



REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 10 July some moderately positive external background formed on the Russian market. On Friday the US indices DJIA and S&P500 closed with a rise of 0.4-0.6%, on Monday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added within half a percent. Support for markets was provided by strong data from the US labour market – in June the number of new jobs significantly exceeded forecasts, the growth rates of this indicator became the highest for the last four months, the value of the indicator for May was revised to a larger extent. September Brent futures traded near \$46.7 per barrel, \$0.2 higher than the closing level on Friday, 7 July. Media reports that Libya and Nigeria, exempt from production restrictions, were invited to a meeting of the OPEC+ committee to discuss the accession to quotas, helped stabilize quotes after a 4% decline last week. At the same time, the rise of the oil market was hampered by the data of Baker Hughes, which recorded the resumption of the growth in the number of oil drilling rigs in the US.

Most of the trading session, the MICEX Index and the European Stoxx Europe 600 Index were in a small plus within half a percent. In the stock markets, writes Bloomberg, moderate optimism prevails over the world economy after good statistics on the number of jobs in the US. Additional support for European exchanges was provided by strong data on the German economy – exports and imports in May grew significantly stronger than forecasts. At the same time, the results of the meeting between the leaders of the Russian Federation and the United States at the G-20 summit did not become a catalyst for the growth of the domestic market. According to analysts, despite the fact that both parties assessed the results of the talks as favourable and constructive, significant breakthroughs and changes in relations between the two powers have not yet occurred. In the second half of the day the MICEX Index rose above 0.7% due to the stabilization of Brent crude above \$47 per barrel and a slight increase in the US indices at the beginning of trading.

During the trading session the MicexPWR Sector Index looked significantly better than the broad market, mainly due to more than 8% rally in Rosseti's shares in the absence of significant news background for such changes. A significant contribution to the final rise in the sector indicator was also made by shares of FGC UES and RusHydro.

ELECTRIC POWER INDUSTRY NEWS

FAS wants to tighten the coordination of investment programs and control over their implementation in the electric power industry, says Mr. Artemyev

The Federal Antimonopoly Service (FAS) of Russia is developing a number of regulatory and legal acts that will lead to stricter coordination of investment programs for electric power companies and control over their implementation. The head of the department Igor Artyemyev told TASS in an interview.

Read full text: http://www.bigpowernews.ru/markets/document78197_phtml

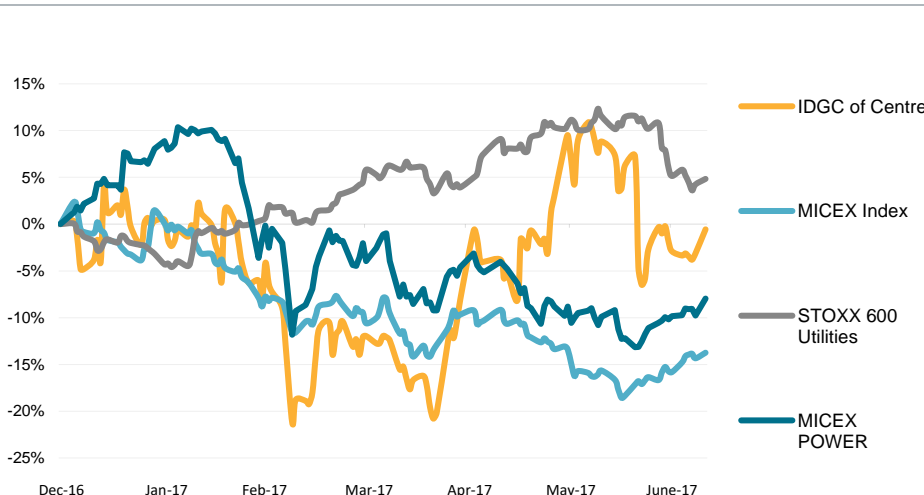
COMPANY NEWS

IDGC of Centre modernized the automated system of managerial document flow

IDGC of Centre has completed the implementation of the project to expand the functionality, upgrade and transfer of the automated managerial document flow system to a new version of the EMC Documentum platform (currently OpenText Documentum) version 7.2.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60596/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|-----------------|-----------|---------|-------------|
| | | per day | fr 31.12.16 |
| MICEX | 1 925,74 | 0,69% | -13,75% |
| S&P 500 | 2 427,43 | 0,09% | 8,42% |
| FTSE 100 | 7 370,03 | 0,26% | 3,18% |
| DAX | 12 445,92 | 0,46% | 8,40% |
| DJStoxx 600 | 381,64 | 0,38% | 5,59% |
| STOXX Utilities | 290,15 | 0,56% | 4,83% |
| Nikkei | 20 080,98 | 0,76% | 5,06% |
| Sensex | 31 715,64 | 1,13% | 19,11% |
| CSI300 | 3 653,69 | -0,06% | 10,38% |
| Bovespa | 63 025,47 | 1,13% | 4,65% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.16 |
| Euro/USD | 1,14 | -0,04% | 8,36% |
| USD/RUB | 60,38 | 0,23% | -0,46% |
| Euro/RUB | 68,95 | 0,83% | 8,05% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.16 |
| Gold, USD/oz | 1 214,36 | 0,16% | 5,83% |
| Brent*, USD/bbl | 46,88 | 0,36% | -20,33% |

* - September futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,4445 |
| Capitalisation**, billion RUB | 18,77 |
| Capitalisation**, million USD | 310,80 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change | |
|----------------------------|---------|-------------|
| | per day | fr 31.12.16 |
| MICEX-Power Index | 2,03% | -7,96% |
| Shares of IDGC of Centre** | 2,66% | -0,56% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|------------------------------|----------|-------------|
| | per day | fr 31.12.16 |
| Rosseti, ordinary shares | 8,37% | -23,94% |
| FGC UES | 2,22% | -11,76% |
| IDGC of Volga | 1,30% | 25,36% |
| MOESK | 1,34% | -7,57% |
| IDGC of Northern Caucasus | 0,91% | -24,49% |
| IDGC of Centre and Volga Reg | 1,51% | 31,55% |
| IDGC of North-West | 2,56% | -20,00% |
| IDGC of Urals | 0,68% | -10,64% |
| IDGC of Siberia | 1,64% | -18,76% |
| IDGC of South | 0,00% | -25,00% |
| Lenenergo, ordinary shares | 1,59% | -12,99% |
| TRK, ordinary shares | -0,28% | -24,37% |
| Kubanenergo | 0,26% | -10,00% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
MRKC:RM
MRKC:MM