

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market on August 22. On the eve the major U.S. indices were down 0.4-0.7%, while the DJIA index continued to decline the sixth day in a row, which is the longest period of continuous decline since last July. Published July's minutes of the U.S. Federal Reserve did not add understanding to investors in relation of the exit strategy. According to Bloomberg, the document reiterated the desire of the overwhelming majority of the Central American Bank heads to move to cut the quantitative easing program before the end of 2013, but still the minutes did not make it clear exactly when and how aggressively the Fed will begin to curtail the bond buying program. The composite Asia Pacific MSCI index lost about half a percent. Statistics from China kept the markets from a larger decline - according to preliminary HSBC data, industrial PMI in August once again exceeded the threshold of 50 points, up to a maximum of 4 months. October Brent was trading at \$109.5 per barrel - half a dollar lower than our closing on Wednesday.

After a half-point decline in early trading the MICEX index turned around after a significant improvement in sentiment in European markets after strong statistics on business activity in the Eurozone in August. According to preliminary data, PMI in the Eurozone and Germany confidently took above 50 points, the index values, exceeding analysts' expectations, have risen to levels of two years ago. After the publication of these reports, the growth rate of the Russian and European markets accounted for about one percent. At the end of the day the American statistics gave extra support to buyers: the average number of initial applications for unemployment benefits over the past four weeks fell to the lowest level since November 2007, data on the index of leading indicators in July were better than expected.

At closing, the MICEX Index gained 1.46% and the RTS Index rose by 1.26%. The MicexPWR Sector Index increased by 1.42%. On Western exchanges the European DJStoxx 600 Index rose by 0.98%, the American S&P 500 Index closed the session with a gain of 0.86%.

ELECTRIC POWER INDUSTRY NEWS

Grids and retailers are again arguing about the rules of the energy market

The fight against non-payment on the energy market has revealed another conflict between "Russian Grids" and electricity suppliers of last resort. The parties argue for amendments to legislation aimed at improving payment discipline, but it is not directly related to it.

To read full text: <http://www.kommersant.ru/doc/2261261>

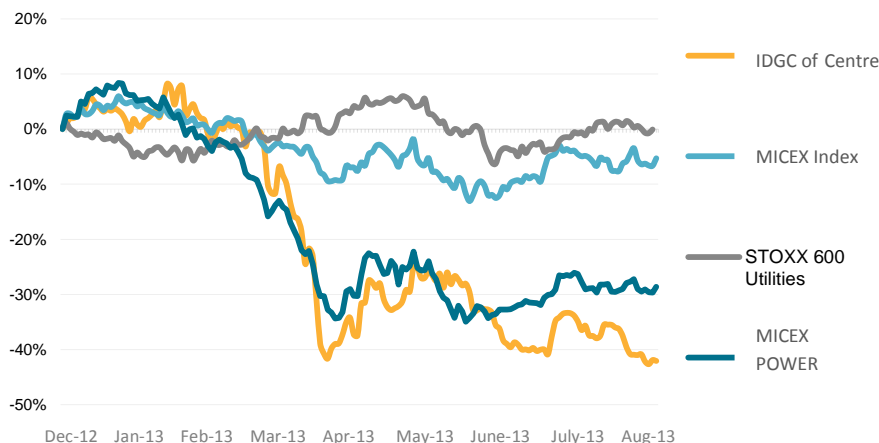
COMPANY NEWS

IDGC of Centre held a meeting of the Board of Directors, at which the adjusted Business plan and Investment program of the Company for 2013 were approved

According to the adjusted Business plan positive changes on the results of the Company for 2013 are expected on the following parameters: reduction of electrical energy losses by 0.10 percentage points, increase in revenue by 30.3%, including revenue from the provision of electrical energy transmission services in the grid by 10.1%. EBITDA and net income are expected to increase by 21.0% and 1.3%, respectively, relative to the actual performance similar to 2012.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=88741

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.12
MICEX	1 396,65	1,46%	-5,29%
S&P 500	1 656,96	0,86%	16,18%
FTSE 100	6 446,87	0,88%	9,31%
DAX	8 397,89	1,36%	10,32%
DJStoxx 600	303,55	0,98%	8,53%
STOXX Utilities	258,81	0,68%	-0,07%
Nikkei	13 365,17	-0,44%	28,57%
Sensex	18 312,94	2,27%	-5,73%
CSI300	2 303,93	-0,20%	-8,68%
Bovespa	51 397,66	1,97%	-15,68%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.12
Euro/USD	1,34	-0,12%	1,22%
USD/RUB	32,97	-0,08%	8,56%
Euro/RUB	44,21	0,42%	9,91%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.12
Gold, USD/oz	1 376,14	0,69%	-17,86%
Brent*, USD/bbl	109,90	0,08%	-1,09%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3475
Capitalisation**, billion RUB	14,67
Capitalisation**, million USD	444,92

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	1,42%	-28,64%
Shares of IDGC of Centre**	-0,29%	-42,08%

Source: MICEX, Company calculations

Grid companies	Change** for the day	fr 31.12.12
JSC Russian Grids	2,30%	-41,03%
FGC UES	2,71%	-42,05%
IDGC of Volga	-0,40%	-33,40%
MOESK	3,47%	-17,43%
IDGC of Northern Caucasus	1,72%	-28,68%
IDGC of Centre and Volga Reg	-1,42%	-28,34%
IDGC of North-West	-0,46%	-26,76%
IDGC of Urals	0,00%	-30,23%
IDGC of Siberia	-0,01%	-10,23%
IDGC of South	-0,63%	-23,71%
Lenenergo	0,79%	-26,08%

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