

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market. On Monday the U.S. indices DJIA and S&P500 closed with a slight increase within 0.2%. The composite MSCI Asia Pacific stock index added about one percent, and U.S. index futures were slightly up. Markets were supported mainly with expectations of Janet Yellen's first testimony to Congress as the new head of the U.S. Central Bank. March Brent was trading at \$108.7 per barrel – half a dollar below our closing on Monday.

During the entire trading session Russian and European indices showed some fairly steady rise – in the afternoon the growth rate of key European exchanges was close to one percent, and the Russian market looked somewhat worse. In the absence of significant news, investors' attention was focused on the upcoming testimony of the new Fed chair to Congress with her semiannual outlook for the economy and monetary policy. According to most experts, the U.S. Central Bank is to keep its current rate of reduction of the asset purchase program, despite the ambiguous statistics of the last two months. At the same time, some analysts do not rule out that these data make the Fed more cautiously approach to the implementation of the exit strategy. In addition, many experts, as Bloomberg notes, said that despite the recent decline in the unemployment rate to its lowest level since October 2008, it is still possible for the Fed to keep the low rate, given the fact that inflation in the U.S. remains significantly below the target level of 2%. The market growth slowed after the publication of the text of the testimony of the Fed chair. Investors were disappointed with the statement of the Central Bank that the Fed will continue to reduce the quantitative easing program at some "restrained" pace at next meetings, despite the marked in the speech insignificant labour market recovery. Furthermore, Janet Yellen stated that the recent easing of inflation reflects factors that are likely to be temporary, and increased volatility in global financial markets does not represent a significant risk to the U.S. economic outlook.

Following the results of the day the MICEX Index rose by 0.49% to close trading at 1,483.57 points. Dynamics of the MicexPWR Sector Index underperformed the market, most of the day "heavy" index sector papers traded mixed near zero. MicexPWR could close the trading session d with a rise of 0.3% mainly due to increased buyer activity in the shares of E.ON Russia and FGC in the last hours of trading. On Western exchanges the European DJStoxx 600 Index rose by 1.30%, and the American S&P 500 Index was 1.11% up.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" has collected all found

For 2013, in which some companies of "Russian Grids" temporarily worked as electricity suppliers of last resort in 12 subjects of the federation, the holding company could collect from consumers about 38% of the accumulated debt for electricity transmission.

To read full text: <http://www.kommersant.ru/doc/2404299>

The State Duma did not limit the growth of utility tariffs at the inflation rate

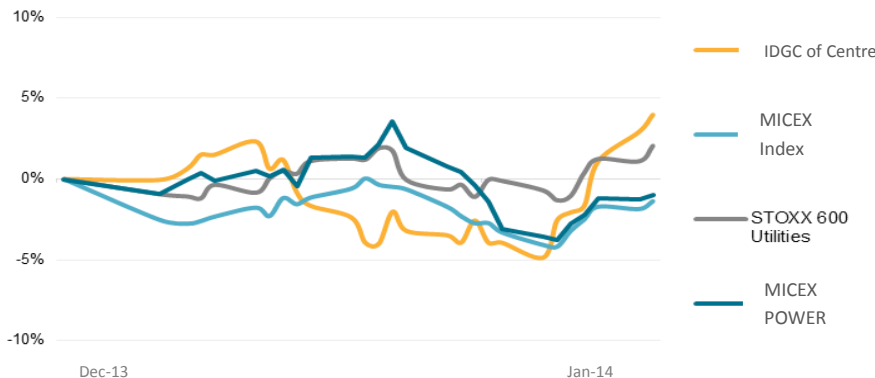
To read full text: <http://top.rbc.ru/economics/11/02/2014/904592.shtml>

COMPANY NEWS

Yarenergo improves energy efficiency in the Yaroslavl region

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89109

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 483.57	0,49%	-1,36%
S&P 500	1 819,75	1,11%	-1,55%
FTSE 100	6 672,66	1,23%	-1,13%
DAX	9 478,77	2,03%	-0,77%
DJStoxx 600	329,52	1,30%	0,38%
STOXX Utilities	284,06	0,94%	2,06%
Nikkei	14 718,34	0,00%	-9,66%
Sensex	20 363,37	0,14%	-3,81%
CSI300	2 285,56	0,80%	-1,91%
Bovespa	48 462,79	1,58%	-5,91%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,36	0,05%	-1,02%
USD/RUB	34,76	0,46%	6,22%
Euro/RUB	47,38	0,76%	5,35%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 291,36	1,30%	7,47%
Brent*, USD/bbl	108,68	0,05%	-1,67%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2273
Capitalisation**, billion RUB	9,60
Capitalisation**, million USD	276,04

Source: Central Bank of Russia, Company calculations

** - at the price of last transaction at MICEX

Russian indexes	Change for the day from 31.12.13	
MICEX-Power Index	0,30%	-0,99%
Shares of IDGC of Centre**	1,02%	3,98%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	0,27%	-6,05%
FGC UES	0,82%	-6,08%
IDGC of Volga	-0,73%	-3,51%
MOESK	0,19%	-5,13%
IDGC of Northern Caucasus	2,99%	-3,95%
IDGC of Centre and Volga Reg	2,50%	12,42%
IDGC of North-West	0,04%	-3,24%
IDGC of Urals	-0,60%	-4,19%
IDGC of Siberia	0,00%	-10,62%
IDGC of South	0,63%	-15,63%
Lenenergo	-0,08%	11,98%

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