

REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market. On the eve our market took the U.S. indices growth by 0.1-0.6 % following the results of trading at its closure. Some positive statistical data support the U.S. market - preliminary index of manufacturing activity PMI from Markit rose in May to 56.2 – better than expected, while home sales in the secondary market in the U.S. rose for the first time in four months, although worse than analysts' expectations. The composite MSCI Asia Pacific stock index added 0.5%, playing back the dynamics of U.S. stock exchanges. Futures on the U.S. stock indices were near zero, and July Brent traded near \$110.5 per barrel – half a dollar below our closing on Thursday.

Throughout the trading session the MICEX Index showed volatile dynamics, varying within a half percent. In turn, European indices on average were slightly positive, rating actions gave also some support to them - S&P agency upgraded the rating of Spain from "BBB-" to "BBB" in connection with the improvement of the situation in the economy, for the same reason Fitch agency upgraded Greece from "B-" to "B". Moreover, despite the fact that the IFO business confidence index in Germany fell in May more than expected, the GDP growth in Germany in Quarter I was maintained at 0.8%. According to estimates of the Bundesbank, the pace of expansion of FRG economic activity in the current quarter slows down, but the German Central Bank noted that the expected slowdown "should not be interpreted as a general deterioration in economic growth". In the afternoon the MICEX Index was still in positive territory, it was also supported by statements of Russian President Vladimir Putin at the St. Petersburg International Economic Forum that Moscow was ready to work with authorities, formed after the presidential elections in Ukraine, and after the settlement of the situation in Ukraine, Moscow and Washington will be able to normalize relations. U.S. indices rose in early trading within thirds of a percent on the information about the growth of sales of new buildings in the U.S. in April for the first time in 3 months, and our market closed at intraday highs.

Dynamics of the MicexPWR Index underperformed the market, the sector indicator closed the day in positive territory only thanks to RusHydro's shares, which grew by almost 3% on positive news. The company reports that Russian President Vladimir Putin signed a decree "On further development of JSC "RusHydro", under which the company can undertake an additional issue of shares. According to Interfax, the company will issue additional shares in favour of Rosneftegaz for the sum of 40 billion rubles and sell a stake of quasi-treasury shares to it. Raised funds will be spent, including, on the construction of the Upper Naryn cascade hydropower station. On Western exchanges the European DJStoxx 600 Index added 0.22%, and the American S&P 500 Index gained 0.42%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" at SPIEF 2014 signed a series of cooperation agreements

Within the St. Petersburg International Economic Forum (SPIEF 2014) "Russian Grids" concluded a number of agreements on mutually beneficial cooperation. This is stated in a press release of the company. This is an agreement with the Fund "Skolkovo", with the Taimyr Peninsula, with the Moscow Government, with "Oboronenergo" on ensuring reliable power supply for the Russian Ministry of Defense, and others.

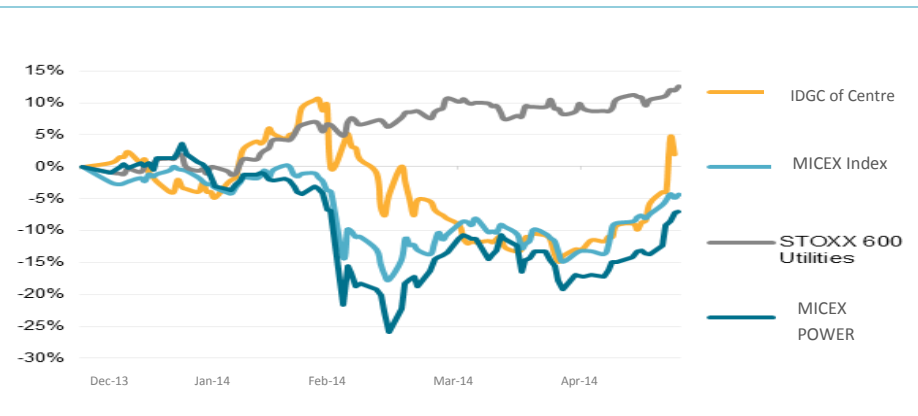
To read full text: http://www.gazeta.ru/business/news/2014/05/23/n_6176317.shtml

COMPANY NEWS

IDGC of Centre took part in the St. Petersburg International Economic Forum

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89363

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 438,98	0,59%	-4,33%
S&P 500	1 900,53	0,42%	2,82%
FTSE 100	6 815,75	-0,07%	0,99%
DAX	9 768,01	0,48%	2,26%
DJStoxx 600	341,76	0,22%	4,11%
STOXX Utilities	313,43	0,62%	12,61%
Nikkei	14 462,17	0,87%	-11,23%
Sensex	24 693,35	1,31%	16,64%
CSI300	2 148,14	0,80%	-7,81%
Bovespa	52 626,41	-0,34%	2,17%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,36	-0,15%	-1,16%
USD/RUB	34,28	-0,66%	4,74%
Euro/RUB	46,85	-0,99%	4,18%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 292,61	-0,12%	7,57%
Brent*, USD/bbl	110,54	0,16%	1,39%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2228
Capitalisation**, billion RUB	9,41
Capitalisation**, million USD	274,39

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day from 31.12.13	
MICEX-Power Index	0,06%	-7,09%
Shares of IDGC of Centre**	-2,58%	1,92%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	0,40%	-35,52%
FGC UES	-2,87%	-33,67%
IDGC of Volga	1,80%	-18,13%
MOESK	-3,04%	-14,50%
IDGC of Northern Caucasus	8,42%	18,46%
IDGC of Centre and Volga Reg	2,32%	27,39%
IDGC of North-West	2,03%	-0,74%
IDGC of Urals	-1,77%	-13,75%
IDGC of Siberia	4,38%	-10,43%
IDGC of South	0,55%	-14,64%
Lenenergo	3,94%	22,76%

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