



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 25 January some moderately positive external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed with the increase of 0.6-0.7%, while the S&P500 updated the historical maximum. The market was supported, according to Bloomberg, with good quarterly reports of some companies and a rise of the value of commodities. On Wednesday the composite stock index of the Asia-Pacific region MSCI Asia Pacific added about 0.5% after the US market. March Brent futures traded near the mark of \$55.4 per barrel, or \$0.3 less than the closing level on 24 January. Oil prices were down, including on the American Petroleum Institute data, which recorded an increase of oil and gasoline reserves in the US last week – at 2.93 and 4.85 million barrels, respectively. In general, analysts say, fluctuations in oil prices are still determined by two main factors – the reduction of supply by OPEC and other exporters of oil against the expected increase in the US production.

For most of the trading session the MICEX index was flat near zero, despite strong growth of European markets – in the afternoon the growth of the Stoxx Europe 600 Index exceeded a percent due to positive corporate reports. At the same time, the Russian buyers' activity was limited to lower oil prices – Brent quotations in the middle of the day fell below \$55 per barrel. The update of highs by the US indices DJIA and S&P500 at the beginning of the trading session failed to provide substantial support to the Russian market.

At the end of the trading session the MicexPWR Sector Index underperformed. The main contribution to the sector indicator reduction was made by shares of Rosseti and Yunipro.

ELECTRIC POWER INDUSTRY NEWS

The Government approved the procedure for concluding a contract of sale of electric energy and implementation of procedures for connection to the power grid in electronic form

Resolution dated 08.12.2016 # 1319 of the Russian Federation Government defined the procedure for concluding a contract of sale of electric energy and implementation of the procedure of connection to electric grids in electronic form.

Read full text: <http://www.bigpowernews.ru/markets/document75092.phtml>

COMPANY NEWS

In 2017 IDGC of Centre to spend nearly 2 billion rubles on its repair campaign

IDGC of Centre approved its repair program for 2017 - one of the key components of the preparation for the next season of peak loads. The company plans to use over 1.99 billion rubles for its implementation.

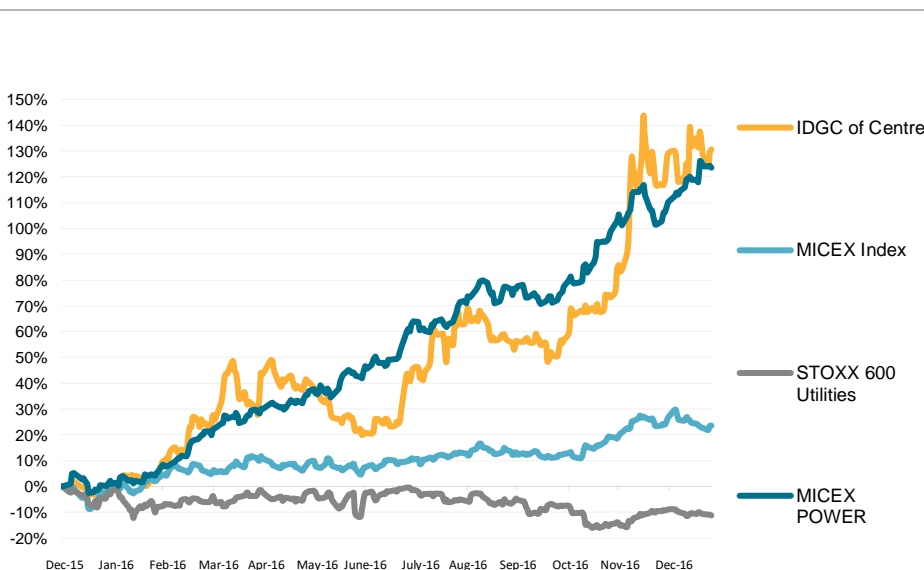
Read full text: <https://www.mrsk-1.ru/press-center/news/company/58684/>

Tverenergo summed up its energy saving and energy efficiency improvement program for 2016

The total effect of the implementation of the energy saving and energy efficiency improvement program in IDGC of Centre - Tverenergo division for 2016 amounted to 833.86 thousand kWh.

Read full text: <https://tvernews.ru/news/218285/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|-----------------|-----------|---------|-------------|
| | | per day | fr 31.12.16 |
| MICEX | 2 176,00 | 0,06% | -2,54% |
| S&P 500 | 2 298,37 | 0,80% | 2,66% |
| FTSE 100 | 7 164,43 | 0,20% | 0,30% |
| DAX | 11 806,05 | 1,82% | 2,83% |
| DJStoxx 600 | 366,59 | 1,29% | 1,43% |
| STOXX Utilities | 269,64 | -0,29% | -2,58% |
| Nikkei | 19 057,50 | 1,43% | -0,30% |
| Sensex | 27 708,14 | 1,21% | 4,06% |
| CSI300 | 3 375,90 | 0,34% | 1,99% |
| Bovespa | 65 840,09 | 0,00% | 9,32% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.16 |
| Euro/USD | 1,07 | -0,18% | 2,10% |
| USD/RUB | 59,22 | -0,48% | -2,37% |
| Euro/RUB | 63,62 | -0,50% | -0,30% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.16 |
| Gold, USD/oz | 1 200,69 | -0,68% | 4,64% |
| Brent*, USD/bbl | 55,08 | -0,65% | -3,06% |

* - March futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,4500 |
| Capitalisation**, billion RUB | 19,00 |
| Capitalisation**, million USD | 320,82 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change | |
|----------------------------|---------|-------------|
| | per day | fr 31.12.16 |
| MICEX-Power Index | -0,34% | 6,46% |
| Shares of IDGC of Centre** | 0,56% | 0,67% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|------------------------------|----------|-------------|
| | per day | fr 31.12.16 |
| Rosseti, ordinary shares | -2,03% | 6,46% |
| FGC UES | -0,89% | 7,59% |
| IDGC of Volga | -0,49% | 9,55% |
| MOESK | -0,82% | 8,24% |
| IDGC of Northern Caucasus | 0,84% | 8,84% |
| IDGC of Centre and Volga Reg | 0,33% | 3,65% |
| IDGC of North-West | 0,93% | -0,91% |
| IDGC of Urals | -0,89% | 1,52% |
| IDGC of Siberia | -0,45% | 4,66% |
| IDGC of South | 0,20% | -4,77% |
| Lenenergo, ordinary shares | -1,09% | -1,45% |

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