

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 07 June some positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.5-0.6%, on Tuesday the composite stock index of the region MSCI Asia Pacific added about a percent on statements of the Fed Chair, which strengthened investors' expectations that the US Central Bank may delay raising interest rates for some time. In particular, Janet Yellen reported that at present the positive aspects of the US economy outweigh the negative factors and the gradual rise in interest rates is possible while maintaining good macroeconomic indicators. At the same time, analysts pointed out that there was no indication of timeframes of hiking rates in the statement of the head of the Fed, while in late May, Chair of the Federal Reserve spoke about the likelihood of higher interest rates "in the coming months." August Brent futures traded at \$50.5 per barrel, at the close on 06 June. The oil quotations were supported by expectations of continuing reduction of production and reserves of oil in the US and information about supply disruptions from Nigeria, where one of militant groups, responsible for a series of bombings of oil pipelines, promised to reduce oil production in the country to zero.

The Russian market continues to rise after the oil. In the afternoon, when the price of Brent exceeded the level of \$51 per barrel for the first time since October last year, the rate of growth of the MICEX Index was close to 2%. Russian buyers were supported by positive sentiment in Europe – the Stoxx Europe 600 Index added about a percent on published better than expected statistics on the dynamics of the Eurozone's GDP for the first quarter, and industrial production in Germany in April.

At the end of the trading session the MicexPWR Sector Index looked somewhat worse than the market. The main contribution to the lag of the sector indicator behind the MICEX Index was made by shares of RusHydro.

ELECTRIC POWER INDUSTRY NEWS

Energy market again to be under reform

The Rules on the Russian energy market may change again. Following the request of Prime Minister Dmitry Medvedev on the elaboration of direct contracts for the purchase of electricity the Ministry of Energy presented a model that simplifies access to the wholesale market for retail customers. It should encourage the conclusion of bilateral contracts with generators and consumers participation of small power sales companies in wholesale trading. The system is proposed to be introduced by the start of 2018.

Read full text: <http://www.kommersant.ru/doc/3007533>

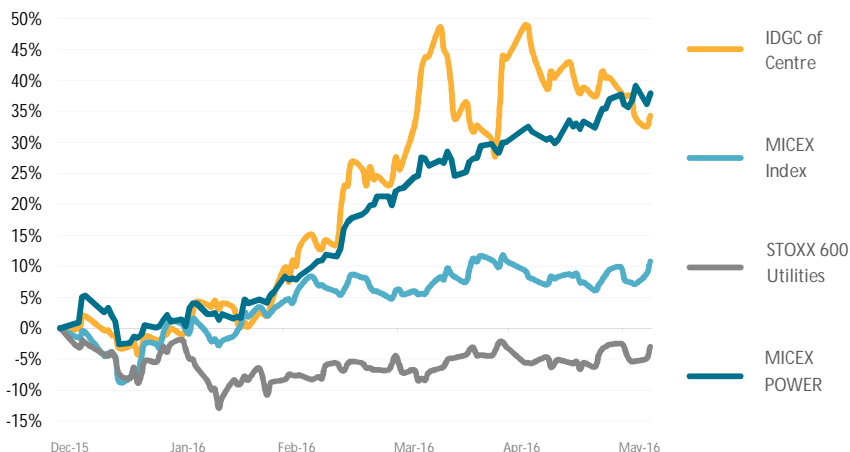
COMPANY NEWS

Bryanskenergo simplifies the grid connection procedure

IDGC of Centre - Bryanskenergo division is one of the largest grid companies, providing residents of the Bryansk region a number of services in the electricity sector, including - connection of consumers to electric grids, is successful in implementing the road map "Increasing energy infrastructure availability" approved by Resolution of the RF Government of 30.06.2012 №1444-r. The aim of the document is to facilitate grid connection procedures, reducing its time and cost.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/53440/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 951,26	1,86%	10,78%
S&P 500	2 117,08	0,36%	3,58%
FTSE 100	6 284,53	0,18%	0,68%
DAX	10 287,68	1,65%	-4,24%
DJStoxx 600	346,26	1,12%	-5,34%
STOXX Utilities	294,72	1,23%	-3,01%
Nikkei	16 675,45	0,58%	-12,39%
Sensex	27 009,67	0,87%	3,42%
CSI300	3 177,05	-0,05%	-14,85%
Bovespa	50 509,66	0,15%	16,52%

Source: Bloomberg, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,14	0,00%	4,54%
USD/RUB	65,79	-1,59%	-9,73%
Euro/RUB	74,69	0,17%	-6,28%

Source: Bloomberg, Company calculations (19:00 MSK)

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 245,34	0,00%	17,33%
Brent*, USD/bbl	50,55	0,00%	35,60%

* - August futures

Source: Bloomberg, Company calculations (19:00 MSK)

Shares of IDGC of Centre	Value
Last transaction, RUB	0,262
Capitalisation**, billion RUB	11,06
Capitalisation**, million USD	168,13

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,30%	37,92%
Shares of IDGC of Centre**	1,35%	34,29%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	1,10%	30,13%
FGC UES	2,20%	118,86%
IDGC of Volga	-0,18%	43,19%
MOESK	0,97%	39,33%
IDGC of Northern Caucasus	-0,35%	13,60%
IDGC of Centre and Volga Reg	0,00%	31,85%
IDGC of North-West	2,28%	63,50%
IDGC of Urals	-0,40%	30,53%
IDGC of Siberia	5,99%	5,12%
IDGC of South	-2,82%	21,47%
Lenenergo	0,90%	22,93%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
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 (MOEX)
Bloomberg
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MRKC
MRKC RX
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