

REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market on October 8. Following the results of the volatile session on Monday, the major U.S. indices closed the trading session near intraday lows, having lost around one percent. Investors are still concerned about the lack of progress in solving the budget issue and the state debt ceiling. President of the United States stated he had no intention to conduct negotiations on these issues and the House of Representatives should not use them as arguments in the dispute, since their solution is a direct responsibility of the law-makers. In his turn, the Republican leader in the lower house noted that Barack Obama puts the country under risk if he doesn't get down to realistic negotiations. The Asia-Pacific stock indices showed some moderate growth. The markets were supported mostly with the business activity in the services sector in China – in September, according to HSBC, PMI a little went down in comparison with August, but kept above the threshold at 50 points. At the same time experts of HSBC are expecting stabilization of the business activity in the services sector of China at a higher level than in the second quarter. November Brent traded near \$109.5 a barrel, at the level of our closing on Monday.

Neutral dynamics of Russian indices at the start of trading shortly turned into some moderate growth after the renewed increase in oil prices, which had tested the level of \$110.5 a barrel. In the second half of the day the MICEX Index added about one percent, while the main European exchanges traded with losses on average within half a percent, despite weak positive dynamics of the U.S. futures. Released worse than expected statistics on orders of manufacturing enterprises in Germany in August became some negative background for Europe. The Russian market finished the trading day on daily lows, despite some decrease of the U.S. indices at the beginning of the day and continuing sales in Europe. At the same time the MICEX Index closed higher than the psychological level of 1,500 points for the first time since March 14.

Following the results of the trading day, the MICEX index gained 1.68% to close trading at 1,505.14 points, and the RTS Index rose by 1.90% to close at 1,471.71 points. The MicexPWR Sector Index added 0.80%, reaching 1,070.79 points. On Western exchanges the European DJStoxx 600 Index was down 0.76%, and the American S&P 500 Index fell by 1.23%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" will not merge "System Operator"

To read full text: <http://www.rbcdaily.ru/industry/562949989173665>

October 11, Federal Tariffs Service to discuss tariff rates for residential customers for 2014

To read full text: <http://www.bigpowernews.ru/research/announces/document52402.phtml>

COMPANY NEWS

IDGC of Centre is expanding cooperation with VTB Bank

IDGC of Centre and VTB Bank have signed loan agreements for a total amount of 7.2 billion rubles for a period of five to six years. Borrowed funds are intended for credit financing of production and business and investment activities of the company, as well as the refinancing of its debt.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=88835

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 505,14	1,68%	2,06%
S&P 500	1 655,45	-1,23%	16,07%
FTSE 100	6 365,83	-1,11%	7,94%
DAX	8 555,89	-0,42%	12,39%
DJStoxx 600	306,84	-0,76%	9,71%
STOXX Utilities	273,19	-0,58%	5,49%
Nikkei	13 894,61	0,30%	33,66%
Sensex	19 983,61	0,44%	2,87%
CSI300	2 441,81	1,36%	-3,22%
Bovespa	52 312,44	-0,20%	-14,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,36	-0,01%	2,86%
USD/RUB	32,29	0,60%	6,32%
Euro/RUB	43,83	0,22%	8,96%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 319,29	-0,29%	-21,25%
Brent*, USD/bbl	110,16	0,44%	-0,86%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2300
Capitalisation**, billion RUB	9,71
Capitalisation**, million USD	300,69

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	0,80%	-37,29%
Shares of IDGC of Centre**	-2,54%	-61,67%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	-0,54%	-52,84%
FGC UES	1,09%	-51,60%
IDGC of Volga	0,16%	-59,39%
MOESK	0,98%	-21,21%
IDGC of Northern Caucasus	0,18%	-36,08%
IDGC of Centre and Volga Reg	-4,13%	-54,38%
IDGC of North-West	-2,07%	-48,74%
IDGC of Urals	-0,02%	-61,39%
IDGC of Siberia	-1,30%	-13,64%
IDGC of South	0,00%	-36,08%
Lenenergo	0,66%	-53,25%

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