

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately negative external background formed on the Russian market on August 15. On the eve the major U.S. indices were down 0.4-0.7% on fears of imminent exit of the U.S. Federal Reserve from the asset purchase program. The statement of the head of the Federal Reserve Bank of St. Louis that the management of the American Central Bank should be very careful when changing the course of the policy on the basis of only the economic outlook, failed to reassure investors. The Composite MSCI Asia Pacific Index lost about half a percent, U.S. index futures were in negative territory. October Brent was trading at \$109.5 per barrel - a dollar higher than our closing on Wednesday. Oil prices were supported by a report of the U.S. Department of Energy on the ongoing reduction of oil reserves and a sharp increase in tensions in Egypt, which controls the Suez Canal and the Suez-Mediterranean pipeline - channels of delivery of oil to Europe and North America.

Throughout the day, the Russian and European markets were under pressure of fears of the U.S. Fed's accelerating exit from the QE-3 program. A slight decrease was transformed into active sales after the release of the U.S. data, which confirmed the validity of such concerns: the number of applications for unemployment benefits fell to the lowest level since October 2007, annual inflation in July accelerated to 2%. Against these data background the released slightly worse than expected reports on industrial production in the U.S. in July and business activity in New York and Philadelphia in August were ignored by the markets. After the start of trading in the U.S. with nearly a 1.5% in the red the drop of the Russian indices was 2.5%, the major European markets, on the average, lost about 1.5%. At the end of the day, the MICEX Index was able to move away from the day's lows after slowing rate of decline in the U.S. market.

At the end of the day, the MICEX Index lost 2.28% to close trading at 1,391.37 points and the RTS Index fell by 2.13% to close at 1,327.49 points. The MicexPWR Sector Index decreased by 2.48%, reaching 1,211.25 points. On Western exchanges the European DJStoxx 600 Index fell by 1.06%, while the U.S. S&P 500 Index closed the session with a loss of 1.43%.

ELECTRIC POWER INDUSTRY NEWS

Court extricated the Ministry of Energy from "Russian Grids"

State Holding "Russian Grids" was unable to block the holding of tendering competitions of the Ministry of Energy to replace suppliers of last resort in a number of regions. The court rejected the company to introduce interim measures to change the tender conditions for the recovery of almost 10 billion rubles from former suppliers of last resort.

To read full text: <http://www.kommersant.ru/doc/2256208>

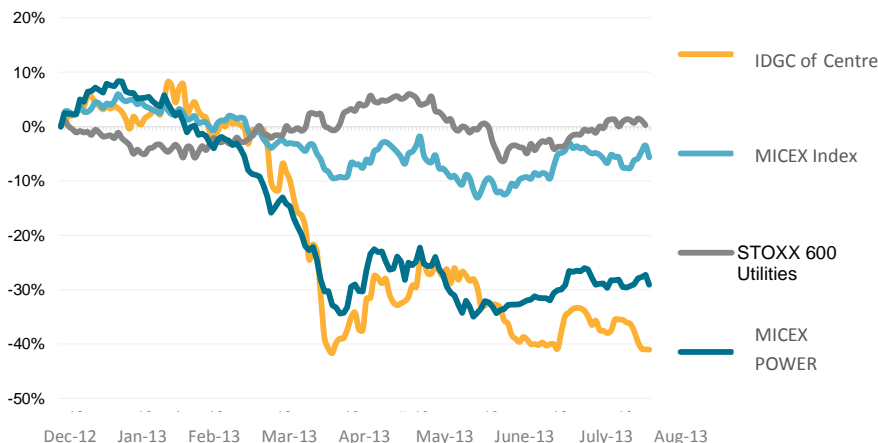
COMPANY NEWS

Preparation of Kurskenergo to operate through the autumn and winter period is going on schedule

The preparation plan of IDGC of Centre – Kurskenergo division for the autumn-winter operation period includes 89 events, all of which are being carried out as scheduled.

To read full text: <http://radio-kurs.ru/13774-podgotovka-kurskijenergo-k-prokhozheniju-ozp-idet.html>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.12
MICEX	1 391,37	-2,28%	-5,65%
S&P 500	1 661,32	-1,43%	16,49%
FTSE 100	6 483,34	-1,58%	9,93%
DAX	8 376,29	-0,73%	10,03%
DJStoxx 600	305,34	-1,06%	9,17%
STOXX Utilities	259,71	-0,84%	0,28%
Nikkei	13 752,94	-2,12%	32,30%
Sensex	19 367,59	0,00%	-0,30%
CSI300	2 321,58	-1,17%	-7,98%
Bovespa	50 908,34	0,02%	-16,48%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.12
Euro/USD	1,33	0,03%	0,48%
USD/RUB	33,16	0,35%	9,17%
Euro/RUB	43,98	0,04%	9,34%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.12
Gold, USD/oz	1 366,18	2,25%	-18,45%
Brent*, USD/bbl	109,60	0,72%	-1,36%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3539
Capitalisation**, billion RUB	14,94
Capitalisation**, million USD	450,59

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	-2,48%	-29,06%
Shares of IDGC of Centre**	-0,11%	-41,02%

Source: MICEX, Company calculations

Grid companies	Change** for the day	fr 31.12.12
JSC Russian Grids	-3,00%	-42,26%
FGC UES	-4,08%	-44,18%
IDGC of Volga	-3,64%	-29,96%
MOESK	-1,45%	-18,74%
IDGC of Northern Caucasus	-2,46%	-26,68%
IDGC of Centre and Volga Reg	-0,34%	-30,30%
IDGC of North-West	-0,61%	-27,37%
IDGC of Urals	-4,81%	-30,93%
IDGC of Siberia	-1,30%	-6,78%
IDGC of South	1,96%	-22,94%
Lenenergo	1,16%	-25,45%

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