

## REVIEW OF STOCK MARKETS

Before the opening of trading there was negative news background on the Russian market. S&P downgraded the rating of the Russian Federation by one notch to "BBB-" (the last stage of the investment-grade rating), while maintaining "negative" outlook on the ratings. In a press release the agency notes that the downgrade reflects the risks associated with expectations of further significant capital outflow from Russia because of geopolitical tensions in the relations between Russia and Ukraine. "Negative" outlook, the agency said, reflects the possibility of a downgrade, in particular, in the case of much weaker economic growth than currently expected, or tightening of sanctions against Russia.

Under pressure from the decision of the S&P to downgrade the Russian Federation rating, which Head of the Ministry of Economic Development described as "partly politically motivated", the Russian market began the Friday's trading session with the MICEX Index falling 1.7%. Immediately recouping some of the losses, the MICEX Index most of the trading session had a percent minus. Attempts to further growth were constrained both by the decrease of U.S. futures and European exchanges, and continuing negative news flow. The U.S. president said that sanctions against specific Russian citizens in connection with the Ukrainian crisis may not be enough, and for Friday, he discussed with leaders of European countries the situation in Ukraine and the possibility of introducing new sanctions against a number of sectors of the Russian economy. Some unexpected decision of the CBR to raise key interest rate of weekly repo by 0.5 percentage points – up to 7.5% "due to increased inflationary risks" did not add optimism to Russian investors and analysts. For this purpose the experts, polled by Interfax on the eve, did not expect the rate changes, noting that under the threat of a new wave of sanctions any decision on interest rates was likely to be delayed. At the end of the day sales in domestic and foreign markets intensified, despite good statistics on consumer confidence in the U.S. – as noted by Bloomberg, investors are concerned about the escalation of tension in Ukraine.

Dynamics of the MicexPWR Sector Index again underperformed the market. As of Thursday, the main contribution, about 75%, to the reduction in MicexPWR was made by shares of FGC UES, Inter RAO and Russian Grids. On Western exchanges the European DJStoxx 600 Index fell 0.78%, and the American S&P 500 Index - minus 0.81%.

## ELECTRIC POWER INDUSTRY NEWS

**The Board of Directors of JSC "Russian Grids" adopted a policy of innovative development, energy conservation and energy efficiency**

The Board of Directors of JSC "Russian Grids" adopted a policy of innovative development, energy conservation and energy efficiency, which defines a set of principles and rules of action for innovative development, improvement of energy saving and energy efficiency and environmental protection.

To read full text: [http://www.rosseti.ru/press/news/?ELEMENT\\_ID=17244](http://www.rosseti.ru/press/news/?ELEMENT_ID=17244)

**The Russian Government has approved the state program "Energy efficiency and power industry development"**

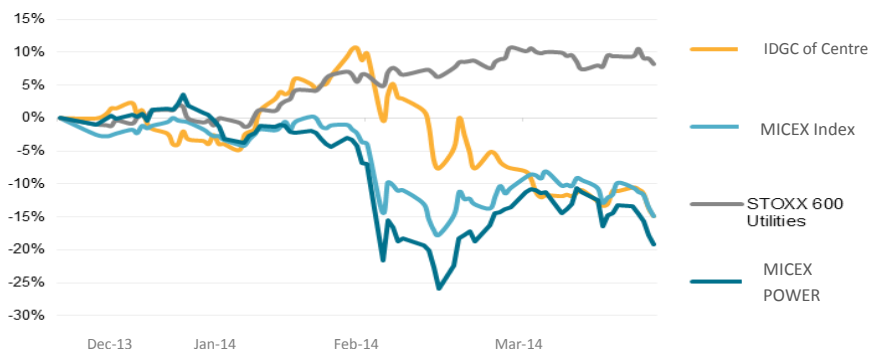
To read full text: [http://minenergo.gov.ru/press/min\\_news/18340.html](http://minenergo.gov.ru/press/min_news/18340.html)

## COMPANY NEWS

**The company "Hitachi" thanks IDGC of Centre for ensuring reliable power supply of its first Russian machine-building plant**

To read full text: [http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=89283](http://www.mrsk-1.ru/ru/press/news/company/?id_4=89283)

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 280,12	-1,57%	-14,89%
S&P 500	1 863,40	-0,81%	0,81%
FTSE 100	6 685,69	-0,26%	-0,94%
DAX	9 401,55	-1,54%	-1,58%
DJStoxx 600	333,50	-0,78%	1,60%
STOXX Utilities	301,17	-0,77%	8,21%
Nikkei	14 429,26	0,17%	-11,43%
Sensex	22 688,07	-0,82%	7,17%
CSI300	2 167,83	-1,03%	-6,96%
Bovespa	51 399,35	-0,81%	-0,21%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,38	0,07%	0,33%
USD/RUB	35,68	0,06%	9,02%
Euro/RUB	49,32	0,07%	9,67%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 303,25	0,76%	8,46%
Brent*, USD/bbl	109,58	-0,68%	0,07%

\* - June futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,1860
Capitalisation**, billion RUB	7,85
Capitalisation**, million USD	220,06

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day from 31.12.13	
MICEX-Power Index	-1,70%	-19,25%
Shares of IDGC of Centre**	-1,43%	-14,91%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	-3,28%	-43,11%
FGC UES	-4,38%	-38,54%
IDGC of Volga	3,29%	-25,55%
MOESK	0,37%	-20,02%
IDGC of Northern Caucasus	-2,04%	-3,76%
IDGC of Centre and Volga Reg	-2,87%	3,75%
IDGC of North-West	-2,21%	-11,33%
IDGC of Urals	-1,74%	-33,75%
IDGC of Siberia	-7,30%	-45,93%
IDGC of South	-1,38%	-30,92%
Lenenergo	-0,08%	13,23%

Source: MICEX, Company calculations

\*\* - at the price of last transaction at MICEX

**IDGC of Centre**

127018, Russia, 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](mailto:ir@mrsk-1.ru)

**Tickers**

Moscow Exchange

Bloomberg

Reuters

**MRKC**

**MRKC RX**

**MRKC.MM**