



IDGC OF CENTRE

DAILY MARKET REVIEW

19 November, Wednesday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 18 November some moderately positive external background formed on the Russian market. On Monday the U.S. indices DJIA and S&P500 gained 0.1%, and the S&P500 updated its historical maximum. Negative Japanese statistics, which recorded a technical recession in the third world economy, and released worse than expected data on industrial production in the US in October were offset by news of a number of major corporate transactions. On Tuesday the major stock indices of the Asia-Pacific region traded mixed, more than 2% growth in the Japanese Nikkei differed in the overall dynamics on media reports that the Prime Minister decided to postpone the second phase to increase the consumption tax for 18 months, previously scheduled for October 2015 and instructed the government to begin drafting a new stimulus package. January Brent traded around \$79 per barrel – half a dollar above the level of our closing on 17 November.

The Russian market began the trading session lower under pressure to the media information about the possibility of new sanctions against the Russian Federation – on the morning lows the MICEX Index loss reached 0.8%. According to the newspaper Kommersant, citing its own sources, the issue of tightening the sectoral restrictions may enter into the agenda of the EU summit scheduled for December 18-19, in case of aggravation of the situation in the south-east of Ukraine, for example, attempts of militants to expand the controlled territory. However, already in the middle of the day the MICEX Index was able to play all the losses back and get out to more than half-point plus after growing Europe. European markets were supported, in addition to the news from Japan, with good statistics from Germany – the ZEW index of confidence in the economy rose in November for the first time in 11 months, and the indicator value rose to a maximum since July. It should be noted that, given the expansion of the spread between the S&P500 index and StoxxEurope600 to a maximum since July 2013, a number of analysts believe that pessimism about the Eurozone's economy is still excessive. In particular, JPMorgan recommends investors to shift from American to European equities, waiting outpacing revenue growth of European companies. At the end of the day the Russian market was supported with some positive start of trading in the U.S. – at the end of the trading session the MICEX index was able to update the annual maximum (on the daily close) despite the renewed decline in oil prices.

By the end of trading session the MicexPWR Sector Index looked worse than the market. The main contribution to the underperformance of the indicator was given by stocks of generating companies IES Holding and TGK-1. On Western exchanges the European DJStoxx Index rose by 0.61%, and the U.S. S&P Index gained 0.51%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" decreased the level of accidents in the electric grid by 10%

According to the data for 9 months of 2014 enterprises of the Group "Russian Grids" showed general decrease in the accident rate by 10% in comparison with the indicators for the same period of 2013. The lowest rate of accidents was recorded in IDGC of Volga, IDGC of Centre, "Tyumenenergo" and TRK.

To read full text:

http://www.ruscable.ru/news/2014/11/18/Rosseti_snizili_na_10_uroveny_avarijnosti_v_elektr/

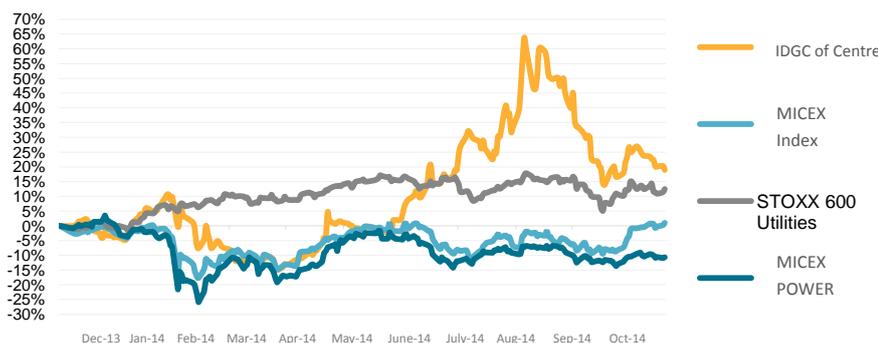
COMPANY NEWS

IDGC of Centre for nine months modernized and put into operation 4.404 MVA in the Bryansk region

To read full text:

<http://www.news.nashbryansk.ru/2014/11/17/bryanskenergo/mrsk-centra-za-devyat-86570/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change for the day | fr 31.12.13 |
|-----------------|-----------|--------------------|-------------|
| MICEX | 1 519,61 | 0,83% | 1,03% |
| S&P 500 | 2 051,80 | 0,51% | 11,01% |
| FTSE 100 | 6 709,13 | 0,56% | -0,59% |
| DAX | 9 456,53 | 1,61% | -1,00% |
| DJStoxx 600 | 339,30 | 0,61% | 3,36% |
| STOXX Utilities | 312,97 | 0,96% | 12,45% |
| Nikkei | 17 344,06 | 2,18% | 6,46% |
| Sensex | 28 163,29 | -0,05% | 33,03% |
| CSI300 | 2 541,42 | -1,00% | 9,07% |
| Bovespa | 52 061,86 | 1,57% | 1,08% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.13 |
|----------------|-------|--------------------|-------------|
| Euro/USD | 1,25 | 0,67% | -9,12% |
| USD/RUB | 47,33 | -0,12% | 44,62% |
| Euro/RUB | 59,31 | 0,56% | 31,88% |

Source: Bloomberg, Company calculations

| Raw | Value | Change for the day | fr 31.12.13 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz | 1 197,08 | 0,89% | -0,38% |
| Brent*, USD/bbl | 78,47 | -1,06% | -25,89% |

* - December futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,2600 |
| Capitalisation**, billion RUB | 10,98 |
| Capitalisation**, million USD | 231,90 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change for the day | fr 31.12.13 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index | 0,32% | -10,67% |
| Shares of IDGC of Centre** | -1,14% | 18,94% |

Source: MOEX, Company calculations

| Grid companies | Change** for the day | fr 31.12.13 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids | 1,67% | -31,88% |
| FGC UES | 0,78% | -40,04% |
| IDGC of Volga | -1,08% | 0,75% |
| MOESK | -1,51% | -29,46% |
| IDGC of Northern Caucasus | 0,00% | -5,76% |
| IDGC of Centre and Volga Reg | 1,08% | 52,51% |
| IDGC of North-West | -1,13% | -7,43% |
| IDGC of Urals | -0,83% | -6,85% |
| IDGC of Siberia | 0,00% | 27,80% |
| IDGC of South | 0,00% | 20,57% |
| Lenenergo | 0,22% | -1,29% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

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