



REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 22 December some moderately negative external background formed on the Russian market. On Wednesday the US indices DJIA and S&P500 fell 0.2%, despite strong statistics – home sales on the secondary housing market in the US rose in November to a maximum in annual terms since February 2007. On Thursday most of the major stock indices of the Asia-Pacific region and US index futures were slightly down. In general, experts note a sharp decline in investors' activity in the financial markets before the Christmas holidays. February Brent futures traded near the mark of \$54.4 per barrel, or \$0.6 less than our closing level on 21 December. Oil prices fell on a message from the US Department of Energy, which reported an increase in crude oil inventories last week and information about Libya's readiness to increase oil production by 270 thousand barrels per day.

On Thursday the Russian market was dominated by sellers – in the second half of the day the MICEX Index losses exceeded 1.5%. Our market was pressured by a negative trend in oil prices and a reduction of non-residents' positions before the long weekend. In addition, a significant contribution to the MICEX Index reduction was made by a fall of "heavy" index shares of Lukoil and Magnit after the dividend cut-off. Against this background, neutral changes of European markets could not support Russian investors. Statistics from the US was ambiguous and did not have significant impact on trends of the markets, on the one hand, the estimates of GDP growth and consumer spending were increased by 0.2-0.3 percentage points in the III quarter, to 3.5% and 3.0%, respectively, data on orders for durable goods in November were better than expected, on the other hand, the number of applications for unemployment benefits rose to a maximum of six months, data on revenues and expenditures of the population in November were worse than expected.

During the day the changes of the MicexPWR Sector Index were generally in line with the MICEX Index. The main contribution to the resulting reduction in the sector indicator was made by ordinary shares of Rosseti, which could be pressured by information on the share placement price of the additional issue – 1.0424 RUB, 12% below the close on 21 December.

ELECTRIC POWER INDUSTRY NEWS

"ROSSETI" on the Day of Energy opened a new substation "Kozhevnickeskaya" in Moscow

2 December 2016 in Moscow, opened a new substation (SS) of 220/20/10 kV "Kozhevnickeskaya" of PJSC "MOESK" (part of "Rosseti") was opened. The facility opening was visited by Moscow Mayor Sergey Sobyanin, Director General of PJSC "Rosseti" Oleg Budargin and Director General of PJSC "MOESK" (part of "Rosseti") Petr Sinyutin. The substation is unparalleled. Construction was carried out in cramped conditions on a small plot of land. In this regard, a unique project was developed that allowed to place sophisticated equipment in ultra-small dimensions.

Read full text: http://www.rosseti.ru/press/news/?ELEMENT_ID=28691

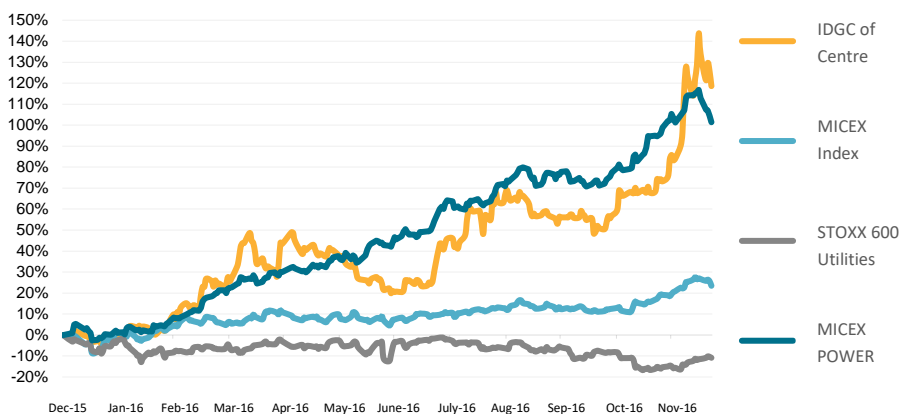
COMPANY NEWS

IDGC of Centre's employee among the ten best HR managers of the country

A specialist of category 1 of the HR department of the Smolensk branch of IDGC of Centre Katerina Leontieva entered the top ten of Russia's first contest on professional standards among HR specialists in the nomination "HR officer". Results of the competition were announced at the III All-Russian Conference "Results of the implementation of professional standards. Inspection and Litigation-2016". All in all, more than 1,950 specialists from 305 cities of Russia took part in the competitions of professional skills of HR specialists.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/58358/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.15
MICEX	2 174,64	-1,70%	23,46%
S&P 500	2 260,96	-0,19%	10,62%
FTSE 100	7 063,68	0,32%	13,16%
DAX	11 456,10	-0,11%	6,64%
DJStoxx 600	359,82	-0,21%	-1,64%
STOXX Utilities	272,91	-0,52%	-10,85%
Nikkei	16 519,29	0,00%	-13,21%
Sensex	25 979,60	-1,00%	-0,53%
CSI300	3 335,67	-0,09%	-10,60%
Bovespa	57 255,22	-0,68%	32,08%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.15
Euro/USD	1,04	0,13%	-14,11%
USD/RUB	61,11	-1,11%	-16,15%
Euro/RUB	63,61	-0,92%	-20,19%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.15
Gold, USD/oz	1 128,38	-0,29%	6,34%
Brent*, USD/bbl	55,05	1,08%	20,96%

* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4265
Capitalisation**, billion RUB	18,01
Capitalisation**, million USD	294,65

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.15
MICEX-Power Index	-1,42%	101,48%
Shares of IDGC of Centre**	-3,07%	118,61%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.15
Rosseti, ordinary shares	-4,41%	146,29%
FGC UES	-0,29%	227,32%
IDGC of Volga	-5,31%	175,32%
MOESK	-5,36%	24,67%
IDGC of Northern Caucasus	-6,24%	68,40%
IDGC of Centre and Volga Reg	-2,86%	132,48%
IDGC of North-West	-1,53%	87,96%
IDGC of Urals	-2,42%	69,47%
IDGC of Siberia	-7,93%	64,14%
IDGC of South	-2,37%	58,33%
Lenenergo, ordinary shares	-2,76%	130,79%

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