

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 25 May some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed trading with the growth of 1.2% and 1.4%, respectively. The markets were supported by strong data on sales of new buildings in the US in April, showing an increase of 16.6% m/m, which was a record for the increase in 24 years and significantly exceeded the average market forecast. On Wednesday US stock futures rose, the composite MSCI Asia Pacific added 1.7%. July Brent futures traded at \$49.3 per barrel, or \$0.7 higher than the closing level on 24 May. The oil prices were supported by data of the American Petroleum Institute on reduction of inventories in the US by 5.1 mln barrels. Improvement by Citigroup's analysts of the forecast on recovery in fuel prices amid the global decline in production was also a positive factor for the market. In particular, Citigroup expects the rise in oil prices of Brent crude to \$50 a barrel by III Q of this year, "if not before", and an increase of quotations in the area of \$65 a barrel by the end of 2017. Earlier, the bank's experts suggested that the barrel price would rise to \$50 until IV Q and at the end of 2017 quotes would be \$60 per barrel.

On Wednesday the Russian market opened with a gap up on the MICEX Index, reacting to rising oil prices above \$49.3 per barrel of Brent. Additional support for buyers in the first half of the day was given by positive dynamics of European indices, which increased on news about the agreement with the creditors of Greece to allocate the country a new tranche of financial aid. The finance ministers of the Eurozone and the IMF agreed on Wednesday night about the possibility of writing off part of Greece's debt after 2018, when the current program of assistance to the country is over, while Athens will soon receive € 11 billion for the current payments on loans. The new tranche will go to Greece in June and will allow it to avoid a default on debts. The European markets were also supported by strong own statistics – according to the IFO Research Institute, the index of German business confidence in the country's economy in May rose more than expected. In the second half of the day the MICEX Index lost part of the growth, despite the positive dynamics of US exchanges in early trading, amid increasing volatility of oil prices after the publication of the weekly US Department of Energy statistics. Nevertheless, at the end of trading, despite profit-taking by market participants, the MICEX Index closed the day in positive territory, gaining 0.8%.

At the end of the trading session the MicexPWR Sector Index outperformed the MICEX Index. The main contribution to the final sector indicator growth was made by a continuing rally in shares of FGC UES.

ELECTRIC POWER INDUSTRY NEWS

The Government changes the pricing procedure in non-price zones of the wholesale market

The Russian Government has made changes in the pricing procedure for electricity in the territories, united in non-price zones of the wholesale electric energy and power.

Read full text: <http://www.bigpowernews.ru/markets/document70732.phtml>

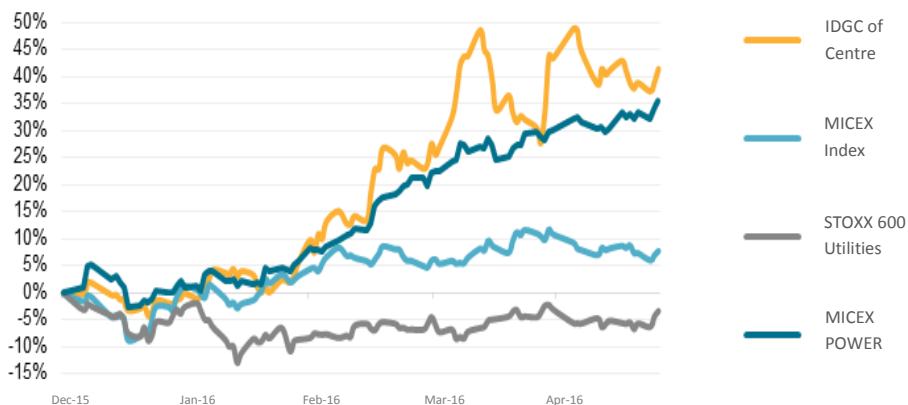
COMPANY NEWS

Tambovergo performs activities of its repair program ahead of schedule

IDGC of Centre - Tambovergo division summed up the implementation of the repair program for the first quarter of 2016. All scheduled events of the document for this period have been performed, with a number of indicators the work has been carried out ahead of schedule.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/53304/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 898,75	0,78%	7,80%
S&P 500	2 090,54	0,70%	2,28%
FTSE 100	6 262,85	0,70%	0,33%
DAX	10 205,21	1,47%	-5,01%
DJStoxx 600	348,56	1,29%	-4,72%
STOXX Utilities	295,95	1,09%	-3,33%
Nikkei	16 757,35	1,57%	-11,96%
Sensex	25 881,17	2,28%	-0,91%
CSI300	3 059,23	-0,14%	-18,01%
Bovespa	49 482,86	0,28%	14,15%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,12	0,09%	-8,21%
USD/RUB	67,05	0,00%	-8,00%
Euro/RUB	75,03	-0,31%	-5,85%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 224,41	-0,23%	15,39%
Brent*, USD/bbl	49,74	2,32%	21,11%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2760
Capitalisation**, billion RUB	11,65
Capitalisation**, million USD	173,78

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	1,02%	35,42%
Shares of IDGC of Centre**	1,85%	41,47%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,26%	33,38%
FGC UES	3,02%	107,04%
IDGC of Volga	1,70%	53,98%
MOESK	-0,68%	37,07%
IDGC of Northern Caucasus	0,34%	19,60%
IDGC of Centre and Volga Reg	0,74%	29,94%
IDGC of North-West	1,34%	66,06%
IDGC of Urals	-0,41%	28,42%
IDGC of Siberia	1,72%	9,02%
IDGC of South	2,84%	27,56%
Lenenergo	1,03%	27,95%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC.RX
MRKC.MM