

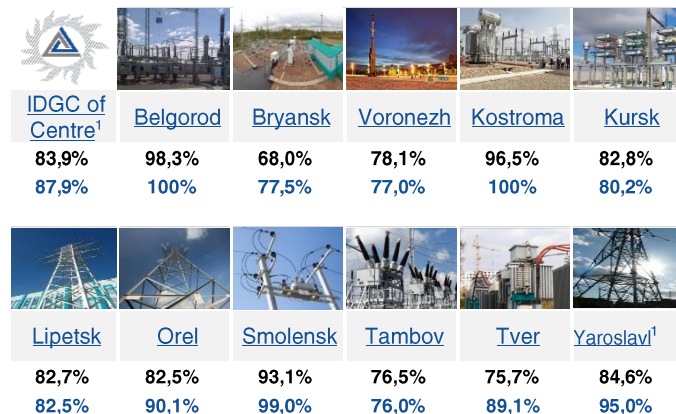


## IDGC of Centre is one of the leaders among power distribution utilities in Russia

The core business of IDGC of Centre is electric energy transmission, grid connection and energy services. The Company's share at the electric energy transmission market is 83,9% and about 88% at the grid connection one in 11 regions of Central Federal District of the Russian Federation with the population over 13 million people. IDGC of Centre is the second largest company out of eleven interregional distribution grid companies by the revenue and net profit.

Following the results of 2014 the company's revenue under RAS is 86,7 bln RUB. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 15,6 bln RUB, which is 35,7% higher than the same period last year. Net profit increased significantly from 0,3 bln RUB to 3,3 bln RUB. The company's total assets increased by 6,1% to 111,4 bln RUB as of December 31, 2014. The company's net assets amounted to 56,2 bln RUB.

## Share of IDGC of Centre in electric energy transmission and grid connection for 2014



Legend:

83,9%

Electric energy transmission market share

87,9%

Grid connection market share

<sup>1</sup> taking into account Yargorelectroset

## Shares

<a href="#">Tickers</a>	MOEX: MRKC Bloomberg: MRKC RX Reuters: MRKC.MM
<a href="#">Indices</a>	MICEX PWR, MICEX SC
<a href="#">Listing</a>	First Level at MOEX
<a href="#">Quantity of shares</a>	42 217 941 468 pc
<a href="#">Share price</a> (30.12.2014)	0,2525 RUB
<a href="#">Max/min</a> (01.10.14-30.12.14)	0,3070 RUB / 0,1850 RUB
<a href="#">MCap<sup>2</sup></a> (30.12.2014)	10,66 bln RUB
<a href="#">MCap<sup>2</sup></a> (30.12.2014)	188 million USD

<sup>2</sup> at the price of last transaction at MOEX

## Financial performance under RAS for 2014

Data in billion RUB, unless specified otherwise

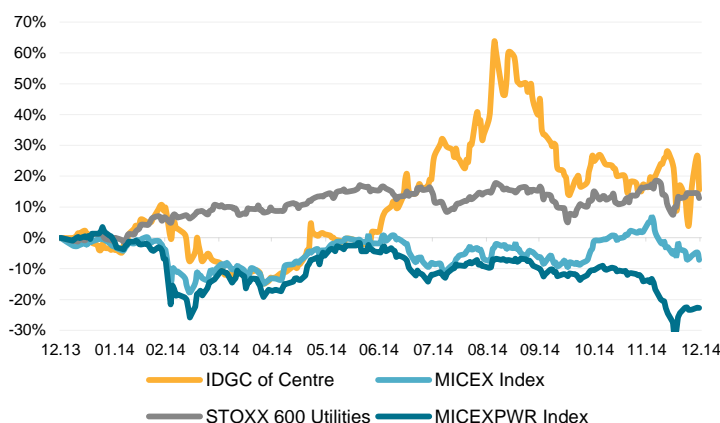
Indicators	12M 2013	12M 2014	Change, %
<b>Revenue (total), including:</b>	<b>92,9</b>	<b>86,7</b>	<b>- 6,7%</b>
Revenue from electricity transmission	61,4	69,2	12,7%
Revenue from grid connection	0,9	1,5	66,7%
Revenue from resale of electric energy and power	29,8	15,1	- 49,3%
Other revenue	0,9	1,0	11,1%
<b>Cost of sales</b>	<b>78,1</b>	<b>73,9</b>	<b>- 5,4%</b>
<b>Sales profit<sup>1</sup></b>	<b>11,5</b>	<b>10,0</b>	<b>- 13,0%</b>
<b>Sales profit margin, %</b>	<b>12,4%</b>	<b>11,5%</b>	<b>- 0,9 p.p.</b>
<b>EBITDA<sup>2</sup></b>	<b>11,5</b>	<b>15,6</b>	<b>35,7%</b>
<b>EBITDA margin, %</b>	<b>12,4%</b>	<b>18,0%</b>	<b>5,6 p.p.</b>
<b>Net profit</b>	<b>0,3</b>	<b>3,3</b>	<b>1000,0%</b>
<b>Net profit margin, %</b>	<b>0,3%</b>	<b>3,8%</b>	<b>3,5 p.p.</b>
<b>Amount of electric energy transmitted<sup>3</sup>, billion kWh</b>	<b>55,2</b>	<b>54,4</b>	<b>- 1,4%</b>
<b>Electric energy losses, %</b>	<b>9,16%</b>	<b>9,17%</b>	<b>0,01 p.p.</b>
<b>Electric energy losses, % (in comparable conditions)</b>	<b>9,26%</b>	<b>9,17%</b>	<b>- 0,09 p.p.</b>

<sup>(1)</sup> Revenue net of costs, selling and administrative expenses

<sup>(2)</sup> EBITDA is calculated as follows: net profit + profit tax and other similar mandatory payments + interest payable - interest receivable + depreciation charges

<sup>(3)</sup> Joint operation productive supply without taking into account losses of TGCs

## Changes in Stocks and Indices for 2014



## Investment highlights of IDGC of Centre



- Operation in 11 regions of Central Russia with stable outlook for economic growth
- Leader in innovations implementation in the sector
- Stable financial position
- Approved dividend policy and positive dividend history
- Corporate governance rating **NCGR 7+**
- Free-float 25%\*
- Development of value-added energy services
- High level of information transparency

\* According to the Index Committee of the Moscow Exchange

## IDGC of Centre exceeded the plan on a number of key performance indicators in 2014

Following the results of 2014 the volume of productive electric energy supply from the grid (within the joint operation) was 57.0 billion kWh, which is 0.4 billion kWh above parameters of the annual plan. Electric energy losses were also reduced, the level amounted to 9.17% at the end of the year, which is 0.10% or 74.8 million kWh lower than in 2013 in comparable conditions (removal of "last mile" facilities). The savings in monetary terms amounted to more than 130 mln RUB.

For 2014 52,027 grid connection contracts were concluded, 50,306 contracts were executed, total connected capacity for the performance contracts amounted to over 1 117 MW – 9.66% more than the year before.

During the reporting period the company received 117,557 applications for value-added services provided by the power company to customers for a fee – it is 11% more than in 2013 (106,080 applications). Number of executed contracts increased in 2014 by 8.5% to 92,934. The high demand for value-added services enabled the company to get in 2014 929 mln RUB of additional non-tariff funds, which exceeded targets by 10%.

## Key events in Quarter 4, 2014

Date	Event
29 October	IDGC of Centre published financial statements for 9 months of 2014 (RAS)
13 November	Annual Report of IDGC of Centre for 2013 is recognized as the best in terms of disclosure of corporate governance practices
20 November	Management of IDGC of Centre at the conference "Utilities Day" of FC BCS held a series of meetings with representatives of the investment community
12 December	IDGC of Centre held a meeting of the Board of Directors that approved the Company's Business Plan for 2015, including the Investment Program
15 December	NRA confirmed the credit rating of IDGC of Centre at "AA" on the national scale
22 December	IDGC of Centre is in the group of leaders in terms of corporate transparency quality
29 December	Results of work on interaction with shareholders and investors in 2014

## IR Calendar for Quarters 1-2, 2015

Date	Event
March	Financial result for 2014 (RAS)
March	Meetings with representatives of investment funds and banks in the framework of the IC ATON Utilities Day
April	Financial result for 2014 (IFRS)
April	Analyst's Day, devoted to publication of IFRS statements for 2014
April	Financial result for 1Q 2015 (RAS)
May-June	Meetings with minority shareholders before AGM
June	AGM following the results of 2014

## Key resolutions of Board of Directors

Date	Resolution
29 November	On approval of the Company's internal document: Staffing and Social Policy IDGC of Centre
11 December	On approval of the Business Plan of the Company, including the Investment program, for 2015 and predicted indicators for 2016-2019
17 December	On approval of the Program of insurance coverage of IDGC of Centre for 2015
18 December	On approval of the Program of energy conservation and energy efficiency of IDGC of Centre for 2015 – 2019. «On approval of the Procurement Plan of IDGC of Centre for 2015»

## IR Division work results in 2014

According to the Perception Study conducted at the end of 2014 the activity of IR Division of IDGC of Centre was positively estimated at 9.02 points out of 10 possible, which is higher than the previous year (8.45 out of 10).

As a year earlier interviewed representatives of buy-side and sell-side emphasized as key strengths of IDGC of Centre in terms of investment attractiveness as follows: information transparency, a high level of corporate governance and management competence.




Marked as the wishes of the perception study participants to diversify the composition of shareholders and the preservation of the current level of quality of work with shareholders and investors are fully consistent with the company's plans for 2015.

## Ratings

Agency	Scale	Rating	Outlook
S&P	international, long-term	BB-	Stable
S&P	international, short-term	B	-
S&P	national (Russia)	ruAA-	-
National Rating Agency	national (Russia)	AA	-

## IDGC of Centre, JSC

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