

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market. On Friday the U.S. indices DJIA and S&P500 added 0.2%, while the DJIA updated its historical maximum. Major APR stock indices traded without any single dynamics: the Japanese Nikkei and Australian ASX200 decreased within half a percent, while the Chinese CSI300 added about 2%. Market sentiment in the Asian session was mainly formed by news from China. On the one hand, investors are not inspired by the statement of China that China must adapt to the new rate of economic growth. On the other hand, the Chinese market was supported by statistics on inflation, which in April slowed to a minimum of 18 months – according to analysts, low inflation pressure will allow the Central Bank of China, if necessary, to soften its policy to support the economy.

The MICEX Index spent the trading session on Monday with the lateral dynamics near zero. Investors' caution remains due to the complex situation in Ukraine, where on May 11 in the Donetsk and Lugansk regions referendums were held at which more than 90% of voters were for independence of the regions. However, the Russian market was supported by the neutral reaction of the Russian Federation to the outcome of the referenda. "Moscow with respect refers to the will of the population of the Donetsk and Lugansk regions and is based on the fact that the practical implementation of the results of the referendums will take place in a civilized way," said the press service of the President of the Russian Federation. As stated by the chairman of the OSCE, President of Switzerland, the Russian reaction "shows respect to the referendums and not their recognition," adding that "judging by what we see, Moscow is open for dialogue." According to experts, this reduces the likelihood of a significant tightening of Western sanctions and limits their current potential only with the extension of the sanctions lists. At the end of the day the pressure on our market was put by the media information that authorities of Donetsk National Republic declared sovereignty and appealed to Russia with a request for the inclusion into Russia.

Dynamics of the MicexPWR Sector Index looked better than the market. The main contribution to MicexPWR growth, about 75%, was made by shares of Inter RAO, E.ON Russia and FGC UES. Support for the shares of E.ON Russia, in particular, was given by the information that the Board of Directors recommended to pay record dividends for 2013 – 24 billion rubles, which corresponds to almost a 15% current dividend yield. On Western exchanges the European DJStoxx 600 Index rose 0.41%, and the American S&P 500 Index rose 1.12%.

ELECTRIC POWER INDUSTRY NEWS

Mr. Putin approved the proposed by the Ministry of Energy heat market model

To read full text: <http://www.bigpowernews.ru/news/document56356.phtml>

COMPANY NEWS

In 2014 "Orelenergo" plans to supply over 2,145 million kW/h to consumers

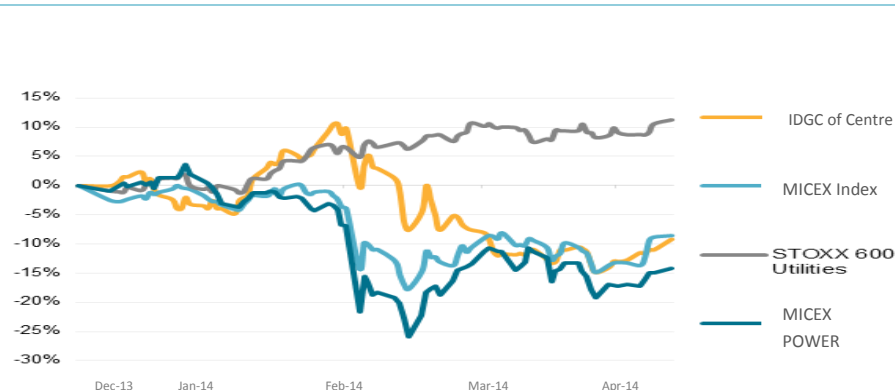
IDGC of Centre - Orelenergo division summarized the work to reduce electric energy losses. In the first three months of the year the productive supply of electric energy amounted to 583 million kW/h.

To read full text: <http://www.energyland.info/news-show-tek-electro-121298>

Belgorodenergo to commission another 110 kV substation

To read full text: <http://www.bigpowernews.ru/press/document56282.phtml>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change fr 31.12.13
MICEX	1 375,31	0,28%	-8,56%
S&P 500	1 896,65	1,12%	2,61%
FTSE 100	6 851,75	0,18%	1,52%
DAX	9 702,46	0,99%	1,57%
DJStoxx 600	340,96	0,41%	3,87%
STOXX Utilities	309,67	0,63%	11,26%
Nikkei	14 149,52	-0,10%	-13,15%
Sensex	23 551,00	5,40%	11,24%
CSI300	2 180,05	2,09%	-6,44%
Bovespa	54 052,90	1,18%	4,94%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	Change fr 31.12.13
Euro/USD	1,38	-0,75%	-0,23%
USD/RUB	35,03	-1,30%	7,04%
Euro/RUB	48,76	-1,31%	8,44%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change fr 31.12.13
Gold, USD/oz	1 295,80	0,49%	7,84%
Brent*, USD/bbl	108,41	0,34%	-1,00%

* - June futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1985
Capitalisation**, billion RUB	8,38
Capitalisation**, million USD	239,20

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change from 31.12.13
MICEX-Power Index	0,86%	-14,21%
Shares of IDGC of Centre**	2,06%	-9,19%

Source: MICEX, Company calculations

Grid companies	Change** for the day	Change** fr 31.12.13
JSC Russian Grids	0,94%	-44,53%
FGC UES	1,56%	-34,16%
IDGC of Volga	0,95%	-25,37%
MOESK	-1,69%	-17,22%
IDGC of Northern Caucasus	-1,41%	-4,66%
IDGC of Centre and Volga Reg	5,27%	21,70%
IDGC of North-West	4,26%	-7,74%
IDGC of Urals	-1,22%	-32,49%
IDGC of Siberia	0,00%	-37,59%
IDGC of South	3,97%	-25,20%
Lenenergo	2,12%	14,44%

Source: MICEX, Company calculations

** - at the price of last transaction at MICEX

IDGC of Centre

127018, Russia, Moscow,

2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

Tickers

Moscow Exchange

Bloomberg

Reuters

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