

REVIEW OF STOCK MARKETS

Before the opening of trading on Monday 23 September some moderately negative external background formed on the Russian market. The US indices DJIA and S&P500 closed the volatile session on Friday with a 0.5-0.6% decrease on increasing uncertainty regarding trade negotiations between the US and China. In the first half of the session, the indices added about a third of a percent on media reports that the US temporarily exempted more than 400 items of Chinese imports from duties. However, investors' sentiment worsened after Donald Trump's statements that he was not interested in a "partial deal" with China, based on Beijing's increase in purchases of US agricultural products and that the trade war would not affect his election campaign. Additional pressure on the markets in this regard was exerted by media reports that the Chinese trade delegation had abandoned a previously planned trip to farms in Montana and Nebraska. On Monday, most country indices in the Asia-Pacific region showed negative changes following the decline in the US markets, the composite index MSCI Asia Pacific lost 0.1%. The index was held back from large losses by the ongoing rally in the Indian market – the SENSEX added about 3% on news of tax cuts on a number of services and goods, which together could increase Indian companies' profits by \$20 billion a year. November Brent futures were trading around \$64.9 per barrel, \$0.1 below our close on Friday, 20 September.

On Monday, sellers dominated the global stock markets – most of the day, the loss of the MOEX Russia Index and Stoxx Europe 600 Index exceeded three quarters of a percent. Pessimism of investors, due to the deterioration of prospects for a trade deal with China, was strengthened by weak statistics on the Eurozone. According to IHS Markit, the region's consolidated business activity index fell from 51.9 points in August to 50.4 points, the lowest level since June 2013, while the manufacturing PMI fell to 45.6 points, having reached its lowest level in seven years. Germany continues to be the engine of the braking of the Eurozone's economy, where in September the manufacturing PMI dropped to 41.4 points, having reached a minimum in more than ten years. Analysts note that these data significantly increase the risk of the German economy entering the recession already in the third quarter, given the country's decline in GDP in the second quarter by 0.1%. At the end of the day, the Russian market was able to reduce losses after a reversal of Brent quotes from daily lows on IHS Markit statistics, which recorded a smaller than expected reduction in business activity in the largest world economy in September.

During the day, changes of the electric utilities sector index generally corresponded to the market. The main contribution to the final MOEXEU decline was made by shares of Inter RAO.

ELECTRIC POWER INDUSTRY NEWS

Russian Ministry of Energy plans to create cyber incident response teams

The Ministry of Energy of the Russian Federation plans to develop a legislative framework to minimize cyber threats to facilities of the Russian fuel and energy complex and create expert teams to respond to cyber incidents, said Director of the Department of Operational Control and Management in the Electric Power Industry of the Ministry of Energy of Russia Yevgeny Grabchak at the VII international conference on information security dedicated to cyber defense of industrial facilities.

Read full text: <http://www.bigpowernews.ru/news/document89949.phtml>

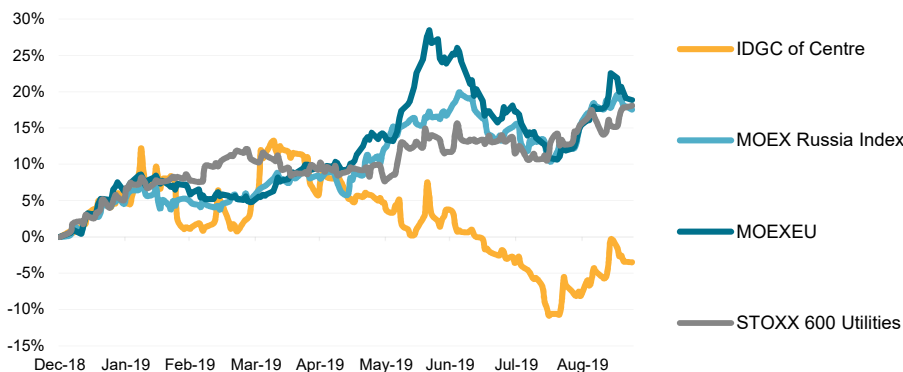
COMPANY NEWS

Kostromaenergo provided power to facilities in the region

The branch "Rosseti Centre Kostromaenergo" summed up the results of work on connection of facilities of the Kostroma region to grids for eight months of this year. During this period, the branch fulfilled 2,119 connection agreements for a total capacity of 35 MW.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/69676/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|---------------|------------|---------|-------------|
| | | per day | fr 31.12.18 |
| MOEX Russia | 2 785,46 | -0,39% | 17,56% |
| S&P 500 | 2 991,78 | -0,01% | 19,34% |
| FTSE 100 | 7 326,08 | -0,26% | 8,89% |
| DAX | 12 342,33 | -1,01% | 16,89% |
| DJStoxx 600 | 389,8 | -0,80% | 15,44% |
| Nikkei | 22 079,09 | 0,00% | 10,31% |
| Sensex | 39 090,03 | 2,83% | 8,38% |
| CSI300 | 3 890,66 | -1,14% | 29,23% |
| Bovespa | 104 637,80 | -0,17% | 19,06% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change | |
|----------------|-------|---------|-------------|
| | | per day | fr 31.12.18 |
| USD/RUB | 63,85 | -0,56% | -6,09% |
| EURO/RUB | 70,60 | -0,48% | -11,15% |

Source: Bloomberg, Company calculations

| Raw | Value | Change | |
|-----------------|----------|---------|-------------|
| | | per day | fr 31.12.18 |
| Gold, USD/oz | 1 522,24 | 0,35% | 18,69% |
| Brent*, USD/bbl | 64,77 | 0,76% | 20,39% |

* - November futures

Source: Bloomberg, Company calculations

| Shares | Price**, ₽ | MCap**, ₽ bln | MCap**, \$ mln |
|----------------------------|------------|------------------|-------------------|
| IDGC of Centre | 0,2760 | 11,65 | 182,50 |
| IDGC of Centre & Volga Reg | 0,2572 | 28,99 | 453,98 |

Source: Central Bank of Russia, Company calculations

| Comparison with indexes | Change | |
|-----------------------------------|---------|-------------|
| | per day | fr 31.12.18 |
| STOXX 600 Utilities | 0,20% | 18,11% |
| MOEXEU | -0,22% | 18,90% |
| IDGC of Centre** | -0,07% | -3,50% |
| IDGC of Centre and Volga Region** | 0,04% | -2,94% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|----------------------------|----------|-------------|
| | per day | fr 31.12.18 |
| Rosseti, ordinary shares | -0,81% | 58,62% |
| FGC UES | 0,05% | 24,97% |
| IDGC of Volga | -0,11% | -4,64% |
| MOESK | -1,46% | 32,88% |
| IDGC of Northern Caucasus | -0,17% | 148,86% |
| IDGC of North-West | -0,39% | 13,87% |
| IDGC of Urals | 0,45% | -4,12% |
| IDGC of Siberia | -2,59% | 124,20% |
| IDGC of South | 0,00% | 9,73% |
| Lenenergo, ordinary shares | -0,60% | 24,39% |
| TRK, ordinary shares | 4,30% | 25,97% |
| Kubanenergo | -0,48% | 27,66% |

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
www.mrsk-1.ru/en/investors/

IR Division
+7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
Moscow Exchange (MOEX)
Bloomberg
Reuters

MRKC
MRKC:RM
MRKC.MM