

REVIEW OF STOCK MARKETS

Before the opening of trading some very negative newsflow developed on the Russian market. The main source of this negativity was the escalation of political tensions in the Ukraine after the adoption by the Federation Council on March 1 of the ruling, in which the Russian President in response to his appeal was given consent for the use of the Russian armed forces on the territory of the Ukraine "till normalization of the political situation in this country". G7 countries in a joint statement condemned Russia's position on the Ukraine, noting that these actions are "contrary to the principles and values on which G7 and G8 function", and announced that they would suspend participation in the preparations for the summit in Sochi.

Aggravation of the situation in the Ukraine led to the collapse of the Russian market in the first hours of trading – the RTS Index lost more than 12%, having fallen to the levels of September 2009, the MICEX Index lost more than 11%, having fallen to last year's lows. Sale of securities was active in all areas – as noted by Interfax, investors dumped Russian shares, taking into account the risks of sanctions against Russia on the background of tough rhetoric from representatives of G7. Against this background, which Deputy Economic Development Minister Mr. A. Klepach described as "hysterical", the Russian ruble got under strong pressure, having lost to the dollar and euro with historic lows at the beginning of the day. The followed immediately after that decision by the Bank of Russia on the "temporary" increase in the key rate to 7% from 5.5% failed to provide significant support for the ruble. Western markets did not remain aloof from the Ukrainian factor either: decrease in the S&P500 index futures in the second half of the day exceeded one percent, drop in the major European indices averaged more than 2.5%. After an unsuccessful attempt to rebound the Russian indices in the second half of the trading session updated daily lows. At the end of the day selling pressure eased after the publication of good U.S. data on income and expenditures of the population in January.

Following the results of the day the MICEX Index lost 10.79% to close trading at 1,288.81 points. Dynamics of the MicexPWR Sector Index, having fallen to 5-year lows, looked much worse than the market – almost all the major index papers had sales. At this the most severely affected stocks were of electric grid companies – the Moscow stock exchange was forced to suspend trading in securities of FGC, Russian Grids and MOESK in the second half of the day in connection with more than a 20% drop to close Friday. On Western exchanges the European DJStoxx 600 Index dropped 2.27%, and the American S&P 500 Index lost 0.74%.

ELECTRIC POWER INDUSTRY NEWS

Russian Grids published statements under RAS for 2013 on BigpowerNews

To read full text: <http://www.bigpowernews.ru/news/document55061.phtml>

COMPANY NEWS

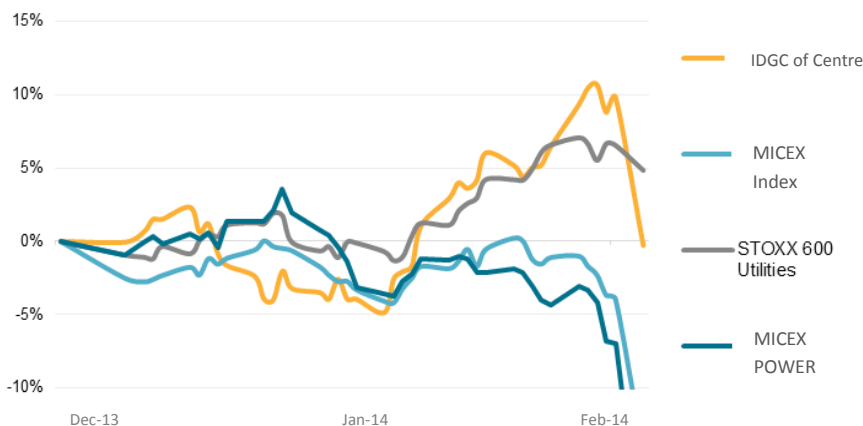
Bryanskenergo increases the volume of proceeds from sale of value-added services

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89151

Kurskenergo summed up the preliminary results of 2013

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89148

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.13
MICEX	1 288,81	-10,79%	-14,31%
S&P 500	1 845,73	-0,74%	-0,14%
FTSE 100	6 708,35	-1,49%	-0,60%
DAX	9 358,89	-3,44%	-2,02%
DJStoxx 600	330,36	-2,27%	0,64%
STOXX Utilities	291,79	-1,60%	4,84%
Nikkei	14 652,23	-1,27%	-10,06%
Sensex	20 946,65	-0,82%	-1,06%
CSI300	2 190,37	0,52%	-5,99%
Bovespa	47 094,40	0,00%	-8,57%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.13
Euro/USD	1,37	-0,48%	-0,38%
USD/RUB	36,18	0,37%	10,56%
Euro/RUB	49,58	0,48%	10,26%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.13
Gold, USD/oz	1 350,61	1,83%	12,40%
Brent*, USD/bbl	111,20	1,95%	0,84%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2180
Capitalisation**, billion RUB	9,20
Capitalisation**, million USD	254,35

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change from 31.12.13
MICEX-Power Index	-15,79%	-21,64%
Shares of IDGC of Centre**	-9,17%	-0,27%

Source: MICEX, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.13
JSC Russian Grids	-22,78%	-34,11%
FGC UES	-21,85%	-39,11%
IDGC of Volga	-7,91%	-18,22%
MOESK	-18,80%	-22,26%
IDGC of Northern Caucasus	-14,78%	-18,59%
IDGC of Centre and Volga Reg	-9,32%	-2,49%
IDGC of North-West	-16,60%	-26,61%
IDGC of Urals	-14,28%	-28,09%
IDGC of Siberia	-6,02%	-36,91%
IDGC of South	-14,53%	-20,32%
Lenenergo	-10,20%	-5,17%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

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Tickers

Moscow Exchange
Bloomberg
Reuters

MRKC
MRKC RX
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