



IDGC OF CENTRE

DAILY MARKET REVIEW

03 February, Tuesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 02 February some moderately negative external background formed on the Russian market. Last Friday the US indices DJIA and S&P500 lost 1.3-1.4% on the data that recorded almost the double slowdown in GDP in the IV quarter compared with the previous quarter. On Monday most of the major stock indexes of the Asia-Pacific region decreased on weak statistics from China, where in January the official manufacturing PMI fell below the threshold level of 50 points for the first time since September 2012. Only the Australian S&P/ASX index was in positive territory on the growing oil.

March Brent futures traded near \$51.8 per barrel – \$2 above our closing on Friday January 30th. Oil quotes were supported with the information that the number of oil rigs in the US last week fell at a record pace since the beginning of data collection in 1987. The total number of units decreased to its lowest level in three years.

The Russian market still has elevated volatility. The MICEX Index began trading with a percent growth, regaining the rise in oil prices. However, almost immediately sellers got active in the market, and in the middle of the day the loss of the MICEX Index amounted to about 2%. Pressure on the market was put by a number of factors, which offset the oil positive background. Firstly, the growth of geopolitical risks following the breakdown of the Minsk contact group talks over the weekend. According to media reports, the conflicting parties failed to reach an agreement on the demarcation line – Kiev insists on the implementation of the memorandum of September, while the militants offered to fix the current state. Secondly, the Ministry of Economic Development significantly downgraded its forecast for 2015 in preparation of the anti-crisis budget – particularly in a scenarios based on \$50 per barrel, GDP is expected to decline by 3%, fall in investment by 13.7%, average annual inflation rate at 15.8%, and capital outflows of \$115 billion. Thirdly, according to a HSBC study, PMI of manufacturing sectors of the Russian Federation in January fell to the lowest level since June 2009. Attempts of the MICEX Index to be back in positive territory on the growing oil failed against the backdrop of deteriorating sentiment in Western markets after the publication of weak statistics from the US on public expenditure in December and manufacturing activity in January.

During the trading session the MicexPWR Sector Index was generally in line with the market dynamics. The main contribution to the final MicexPWR reduction was made by shares of RusHydro and E.ON Russia. On Western exchanges the European DJStoxx Index closed near zero, and the US S&P Index rose by 1.30%.

ELECTRIC POWER INDUSTRY NEWS

The Government has not yet made a final decision on anti-crisis measures in the power sector

The final decision on anti-crisis measures in the electricity industry was not accepted at a meeting with Deputy Prime Minister Arkady Dvorkovich on Friday, submitted proposals by the Ministry of Energy yet to be studied.

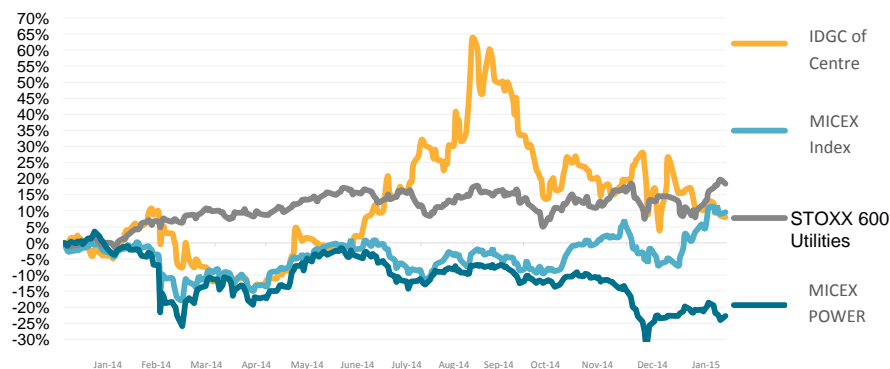
To read full text: <http://www.bigpowernews.ru/news/document61620.phtml>

COMPANY NEWS

Heads of the departments of security of IDGC of Centre summarized the work in 2014 and outlined the main tasks for the current year

To read full text: <http://www.mrsk-1.ru/press-center/news/company/47157/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 625,31	-1,36%	16,38%
S&P 500	2 020,85	1,30%	-1,85%
FTSE 100	6 782,55	0,49%	3,30%
DAX	10 828,01	1,25%	10,43%
DJStoxx 600	367,28	0,06%	7,22%
STOXX Utilities	328,15	-0,44%	4,03%
Nikkei	17 558,04	-0,66%	0,61%
Sensex	29 122,27	-0,21%	5,90%
CSI300	3 353,96	-2,34%	-5,09%
Bovespa	47 650,73	1,58%	-4,71%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,13	0,37%	-6,78%
USD/RUB	68,93	0,29%	22,52%
Euro/RUB	78,11	0,70%	14,29%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 274,41	-0,73%	7,60%
Brent*, USD/bbl	54,75	3,32%	-5,94%

* - March futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2330
Capitalisation**, billion RUB	9,84
Capitalisation**, million USD	142,71

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	-1,40%	-1,37%
Shares of IDGC of Centre**	-1,27%	-7,72%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-0,68%	-1,20%
FGC UES	-1,38%	7,53%
IDGC of Volga	-2,35%	-18,10%
MOESK	-3,70%	-16,80%
IDGC of Northern Caucasus	-2,36%	2,48%
IDGC of Centre and Volga Reg	-2,45%	-21,53%
IDGC of North-West	0,38%	4,74%
IDGC of Urals	-1,02%	-4,58%
IDGC of Siberia	2,07%	-1,33%
IDGC of South	-2,49%	1,29%
Lenenergo	-1,29%	9,43%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM