

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market on August 16. On Thursday, the major U.S. indices fell by 1.4-1.7% – strong labour market statistics provoked rising fears of acceleration of the reduction by the U.S. Federal Reserve of the asset purchase program, which was also reflected in the growth of U.S. government bond yield to its highest level in two years. Asia-Pacific stock indices lost an average of about half a percent, U.S. index futures even after yesterday's sharp decline were in negative territory. October Brent was trading around the level of \$109.5 per barrel - at the level of our closing on Thursday.

The Russian market, which showed on Thursday the most significant decline among the world's major exchanges, at the beginning of the day made an attempt to play back some of the losses. However, the negative opening of trading in Europe was the reason for the resumption of sales in our market. As a result, most of the day, the Russian and European indices had lateral dynamics with slightly below zero – within half a percent. In the afternoon the activity of sellers in our market got increased again, the fall of the MICEX index exceeded one percent, despite the neutral reaction of European investors to the controversial statistics from the U.S.: data on the number of new buildings and building permits in July were at the expected level, reports on labour productivity and labour costs in the II quarter were better than expected, and data on consumer confidence in August were worse than expected. At the end of the trading session, the MICEX Index still managed to move away from the day's lows after a moderately positive start trading in the U.S.

According to the trading results the MICEX Index lost 0.79% to close trading at 1,380.31 points and the RTS Index fell by 0.31% to close at 1,323.42 points. The MicexPWR Sector Index decreased by 0.65%, reaching 1,203.39 points. On Western exchanges the European DJStoxx 600 Index inched up 0.33%, while the U.S. S&P 500 Index closed the session with a loss of 0.33%.

ELECTRIC POWER INDUSTRY NEWS

Power companies are waiting for cheap offers

Ministry of Energy has completed the acceptance of applications for the first round of tendering competition for the status of a supplier of last resort (the main retailer of a region) in 11 regions. Applicants are asked to pay 100% of the debt of former power retailers (they account for 29.24 billion rubles). But, according to "Kommersant daily", there were no volunteers to acquire retailers on these conditions. In the next round the offer will get cheaper: only 80% debt will be put up for auction.

To read full text: <http://www.kommersant.ru/doc/2258709>

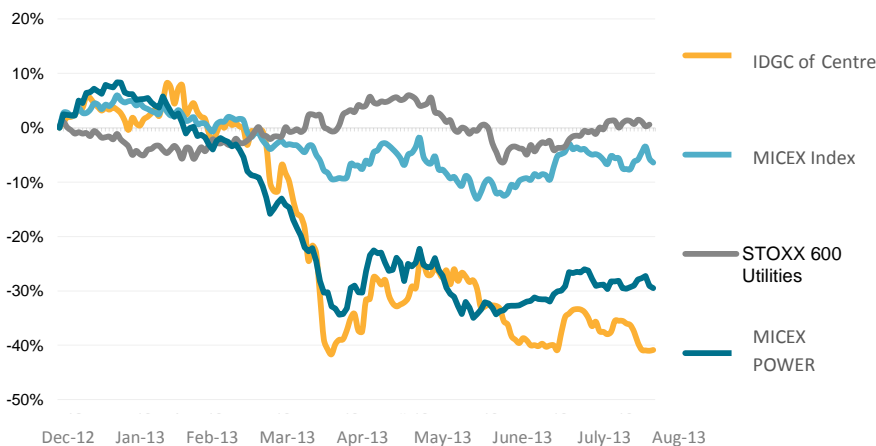
COMPANY NEWS

IDGC of Centre is stepping up the pace of preparations for the winter

IDGC of Centre is actively implementing its program of activities to prepare for the winter peak loads. At the moment it is being executed in strict accordance with the plan. Compared to last year the preparation in 2013 is characterized by a high rate and tight deadlines.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=88718

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 380,31	-0,79%	-6,40%
S&P 500	1 655,83	-0,33%	16,10%
FTSE 100	6 499,99	0,26%	10,21%
DAX	8 391,94	0,19%	10,24%
DJStoxx 600	306,36	0,33%	9,54%
STOXX Utilities	260,50	0,30%	0,59%
Nikkei	13 650,11	-0,75%	31,31%
Sensex	18 598,18	-3,97%	-4,26%
CSI300	2 304,14	-0,75%	-8,67%
Bovespa	51 538,78	1,24%	-15,44%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,33	0,52%	1,00%
USD/RUB	33,00	-0,48%	8,65%
Euro/RUB	43,85	-0,30%	9,00%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 376,57	0,76%	-17,83%
Brent*, USD/bbl	110,40	0,73%	-0,64%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3548
Capitalisation**, billion RUB	14,98
Capitalisation**, million USD	453,90

Source: Central Bank of Russia, Company calculations

** - at the price of last transaction at MICEX

Russian indexes	Change for the day from 31.12.12	
MICEX-Power Index	-0,65%	-29,52%
Shares of IDGC of Centre**	0,25%	-40,87%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	0,35%	-42,05%
FGC UES	-0,25%	-44,31%
IDGC of Volga	-1,26%	-30,84%
MOESK	-0,35%	-19,03%
IDGC of Northern Caucasus	0,15%	-26,57%
IDGC of Centre and Volga Reg	0,49%	-29,95%
IDGC of North-West	2,34%	-25,67%
IDGC of Urals	1,01%	-30,23%
IDGC of Siberia	1,18%	-5,68%
IDGC of South	0,27%	-22,73%
Lenenergo	-2,64%	-27,43%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM