



IDGC OF CENTRE

DAILY MARKET REVIEW

18 September, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 17 September some moderately positive external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 rose by 0.6-0.7%. The markets were supported, firstly, by increased investors' confidence that the Federal Reserve in the current conditions is still not to be in a hurry to raise interest rates, and secondly, the information that the Central Bank of China would provide five largest banks in the country with \$81 billion to support demand in the economy. At the same time, the Asian markets' reaction to the news from China was fairly modest – the main stock indices in the Asia-Pacific region showed mixed trends with minor changes. November Brent traded near \$99 a barrel – at the level of our closing on 16 September.

Despite the external positive background, on Wednesday the Russian market began the trading session with active sales, and an hour later the fall of the MICEX Index exceeded 2%. News of the indictment of Head of AFK "Sistema" Vladimir Evtushenkov for legalization (laundering) of stolen shares of BashTEK enterprises put pressure on our market. The negative reaction of the Russian market, according to some analysts, was triggered by making the obvious, in their opinion, parallels with the Yukos affair, worsening the already, at least, very cautious attitude of investors to Russian assets. Shares of AFK "Sistema", Bashneft and MTS drove the MICEX Index falling, which lost for the day 37%, 20% and 7%, respectively. Some moderately positive dynamics of the western markets kept our market from a greater reduction, where investors' hopes about the Fed's preservation of the stimulus policy were supported by statistics on inflation – in August consumer prices in the United States declined for the first time since April 2013, while the core inflation slowed to the lowest since March, departing from the targeted Fed's level of 2%.

By the end of the trading session the MicexPWR Sector Index looked better than the market changes mainly due to more than 2.5% increase in the shares of RusHydro. In turn, the company's shares were supported by preliminary results of the Capacity Tendering Procedure-2015 – the price of power in the free power transfer zone "Siberia", where about one-third of the capacity of HPPs of RusHydro is located, increased by 84% in comparison with the results of the Capacity Tendering Procedure-2014. On Western exchanges the European DJStoxx gained 0.45%, and the U.S. S&P Index added 0.13%.

ELECTRIC POWER INDUSTRY NEWS

FGC is preparing for the five-year period without a source of growth

The Ministry of Energy and Ministry of Economy agreed on a long-term program for the development of Federal Grid Company (FGC UES) until 2019 with a view up to 2030.

To read full text:

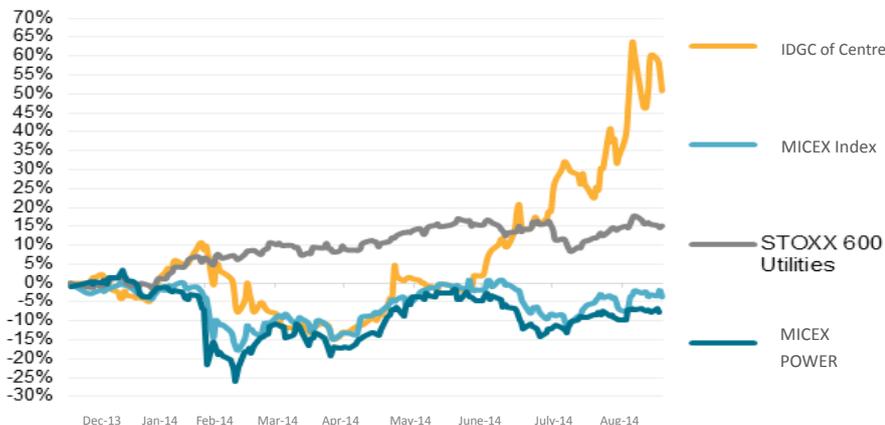
http://ejnews.ru/news_energy/2014/09/18/FSK_gotovitsya_v_pyatiletke_bez_istochnikov_rosta_26224

COMPANY NEWS

Sale of the municipal company "Voronezh Gorelektroseti" will begin with its privatization

To read full text: <http://www.kommersant.ru/doc/2569533?isSearch=True>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 449,37	-1,89%	-3,64%
S&P 500	2 001,57	0,13%	8,29%
FTSE 100	6 780,90	-0,17%	0,47%
DAX	9 661,50	0,30%	1,14%
DJStoxx 600	344,39	0,45%	4,91%
STOXX Utilities	320,55	0,42%	15,17%
Nikkei	15 888,67	-0,14%	-2,47%
Sensex	26 631,29	0,52%	25,79%
CSI300	2 401,33	0,53%	3,06%
Bovespa	59 108,19	-0,01%	14,76%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,30	-0,11%	-6,08%
USD/RUB	38,71	1,89%	18,26%
Euro/RUB	50,06	1,75%	11,31%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 223,51	-0,97%	1,82%
Brent*, USD/bbl	98,97	-0,08%	-7,34%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3298
Capitalisation**, billion RUB	13,92
Capitalisation**, million USD	359,73

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	-1,08%	-7,80%
Shares of IDGC of Centre**	-3,51%	50,87%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-1,30%	-31,66%
FGC UES	-1,42%	-38,58%
IDGC of Volga	-3,22%	13,43%
MOESK	-0,88%	-27,96%
IDGC of Northern Caucasus	-3,01%	12,69%
IDGC of Centre and Volga Reg	-3,33%	50,44%
IDGC of North-West	-4,66%	7,39%
IDGC of Urals	-2,63%	-6,04%
IDGC of Siberia	0,00%	24,84%
IDGC of South	-2,92%	21,75%
Lenenergo	-2,53%	12,97%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange

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