

REVIEW OF STOCK MARKETS

Before the opening of trading some moderately positive external background formed on the Russian market on 16 September. Last Friday, the major U.S. indices finished with the growth of 0.2-0.5%. According to Bloomberg, the weak data on retail sales and consumer confidence strengthened the view of investors that the Fed will cut the amount of the asset purchase program at the September meeting for a very small amount. Asia-Pacific markets, on average, added over half a percent, U.S. index futures showed a percent increase. Investor optimism was due, firstly, to the continuing decline of tension around Syria, secondly, the withdrawal of L. Summers deemed an active supporter of the exit by the Central Bank from the incentive programs as a candidate to be the chairman of the Federal Reserve. Last weekend, as reported by the media, there was significant progress in the US-Russian negotiations on the issue of international control over the Syrian chemical weapons. As for the withdrawal L. Summers from the fight for the post of Chairman of the Central American Bank, analysts believe that now the most likely candidate for this position will be the deputy head of the Federal Reserve J. Yellen from who the markets are expecting a softer monetary policy and lower cutting of the incentives. November Brent was trading around \$110.5 per barrel – half a dollar below the level of our closing on Friday.

News on Syria and L. Summers's withdrawal to be a candidate for the post of the head of the U.S. Federal Reserve were the main growth drivers in the Russian and European markets on Monday. In the afternoon, the MICEX Index added more than 1.5%, European markets averaged about one percent. Thus the German DAX30 updated its historical highs, the European Stoxx Europe 600 rose to the highest level since June 2008. Released a little worse than expected U.S. statistics on industrial production in August and manufacturing activity in New York in September did not become a reason for the deterioration of the market sentiment. The Russian market closed trading near daily highs against one percent growth of the U.S. indices in early trading.

Following the trades, the MICEX Index gained 2.06% to close trading at 1,470.48 points and the RTS Index by strengthening of the ruble rose by 2.83% to close at 1,436.14 points. The MicexPWR Sector Index increased by 1.02%, reaching 1,150.28 points. On Western exchanges the European DJStoxx 600 Index rose by 0.63%, the American S&P 500 Index increased by 0.57%.

ELECTRIC POWER INDUSTRY NEWS

VTB Capital does not expect a return of "Russian Grids" to MSCI Russia, and predicts weight loss of FGC in it in the medium term

Holding "Russian Grids" announced completion of the additional issue of shares carried out as part of the restructuring of the company and FGC UES. However, it does not allow to expect a return of Russian Grids to the MSCI Russia index, consider analysts of the investment company VTB Capital. Thus, in their view, the weight of being in control "FGC" can be reduced in the medium term. This increases the probability of exclusion from the index.

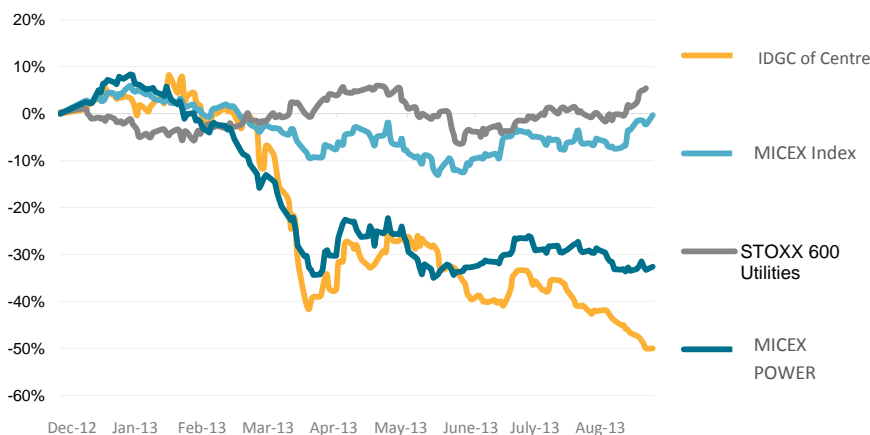
To read full text: <http://www.bigpowernews.ru/news/document51996.phtml>

COMPANY NEWS

IDGC of Centre has been highly appreciated for the implementation of the program of grid connection in the Voronezh region

[http://www.mrsk-1.ru/ru/press/news/company/?id\\_4=88778](http://www.mrsk-1.ru/ru/press/news/company/?id_4=88778)

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.12	
MICEX	1 470,48	2,06%	-0,29%
S&P 500	1 697,60	0,57%	19,03%
FTSE 100	6 622,86	0,59%	12,29%
DAX	8 613,00	1,22%	13,14%
DJStoxx 600	313,42	0,63%	12,06%
STOXX Utilities	273,07	0,38%	5,44%
Nikkei	14 404,67	0,00%	38,57%
Sensex	19 742,47	0,05%	1,63%
CSI300	2 478,39	-0,42%	-1,77%
Bovespa	53 821,63	0,04%	-11,70%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.12	
Euro/USD	1,33	0,34%	1,08%
USD/RUB	32,74	0,21%	7,80%
Euro/RUB	43,47	-0,02%	8,05%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.12	
Gold, USD/oz	1 312,79	-1,01%	-21,64%
Brent*, USD/bbl	110,07	-1,46%	-0,94%

\* - October futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3000
Capitalisation**, billion RUB	12,67
Capitalisation**, million USD	386,84

Source: Central Bank of Russia, Company calculations

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

Russian indexes	Change for the day from 31.12.12	
MICEX-Power Index	1,02%	-32,63%
Shares of IDGC of Centre**	0,00%	-50,00%

Source: MICEX, Company calculations

Grid companies	Change** for the day fr 31.12.12	
JSC Russian Grids	0,69%	-47,57%
FGC UES	0,53%	-48,08%
IDGC of Volga	-1,63%	-48,13%
MOESK	7,36%	-17,88%
IDGC of Northern Caucasus	-1,90%	-31,70%
IDGC of Centre and Volga Reg	-3,30%	-37,79%
IDGC of North-West	-0,52%	-38,24%
IDGC of Urals	-1,55%	-41,16%
IDGC of Siberia	-3,01%	-9,27%
IDGC of South	-0,11%	-32,59%
Lenenergo	-2,10%	-39,47%

Source: MICEX, Company calculations

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

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Tickers

Moscow Exchange  
Bloomberg  
Reuters

MRKC  
MRKC.RX  
MRKC.MM