



IDGC OF CENTRE

DAILY MARKET REVIEW

08 September, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 05 September some neutral external background formed on the Russian market. On Thursday the U.S. indices lost 0.1-0.2%, despite good statistics on business activity in the services sector in August and the initial optimism due to unexpected significant expansion of the ECB's incentives, which cut its interest rates and announced the launch of a quantitative easing program. On Friday the major stock indices of the Asia-Pacific region showed mixed trends with changes in the range of 0.5%. October Brent traded at \$101.8 per barrel – almost a dollar lower than our closing on 04 September. Oil prices remain under pressure from the projected decline in demand in the United States after the end of the driving season.

In the first half of the trading session the Russian and European markets observed some lateral dynamics of the indices near zero marks. Investors chose to be cautious waiting for news from Minsk, where on Friday a tripartite meeting of the contact group of the Russia-OSCE-Ukraine was scheduled to resolve the conflict in Ukraine. On the eve the President of Ukraine and representatives of the self-proclaimed republics of Lugansk and Donetsk declared their readiness to stop the fighting on Friday, subject to political agreements. In this regard, an additional uncertainty factor for the Russian market there was a question about the new Western sanctions – according to media reports, the European Union and the United States could introduce them as early as Friday, but as a representative of the head of the EU diplomacy said, "taking into account the developments of the situation in Ukraine". In the afternoon, inexpressive dynamics of the Russian market was replaced by a confident rise after information that Ukraine and the self-proclaimed republics of Lugansk and Donetsk at the meeting in Minsk signed a protocol on ceasefire from 07:00 p.m. Moscow time, Friday. An additional positive background for our market was the German media information that the German Chancellor considered it possible to postpone the adoption of new EU restrictive measures against Russia in the event of a positive outcome of the Minsk talks. At the end of the day rates of growth of the Russian market slowed somewhat in the background of moderately negative reaction of western markets on poor statistics of the labour market in the United States – the jobs growth in August was significantly worse than expected and was minimal this year.

By the end of trading session the MicexPWR Sector Index underperformed the market mainly due to sales in shares of TGK-1 and Inter RAO. On Western exchanges the European DJStoxx 600 Index lost 0.38%, and the U.S. S&P Index added 0.50%.

ELECTRIC POWER INDUSTRY NEWS

The All-Russian Forum "Available Grids" started in St. Petersburg

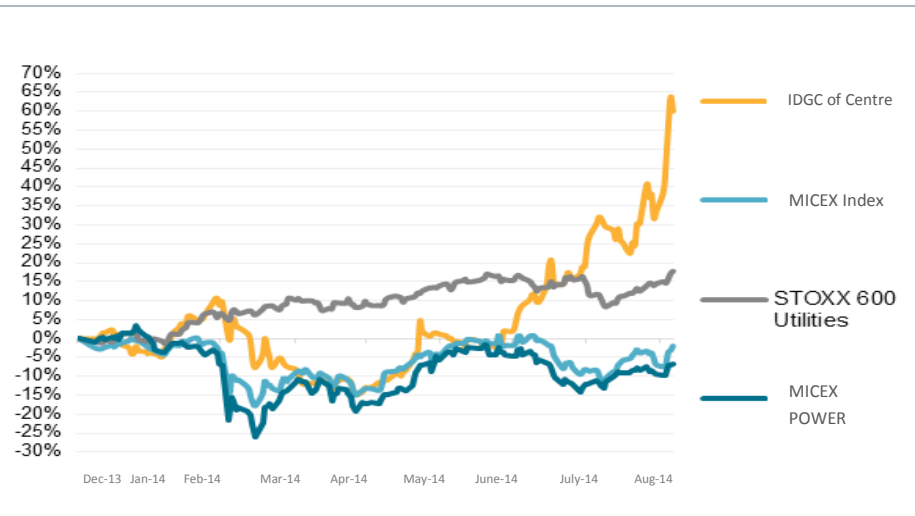
To read full text: http://ejnews.ru/news_energy/2014/09/05/25900

COMPANY NEWS

The Government of the Orel region and IDGC of Centre signed an agreement to simplify the grid connection procedure for facilities of the agro-industrial complex

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89623

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change for the day | fr 31.12.13 |
|-----------------|-----------|--------------------|-------------|
| MICEX | 1 474,71 | 1,19% | -1,95% |
| S&P 500 | 2 007,71 | 0,50% | 8,62% |
| FTSE 100 | 6 855,10 | -0,33% | 1,57% |
| DAX | 9 747,02 | 0,23% | 2,04% |
| DJStoxx 600 | 347,57 | -0,38% | 5,88% |
| STOXX Utilities | 327,87 | 0,52% | 17,80% |
| Nikkei | 15 668,68 | -0,05% | -3,82% |
| Sensex | 27 026,70 | -0,22% | 27,66% |
| CSI300 | 2 449,26 | 0,95% | 5,12% |
| Bovespa | 60 681,98 | -0,19% | 17,81% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.13 |
|----------------|-------|--------------------|-------------|
| Euro/USD | 1,30 | 0,04% | -6,08% |
| USD/RUB | 36,80 | -1,38% | 12,45% |
| Euro/RUB | 48,38 | -1,31% | 7,58% |

Source: Bloomberg, Company calculations

| Raw | Value | Change for the day | fr 31.12.13 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz | 1 268,81 | 0,57% | 5,59% |
| Brent*, USD/bbl | 100,82 | -0,99% | -6,06% |

* - October futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,3499 |
| Capitalisation**, billion RUB | 14,77 |
| Capitalisation**, million USD | 401,37 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change for the day | fr 31.12.13 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index | 0,40% | -6,79% |
| Shares of IDGC of Centre** | -2,26% | 60,06% |

Source: MOEX, Company calculations

| Grid companies | Change** for the day | fr 31.12.13 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids | 1,33% | -31,53% |
| FGC UES | -0,31% | -38,94% |
| IDGC of Volga | -0,99% | 14,31% |
| MOESK | -0,71% | -27,09% |
| IDGC of Northern Caucasus | 0,06% | 11,72% |
| IDGC of Centre and Volga Reg | 4,75% | 63,04% |
| IDGC of North-West | 6,29% | 23,13% |
| IDGC of Urals | 4,91% | -0,11% |
| IDGC of Siberia | -1,13% | 24,82% |
| IDGC of South | -0,36% | 21,19% |
| Lenenergo | 0,00% | 16,38% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

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Reuters

MRKC

MRKC.RX

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