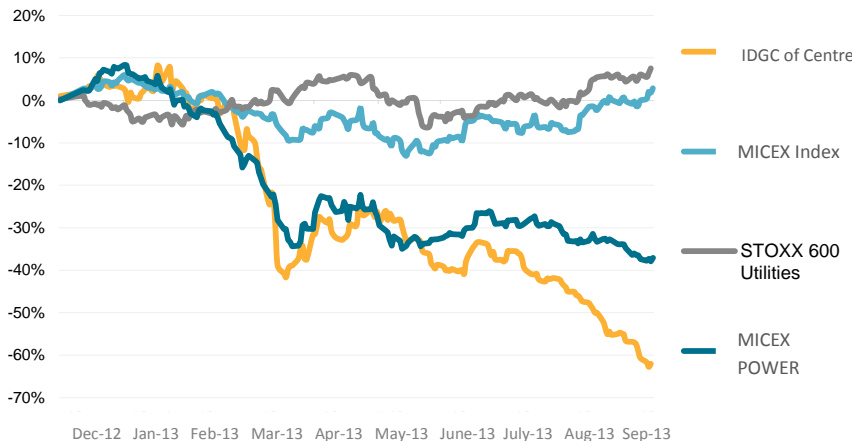
To read full text: <http://www.bigpowernews.ru/news/document52426.phtml>

COMPANY NEWS

IDGC of Centre has received its certificate of readiness for the winter 2013/2014

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=88838

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 516,73	1,05%	2,85%
S&P 500	1 692,56	2,18%	18,68%
FTSE 100	6 430,49	1,46%	9,03%
DAX	8 685,77	1,99%	14,10%
DJStoxx 600	310,29	1,69%	10,94%
STOXX Utilities	278,48	1,09%	7,53%
Nikkei	14 194,71	1,12%	36,55%
Sensex	20 272,91	0,12%	4,36%
CSI300	2 429,32	-0,99%	-3,71%
Bovespa	52 996,64	0,85%	-13,05%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,35	0,08%	2,46%
USD/RUB	32,36	0,20%	6,55%
Euro/RUB	43,85	0,06%	8,99%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 287,60	-1,38%	-23,14%
Brent*, USD/bbl	111,80	2,51%	0,62%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2279
Capitalisation**, billion RUB	9,62
Capitalisation**, million USD	297,31

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	1,27%	-37,11%
Shares of IDGC of Centre**	1,97%	-62,02%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	-1,36%	-55,60%
FGC UES	0,27%	-52,37%
IDGC of Volga	1,33%	-59,87%
MOESK	0,76%	-20,52%
IDGC of Northern Caucasus	-0,78%	-37,81%
IDGC of Centre and Volga Reg	0,67%	-57,06%
IDGC of North-West	1,06%	-48,57%
IDGC of Urals	0,05%	-63,74%
IDGC of Siberia	-0,25%	-10,25%
IDGC of South	-1,52%	-35,12%
Lenenergo	1,56%	-53,34%

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