

DAILY MARKET REVIEW

2014

05 June, Thursday

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market. On Tuesday the major U.S. indices closed with a slight decrease in the range of 0.15%. Major Asia-Pacific indices were trading without any single dynamics, the composite MSCI Asia Pacific index and U.S. index futures lost about 0.1%. As reported by Bloomberg, investors opted to take a wait and see attitude before the publication of the outcome of the ECB meeting on Thursday and Friday's statistics on the U.S. labour market in May. July Brent traded near \$109 a barrel – half a dollar higher than our closing on Tuesday. Oil quotes were supported with data of the American Petroleum Institute, which reported a decline of oil reserves last week.

Most of the trading session Russian and European stock indices had lateral dynamics slightly negative under weak statistics pressure. Negative background for our market was data from HSBC, which recorded a decline of the business activity composite index of industrial sectors and services to a minimum of five years. In turn, foreign investors' pessimism was determined with published worse than expected May's data on business activity in the Eurozone and the ADP Research Institute data on employment in the United States, the highest in six years, a decrease in productivity in the first quarter in the U.S. and rising U.S. trade balance deficit in April to two years' maximum. At the end of the day investors' sentiment improved with statistics from the U.S. on business activity in the services sector in May – the ISM Non-Manufacturing Index rose to its highest level since August 2013.

By the end of the trading session the dynamics of the MicexPWR Sector Index underperformed the market mainly due to the decrease in shares of RusHydro and Inter RAO. On Western exchanges the European DJStoxx 600 Index did not change, and the U.S. S&P Index gained 0.19%.

ELECTRIC POWER INDUSTRY NEWS

The Government has adopted a number of tariff decisions on the wholesale electric energy and power market, including the abolition of price indexation for power for the Power Competitive Procedure-2015

The Russian Government has decided to maintain the price indexing for power on the basis of the competitive procedure in 2014 and to cancel the price indexing for power for the power competitive procedure of 2015.

To read full text: <http://www.bigpowernews.ru/markets/document56763.phtml>

Electricity consumption in Russia in May 2014 increased by 0.3%, while in January-May – fell by 1.2%

To read full text: <http://www.bigpowernews.ru/markets/document56760.phtml>

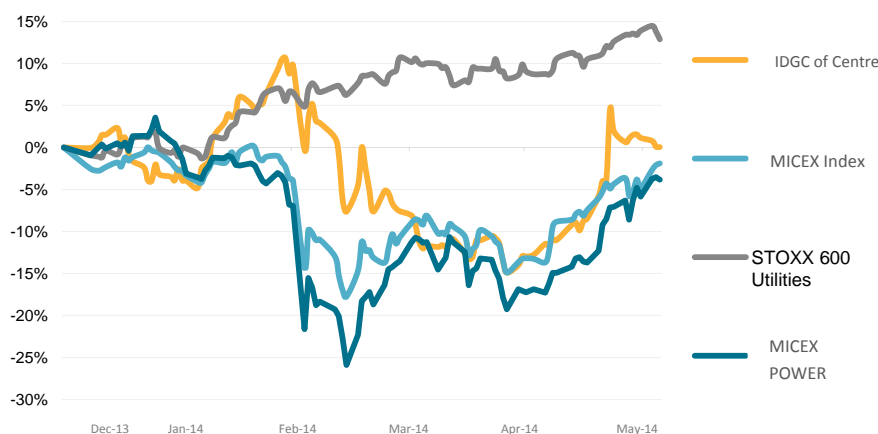
COMPANY NEWS

Orelenergo to connect the industrial park "Green Grove" to the grid

According to the electric grid connection agreement between "Directorate of industrial parks" and IDGC of Centre, Orelenergo shall provide electricity to "Industrial Park" 10 MW under reliability category 2 in Mtsensk in the first stage.

To read full text: <http://www.energyland.info/analtic-show-122408>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change for the day fr 31.12.13 | |
|-----------------|-----------|--------------------------------|--------|
| MICEX | 1 475,79 | 0,20% | -1,88% |
| S&P 500 | 1 927,88 | 0,19% | 4,30% |
| FTSE 100 | 6 818,63 | -0,26% | 1,03% |
| DAX | 9 926,67 | 0,07% | 3,92% |
| DJStoxx 600 | 343,56 | 0,02% | 4,66% |
| STOXX Utilities | 314,14 | -0,81% | 12,87% |
| Nikkei | 15 067,96 | 0,22% | -7,51% |
| Sensex | 24 805,83 | -0,21% | 17,17% |
| CSI300 | 2 128,27 | -1,01% | -8,66% |
| Bovespa | 51 832,98 | -0,38% | 0,63% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day fr 31.12.13 | |
|----------------|-------|--------------------------------|--------|
| Euro/USD | 1,36 | -0,18% | -1,31% |
| USD/RUB | 35,01 | 0,35% | 6,97% |
| Euro/RUB | 47,63 | 0,18% | 5,91% |

Source: Bloomberg, Company calculations

| Raw | Value | Change for the day fr 31.12.13 | |
|-----------------|----------|--------------------------------|--------|
| Gold, USD/oz | 1 243,94 | -0,08% | 3,52% |
| Brent*, USD/bbl | 108,40 | -0,39% | -0,57% |

* - July futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,2187 |
| Capitalisation**, billion RUB | 9,23 |
| Capitalisation**, million USD | 263,72 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change for the day fr 31.12.13 | |
|----------------------------|--------------------------------|--------|
| MICEX-Power Index | -0,28% | -3,82% |
| Shares of IDGC of Centre** | -0,05% | 0,05% |

Source: MOEX, Company calculations

| Grid companies | Change** for the day fr 31.12.13 | |
|------------------------------|----------------------------------|---------|
| JSC Russian Grids | -0,18% | -29,99% |
| FGC UES | -0,89% | -33,12% |
| IDGC of Volga | -1,55% | -13,56% |
| MOESK | -2,75% | -12,51% |
| IDGC of Northern Caucasus | 0,27% | 20,01% |
| IDGC of Centre and Volga Reg | 0,92% | 29,97% |
| IDGC of North-West | -0,03% | 2,11% |
| IDGC of Urals | 5,16% | -6,10% |
| IDGC of Siberia | 4,60% | -3,56% |
| IDGC of South | 2,22% | 0,09% |
| Lenenergo | 1,05% | 24,96% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, JSC

127018, 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

MRKC
MRKC.RX
MRKC.MM