



IDGC OF CENTRE

DAILY MARKET REVIEW

22 September, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 19 September some moderately positive external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 closed with growth of 0.5-0.6% with the next update of the DJIA index record. Major indices of the Asia-Pacific region added an average of about half a percent, futures on the S&P500 rose 0.3%. Markets are still supported by the soft rhetoric of the Federal Reserve, which kept in the text of the statement on the results of the last meeting the wording on the retention of base interest rates at a low level for a significant time after the end of the QE-3 program, and the decision of the Central Bank of China to cut the cost of short-term loans for banks. November Brent traded at \$97.7 per barrel – \$0.5 below our closing on 18 September. Oil prices are still under pressure of rising oil inventories in the United States.

Most of the trading session the Russian market was dominated by sellers, in the middle of the day the falling of the MICEX Index was greater than 1.5%. In addition to the persistent negative background, associated with the situation in the AFK "Sistema", an additional reason for the sale was the media information about some possible tightening of sanctions by the United States and the EU towards Russia. In particular, the European Parliament in the adopted on Thursday resolution also urged the EU governments to "examine the question about how to disable the RF system of SWIFT international payments". However, the Minister of Economic Development believes that the EU will not accept this decision, because it is "madness" and "military action". It should be noted that the former Finance Minister Alexey Kudrin said earlier this week that only Russia's SWIFT system being off can cause up to 5% drop in GDP for a year since the introduction of this restriction. Sentiment in Europe was rather positive – the composite index of the region Stoxx Europe 600 peaked in 6.5 years. Support to the European markets, in addition to the knowledge that the stimulus policies of leading world Central Banks would not be suspended, was given by the results of the referendum in Scotland – more than 55% of the inhabitants of this region were against separation from Great Britain. In the last half hour of trading on the Russian market the volatility rose sharply on the controversial news about Head of AFK "Sistema" Mr. Evtushenkov – the MICEX Index went into positive territory on information about his release from house arrest, but soon returned to one percent minus after the statement made by the Investigative Committee that the measure of restraint for Head of Sistema was unchanged.

Most of the day the MicexPWR Sector Index, which followed the dynamics of the MICEX Index, was able to close the trading session with a growth of 0.8% mainly due to a sharp rise in shares of Russian Grids and E.ON Russia in the last hour of trading in the absence of any significant news. On Western exchanges the European DJStoxx added 0.21% %, and the U.S. S&P Index closed near zero.

ELECTRIC POWER INDUSTRY NEWS

Oleg Budargin participated in a roundtable discussion at a forum in Sochi

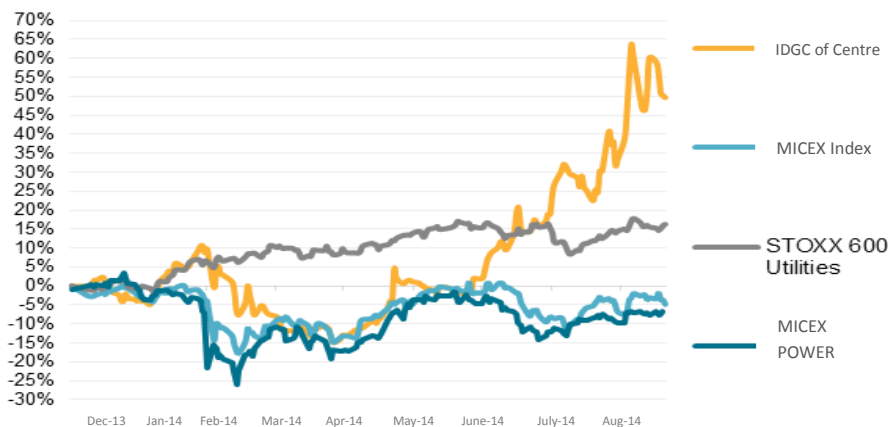
To read full text: <http://www.bigpowernews.ru/news/document58691.phtml>

COMPANY NEWS

The Kostroma power system is ready for the autumn-winter operation period of 2014/2015

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89670

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 431,58	-1,18%	-4,82%
S&P 500	2 010,40	-0,05%	8,77%
FTSE 100	6 837,92	0,27%	1,32%
DAX	9 799,26	0,01%	2,59%
DJStoxx 600	348,52	0,21%	6,17%
STOXX Utilities	323,64	0,29%	16,28%
Nikkei	16 321,17	1,58%	0,18%
Sensex	27 090,42	-0,08%	27,96%
CSI300	2 425,21	0,69%	4,09%
Bovespa	57 788,70	-1,00%	12,20%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,28	-0,73%	-6,96%
USD/RUB	38,42	0,13%	17,39%
Euro/RUB	49,46	-0,47%	9,98%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 215,70	-0,77%	1,17%
Brent*, USD/bbl	98,39	0,71%	-7,88%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3272
Capitalisation**, billion RUB	13,81
Capitalisation**, million USD	359,54

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,78%	-6,78%
Shares of IDGC of Centre**	-0,34%	49,68%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	5,47%	-28,06%
FGC UES	1,38%	-37,11%
IDGC of Volga	0,00%	12,16%
MOESK	0,56%	-27,43%
IDGC of Northern Caucasus	-2,13%	9,97%
IDGC of Centre and Volga Reg	1,95%	51,12%
IDGC of North-West	-2,15%	4,29%
IDGC of Urals	-0,36%	-5,17%
IDGC of Siberia	0,00%	24,82%
IDGC of South	-0,03%	18,09%
Lenenergo	0,00%	15,09%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

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MRKC

MRKC.RX

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