



## REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 16 May some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.4-0.5%, on Tuesday the main country indices of the Asia-Pacific region showed similar changes. The main driver of the rise of stock markets was the increase in oil prices. July Brent futures traded near the mark of \$52.1 per barrel, at the closing level on 15 May. Oil quotes got above \$50 after the statements of Saudi Arabia and Russia about the readiness to extend the agreement on limiting production until the end of March 2018. According to Bloomberg analysts, this will reduce oil reserves in OECD countries to a level of 10 million barrels lower than the average for the past five years. Now the reserves are about 3 billion barrels, which is 307 million barrels more than the key mark.

Most of the trading session the MICEX Index was in a small minus within half a percent against the background of close to zero changes of the European Stoxx Europe 600 Index and consolidation of Brent quotes below \$52 per barrel. The statistics published during the day were ambiguous and had no significant effect on the changes of trading. In Germany, the index of confidence in the country's economy in May was worse than expected, in the US in April, unexpectedly for analysts, the number of new buildings decreased, while April's growth in industrial production exceeded forecasts by more than half. The main contribution to the final decline in the MICEX Index was made by preferred shares of Transneft, which lost 5% after the weight of these securities in the MSCI Russia index was reduced within the semi-annual rebalancing.

During the trading session the MicexPWR Sector Index looked worse than the broad market. The main contribution to the final decline in the sector indicator was made by shares of FGC UES, which are still pressured by the uncertainty on dividends for 2016. From the general trends of the companies of the power grid sector, the 7% growth of IDGC of Centre's shares is different, which are supported by the information that the Board of Directors of the company recommended allocating 1.87 billion rubles for dividends for 2016. (39% of IFRS net profit). The current dividend yield for IDGC of Centre's shares is impressive at 10% for the Russian market.

## ELECTRIC POWER INDUSTRY NEWS

**The volume of investments in the fuel and energy complex of the Russian Federation in 2016 increased by 19%, to 3.7 trillion rubles - says Mr. Novak**

The volume of investments in the fuel and energy complex of the Russian Federation in 2016 amounted to 3.7 trillion rubles, said the head of the Ministry of Energy Alexander Novak.

Read full text: <http://www.bigpowernews.ru/news/document77126.phtml>

## COMPANY NEWS

**OFAS Russia in the Voronezh region recognized incomplete work of the tender commission for evaluating applications for participation in the tender for the purchase of property of Municipal Unitary Enterprise "Voronezh Gorelektroset"**

Specialists of OFAS Russia in the Voronezh region reviewed the complaint of IDGC of Centre and recognized incomplete work of the tender commission for evaluating applications for participation in the tender for the purchase of property of Municipal Unitary Enterprise "Voronezh Gorelektroset". Consequently, the results of the tender were cancelled, the applications of participants are subject to a new assessment.

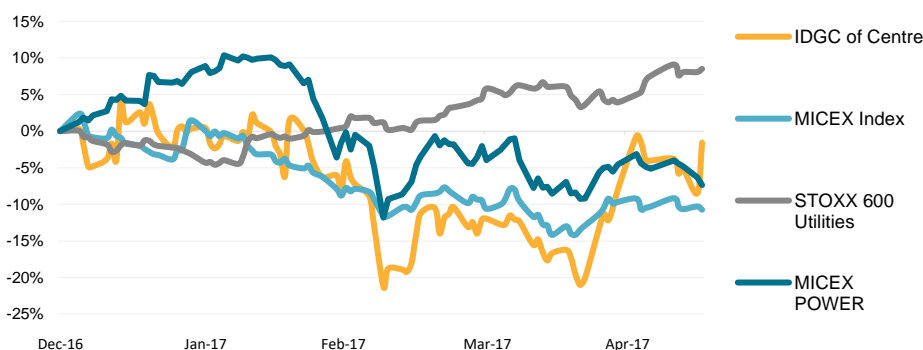
Read full text: <https://www.mrsk-1.ru/press-center/news/company/60096/>

**IDGC of Centre continues work on grid connection of high-speed highway M-11 facilities**

About 13 kilometres of 10 kV overhead lines will be constructed by specialists of IDGC of Centre - Tverenergo division in 2017 to meet the needs of the M-11 Moscow-St. Petersburg high-speed road.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/60094/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 992,94	-0,51%	-10,74%
S&P 500	2 400,67	-0,07%	7,23%
FTSE 100	7 522,03	0,91%	5,31%
DAX	12 804,53	-0,02%	11,53%
DJStoxx 600	395,91	-0,02%	9,54%
STOXX Utilities	300,32	0,40%	8,51%
Nikkei	19 919,82	0,25%	4,21%
Sensex	30 582,60	0,86%	14,86%
CSI300	3 428,65	0,87%	3,58%
Bovespa	68 684,50	0,31%	14,04%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,11	0,93%	5,32%
USD/RUB	56,53	-1,12%	-6,81%
Euro/RUB	61,84	-0,40%	-3,08%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 237,24	0,52%	7,82%
Brent*, USD/bbl	51,65	-0,33%	-12,01%

\* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4400
Capitalisation**, billion RUB	18,58
Capitalisation**, million USD	328,63

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,11%	-7,38%
Shares of IDGC of Centre**	7,58%	-1,57%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-0,03%	-22,73%
FGC UES	-3,26%	-9,50%
IDGC of Volga	-3,88%	10,71%
MOESK	-0,10%	8,57%
IDGC of Northern Caucasus	-1,20%	-25,62%
IDGC of Centre and Volga Reg	-1,57%	6,22%
IDGC of North-West	0,93%	-21,27%
IDGC of Urals	-1,83%	-18,54%
IDGC of Siberia	-0,96%	-14,10%
IDGC of South	-0,57%	-33,78%
Lenenergo, ordinary shares	-2,75%	-9,90%
TRK, ordinary shares	-1,22%	-14,92%
Kubanenergo	-0,12%	-6,78%

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