



REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 26 October some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 fell 0.3-0.4% on mixed corporate reports, published worse than forecasts statistics on consumer confidence in October and strengthening expectations of the Fed rate hike before the end of the year – according to Bloomberg data, the probability of such an outcome has increased to 73%. On Wednesday most of the major country stock indices of the Asia-Pacific region demonstrated negative changes under pressure of Apple reports, which had a reduction of annual revenue for the first time in 15 years, and a decline in oil prices. Out of the major Asian indices only the Japanese Nikkei 225 traded with a slight increase, which is still supported by the weakening of the yen against the dollar on growing chances of raising the Fed rate at the December meeting. December Brent futures traded near the mark of \$50.3 per barrel, or \$0.6 less than the closing level on 25 October. Oil prices fell to lows of two weeks ago after the publication of the American Petroleum Institute data, which recorded an increase in US oil inventories last week by nearly 5 million barrels.

On Wednesday the MICEX Index and the European Stoxx Europe 600 Index were trading in negative territory, most of the day the loss averaged about 0.5%. The main drivers of the negative changes of the markets in the first half of the day were the fall in Brent quotations below \$50 per barrel, weak reports of several European companies and a reduction of futures for US indices on Apple's weak statements. At the end of the day investors' mood improved after the rise of price of Brent to around \$50.5 per barrel after the publication of statistics of the US Department of Energy: oil reserves in the country last week, contrary to forecasts of experts, and the API data, decreased by 0.5 million barrels, for the third consecutive week reserves have been reduced in Cushing terminal by more than 1 million barrels, where oil traded on NYMEX is stored.

During the trading session the MicexPWR Sector Index outperformed mainly due to growth of shares of FGC UES, which published strong RAS financials for nine months.

ELECTRIC POWER INDUSTRY NEWS

Mr. Novak stated an increase of energy consumption in Russia in 2016 by 1.5%

Electricity consumption in Russia will grow by 1.5% in 2016, told reporters the head of the Russian Ministry of Energy Alexander Novak.

Read full text: <https://ms.online/energy/Novak-zayavil-ob-uvlichenii-energopotrebleniya-v-Rossii-v-2016-godu-na-15-2016-10-26/>

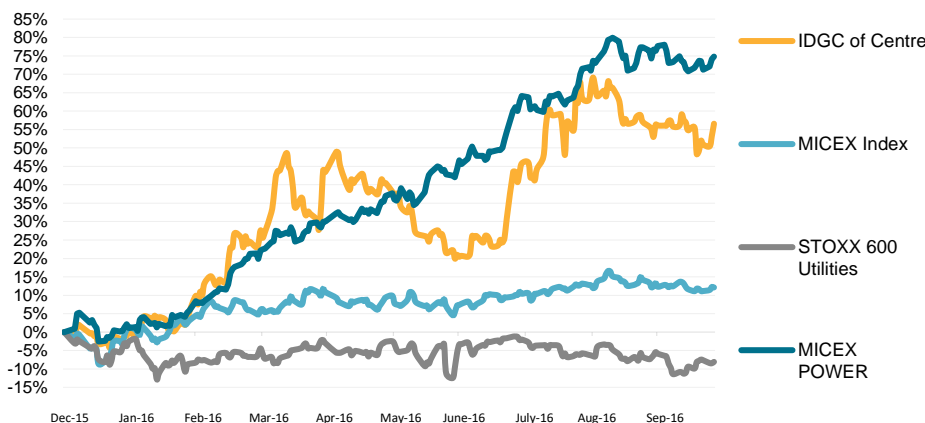
COMPANY NEWS

IDGC of Centre published financial statements for 9 months of 2016 under RAS, net profit amounted to 1,3 bln RUB

According to statements for 9 months of 2016 under Russian Accounting Standards IDGC of Centre's revenue amounted to 61,6 bln RUB, including from electricity transmission — 60,0 bln RUB, from grid connection — 0,9 bln RUB and other revenue — 0,7 bln RUB. Sales profit was 6,7 bln RUB, sales profit margin decreased and amounted to 10,9%. Earnings before interest, taxes, depreciation and amortization (EBITDA2) increased by 7,8% and reached 12,5 bln RUB. Net profit showed growth by 44,4% compared to the same indicator of last year and amounted to 1,3 bln RUB.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/57333/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	1 974,81	-0,12%	12,12%
S&P 500	2 139,43	-0,17%	4,67%
FTSE 100	6 958,09	-0,85%	11,47%
DAX	10 709,68	-0,44%	-0,31%
DJStoxx 600	341,76	-0,38%	-6,57%
STOXX Utilities	281,36	0,41%	-8,09%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	27 836,51	-0,91%	6,58%
CSI300	3 354,80	-0,38%	-10,08%
Bovespa	63 825,69	-0,06%	47,23%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,09	0,19%	-10,24%
USD/RUB	62,05	-0,30%	-14,87%
Euro/RUB	67,50	-0,35%	-15,31%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 267,10	-0,53%	19,41%
Brent*, USD/bbl	49,98	-1,59%	12,57%

* - December futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3055
Capitalisation**, billion RUB	12,90
Capitalisation**, million USD	207,86

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	0,38%	74,79%
Shares of IDGC of Centre**	2,17%	56,59%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti	-0,41%	97,90%
FGC UES	2,48%	189,90%
IDGC of Volga	1,13%	83,29%
MOESK	0,00%	14,67%
IDGC of Northern Caucasus	0,00%	24,80%
IDGC of Centre and Volga Reg	-3,05%	36,62%
IDGC of North-West	-0,81%	79,20%
IDGC of Urals	-0,70%	48,42%
IDGC of Siberia	0,73%	13,73%
IDGC of South	-0,61%	56,73%
Lenenergo, ordinary shares	-1,62%	125,55%

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