



IDGC OF CENTRE

DAILY MARKET REVIEW

13 October, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 10 October some negative external background formed on the Russian market. On Thursday the main U.S. indices fell 2% on increasing fears of investors in relation to the fact that the implementation of the U.S. Fed's exit strategy could have some negative impact on the economy, given the increasingly apparent slowdown in economic growth in Germany and the Eurozone as a whole. In Germany on Thursday statistics recorded the maximum for more than 5 years fall in exports in August, while previously similar dynamics was showed by industrial production and orders of manufacturing enterprises. After the publication of these data the leading research institutes in Germany significantly worsened the forecast of GDP growth in 2014-2015, having reduced it by 0.6 and 0.8 percentage points respectively. In response to the concerns of investors, the Minister of Finance of Germany was forced to declare that "there is no recession in Germany, but there is a slowdown". Statements of the ECB did not add optimism to the markets saying that the Eurozone's economy is losing momentum to rise, and inflation is too low. On Friday after the American indices expressed negative dynamics was showed by all the main exchanges of the Asia-Pacific region – the composite MSCI Asia Pacific stock index lost about 1.5%. November Brent traded at \$88.6 per barrel – \$2.5 below our closing on 09 October. Brent prices fell to the lowest level since December 2010, under the pressure of growing investors' confidence in the fact that the supply of oil in the current environment begins to significantly outstrip demand. An additional negative factor for oil quotations was the information of Bloomberg, reporting that OPEC increased oil production in September with the fastest pace in three years.

Investors' concerns about the Eurozone's economy triggered heavy selling on the Russian and European markets on Friday – on the daily lows indices dropped more than 1.5%. Morgan Stanley's upgrading Russian shares from "underweight" to "neutral" due to the fact that, according to analysts, geopolitical risk had become more balanced, could not provide substantial support to our market. In the afternoon the MICEX Index still managed to move away from the day's lows on a recovery in American futures and neutral dynamics of U.S. stocks in early trading.

The MicexPWR Sector Index closed Friday's trading at the market level. Almost 6% fall of shares of E.ON Russia and more than 3% increase in the stocks of RusHydro stood out of the overall dynamics of the "heavy" MicexPWR index shares. On Western exchanges the European DJStoxx Index lost 1.55%, and the U.S. S&P Index fell 1.15%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" figured out how to compensate for lost revenue

"Russian Grids" figured out how to get 792 billion rubles for three years, including to offset revenue, lost due to freezing of tariffs and benefits to customers.

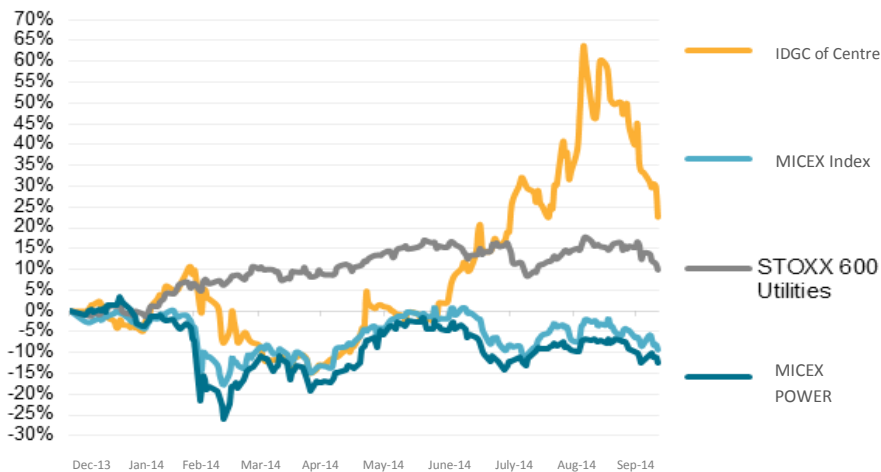
To read full text: <http://1prime.ru/companies/20141013/793773924.html>

COMPANY NEWS

IDGC of Centre is ready for winter operation

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89735

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 364,24	-1,45%	-9,30%
S&P 500	1 906,13	-1,15%	3,13%
FTSE 100	6 339,97	-1,43%	-6,06%
DAX	8 788,81	-2,40%	-7,99%
DJStoxx 600	321,62	-1,55%	-2,02%
STOXX Utilities	305,92	-1,30%	9,91%
Nikkei	15 300,55	-1,15%	-6,08%
Sensex	26 297,38	-1,28%	24,22%
CSI300	2 466,79	-0,61%	5,87%
Bovespa	55 311,59	-3,42%	7,39%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,26	-0,46%	-8,42%
USD/RUB	39,98	0,00%	22,15%
Euro/RUB	50,96	0,89%	13,32%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 223,16	-0,10%	1,79%
Brent*, USD/bbl	90,21	0,18%	-15,54%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2680
Capitalisation**, billion RUB	11,31
Capitalisation**, million USD	283,00

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-1,57%	-12,43%
Shares of IDGC of Centre**	-5,63%	22,60%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-1,72%	-33,98%
FGC UES	-0,89%	-39,32%
IDGC of Volga	-2,53%	1,62%
MOESK	0,00%	-33,42%
IDGC of Northern Caucasus	-0,33%	-2,85%
IDGC of Centre and Volga Reg	-1,14%	28,21%
IDGC of North-West	-3,86%	-12,35%
IDGC of Urals	1,07%	-10,77%
IDGC of Siberia	-6,94%	27,52%
IDGC of South	-1,39%	10,32%
Lenenergo	-2,82%	-3,45%

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