



IDGC OF CENTRE

DAILY MARKET REVIEW

18 June, Wednesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading some neutral external background formed on the Russian market. On Monday the U.S. indices DJIA and S&P500 closed with a slight increase in the range of 0.1%. Released better than expected statistics on industrial production in May and business activity in New York was offset by a declines in IMF forecast on the U.S. economic growth in 2014 from 2.8% to 2%, and the escalation of tension in Iraq. Major stock indices in the Asia-Pacific region showed no single trend, the composite MSCI Asia Pacific index was 0.2% down. U.S. index futures were slightly up. August Brent was trading at \$112.6 per barrel – at the level of our closing on Monday.

Slight rise in the MICEX Index in early trading after rising U.S. futures did not follow, and despite the positive opening of European markets, the initiative on the Russian market soon fully moved to sellers. Investors' concern still is mainly due to the situation in Ukraine, where in recent days tensions in the eastern regions got significantly increased, of what the West traditionally accused Russia. The U.S. once again started talking about sanctions – according to Assistant Secretary of State, now the U.S. and European allies are discussing the possibility of imposing additional sanctions against Russia, which may affect the energy and banking sectors, and defense sector. Against this background, the loss of the MICEX Index on daily lows reached 0.9%. While the European markets had a small plus for most of the trading session, having ignored the released worse than expected statistics on June's index of confidence in the German economy, statistics from the U.S. on new construction and consumer prices in May. At the end of the day the Russian market was able to play back some losses after a moderately positive start of the U.S. trading.

Dynamics of the MicexPWR Sector Index throughout the trading session looked better than the market mainly due to the continued growth of shares of E.ON Russia, which are now less than 10% of their historic highs, and RusHydro shares adjusting after sales on Monday. On Western exchanges the European DJStoxx 600 Index added 0.26%, and the U.S. S&P Index rose 0.22%.

ELECTRIC POWER INDUSTRY NEWS

Mr. Medvedev ordered authorities to limit utility tariffs with an inflation rate until 2019, providing for necessary limitations of rising prices for gas and electricity transmission

Russian Prime Minister Dmitry Medvedev instructed the appropriate agencies to ensure growth restriction of utility charges for Russians at a level not exceeding the rate of inflation.

To read full text: <http://www.bigpowernews.ru/markets/document56923.phtml>

Shortfall in income of "Russian Grids" in 2015-2017 can do to consumers in 60 billion rubles

To read full text:

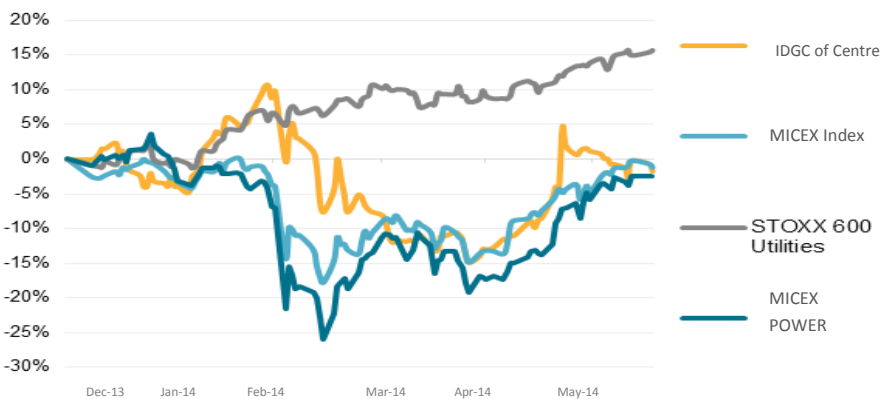
<http://www.vedomosti.ru/companies/news/27786331/tarif-zatyagivayut-v-seti>

COMPANY NEWS

Yarengo improves quality of electricity

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/?id_4=89411

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 486,38	-0,51%	-1,18%
S&P 500	1 941,99	0,22%	5,07%
FTSE 100	6 766,77	0,18%	0,26%
DAX	9 920,32	0,37%	3,85%
DJStoxx 600	346,42	0,26%	5,53%
STOXX Utilities	322,00	0,26%	15,69%
Nikkei	14 975,97	0,29%	-8,07%
Sensex	25 521,19	1,31%	20,55%
CSI300	2 169,67	-1,01%	-6,88%
Bovespa	54 299,95	-0,60%	5,42%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,35	-0,18%	-1,77%
USD/RUB	34,57	0,71%	5,61%
Euro/RUB	46,81	0,71%	4,09%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 270,58	-0,11%	5,74%
Brent*, USD/bbl	113,45	0,45%	4,59%

* - August futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2148
Capitalisation**, billion RUB	9,07
Capitalisation**, million USD	262,36

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	0,00%	-2,50%
Shares of IDGC of Centre**	-1,06%	-1,74%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	0,00%	-31,53%
FGC UES	-1,89%	-35,58%
IDGC of Volga	-1,88%	-15,19%
MOESK	-1,38%	-11,26%
IDGC of Northern Caucasus	-2,13%	12,95%
IDGC of Centre and Volga Reg	-1,17%	33,42%
IDGC of North-West	-2,17%	-1,44%
IDGC of Urals	-1,50%	-12,18%
IDGC of Siberia	0,74%	-2,84%
IDGC of South	-0,29%	7,83%
Lenenergo	-3,25%	20,73%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

Bloomberg

Reuters

MRKC

MRKC.RX

MRKC.MM