



IDGC OF CENTRE

DAILY MARKET REVIEW

16 June, Tuesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on 15 June some moderately negative external background formed on the Russian market. On Friday the US indices DJIA and S&P500 fell 0.7-0.8%, on Monday the composite index of the Asia-Pacific region MSCI Asia Pacific lost more than 0.5%. Pressure on the markets was put mainly by the lack of progress in the negotiations of international lenders and Greece. The last round took place on Sunday and again ended unsuccessfully because of continuing disagreement between the parties on the level of the primary surplus of the budget and cuts in social spending. According to media reports, the partners did not find anything new in principle in the updated Greek proposals, the negotiations lasted only 45 minutes. Now, says Bloomberg, the discussion of the Greek question goes to the level of the Eurogroup, a meeting of which will be held 18 June – many economists believe that this will be the last chance to reach an agreement for Greece. Meanwhile, according to The Wall Street Journal, senior European officials over the weekend for the first time together began to discuss the scenarios associated with the default of Greece. July Brent futures traded near \$63.9 per barrel – a dollar below the level at the end of our trading of 11 June. A negative factor for the oil market was the information that oil production of Saudi Arabia, Iraq and the UAE rose to record high volumes, despite keeping the production quotas in OPEC after a meeting on 5 June at the same level. Previously, the IEA already reported that production in OPEC rose to 31.3 million barrels per day with the quota of 30 million barrels – the highest level since August 2012.

Greek problems became the main driver of the negative dynamics of the Russian and European markets – in the middle of the day the decline of the MICEX Index and the composite index Stoxx Europe 600 exceeded a percent. However, in the second half of the trading session the MICEX Index played back all the losses and went into a small plus, in particular, and on the decision of the Central Bank of Russia to cut its key interest rate by 1 percentage point, to 11.5%, given "the further weakening of inflationary risks, while maintaining a significant risk of cooling the economy", as stated in a report of the Bank of Russia. At the same time, the decline in stock indices in Europe accelerated after the publication of worse than expected US data on industrial production in May and business activity in New York in June.

During the trading session the MicexPWR Sector Index looked better than the market. The main contribution to the outperformance of the industry indicator and its final growth was made by shares of Lenenergo and FGC UES. The value of common and preferred shares of Lenenergo jumped 39-40% on media reports about the appearance of a particular scheme of financial support for the company. According to media reports, the most likely option, discussed on 11 June at a meeting with the Russian president, is as follows. Firstly, the capital of Lenenergo will be increased by 32 billion rubles of additional issue in favour of Russian Grids, which will be capitalized on this amount through federal loan bonds (OFZ), secondly, St. Petersburg will restore its stake to blocking due to the consolidation of city networks on the basis of Lenenergo, thirdly, Lenenergo will get economically justified tariffs.

ELECTRIC POWER INDUSTRY NEWS

"Rossetineftegaz" did not work

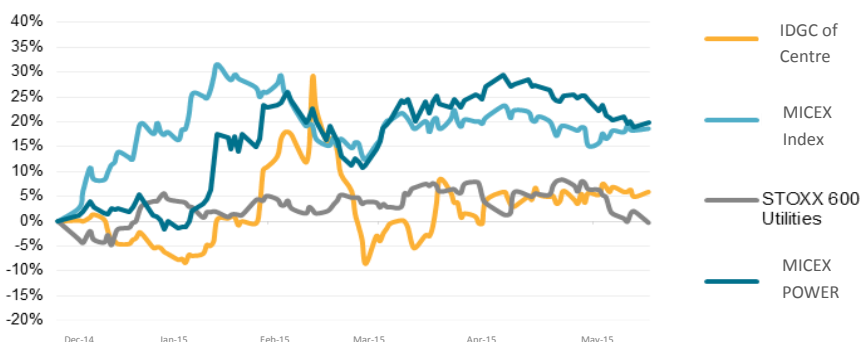
To read full text: <http://www.kommersant.ru/doc/2747023>

COMPANY NEWS

IDGC of Centre - Tverenergo division is implementing a program of energy conservation and energy efficiency

To read full text: <http://tvernews.ru/news/201897/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.14
MICEX	1 657,29	0,31%	18,67%
S&P 500	2 084,43	-1,16%	1,24%
FTSE 100	6 710,52	-1,99%	2,20%
DAX	10 984,97	-3,07%	12,03%
DJStoxx 600	383,02	-2,54%	11,82%
STOXX Utilities	314,60	-2,24%	-0,27%
Nikkei	20 387,79	0,02%	16,83%
Sensex	26 586,55	0,82%	-3,32%
CSI300	5 222,03	-1,60%	47,78%
Bovespa	53 137,53	-1,03%	6,26%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.14
Euro/USD	1,13	0,37%	-7,20%
USD/RUB	54,53	-0,54%	-3,07%
Euro/RUB	61,48	-1,18%	-10,05%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.14
Gold, USD/oz	1 186,43	0,37%	0,17%
Brent*, USD/bbl	63,95	-2,80%	1,73%

* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2675
Capitalisation**, billion RUB	11,29
Capitalisation**, million USD	207,11

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.14
MICEX-Power Index	0,85%	19,90%
Shares of IDGC of Centre**	0,94%	5,94%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.14
JSC Russian Grids	-0,10%	20,81%
FGC UES	2,09%	44,41%
IDGC of Volga	3,77%	-1,43%
MOESK	0,57%	-29,60%
IDGC of Northern Caucasus	0,91%	37,19%
IDGC of Centre and Volga Reg	-2,47%	-26,40%
IDGC of North-West	2,55%	27,27%
IDGC of Urals	5,45%	32,90%
IDGC of Siberia	-2,05%	-31,11%
IDGC of South	0,00%	6,15%
Lenenergo	39,57%	83,43%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, JSC

127018, Moscow, 2nd Yamskaya, 4

+7 (495) 747 92 92

<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 33-34

ir@mrsk-1.ru

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