



## IDGC of Centre is one of the leaders among power distribution utilities in Russia

The core business of IDGC of Centre is electric energy transmission, grid connection and energy services. The Company's share at the electric energy transmission market is over 85% and at the grid connection one is above 87% in 11 regions of Central Federal District of the Russian Federation with the population over 13 million people. IDGC of Centre is the second largest company out of eleven interregional distribution grid companies by the market capitalization and revenue.

Following the results of 9 months 2014 the company's revenue under RAS increased by 0,2% and amounted to 64,6 bln RUB. Earnings before interest, taxes, depreciation and amortization (EBITDA) reached 11,9 bln RUB, which is 46,9% higher than last year. Profit for the period significantly increased 0,1 bln RUB up to 2,2 bln RUB. The company's net assets as at 30 September 2014 grew 2,1 bln RUB up in comparison with 31 December 2013 and were 55,1 bln RUB.

## Share of IDGC of Centre in electric energy transmission and grid connection for 9 months 2014

IDGC of Centre <sup>1</sup>	Belgorod	Bryansk	Voronezh	Kostroma	Kursk
85,1%	98,3%	66,9%	77,9%	96,7%	82,0%
87,9%	100%	77,0%	77,0%	100%	80,2%

Lipetsk	Orel	Smolensk	Tambov	Tver	Yaroslavl <sup>1</sup>
81,4%	82,5%	94,1%	77,6%	86,6%	84,7%
82,5%	90,1%	99,0%	76,0%	89,1%	95,0%

Legend:

85,1%

Electric energy transmission market share

87,9%

Grid connection market share

<sup>1</sup> taking into account Yargorelectroset

## Securities

<u>Tickers</u>	MOEX: MRKC Bloomberg: MRKC RX Reuters: MRKC.MM
<u>Indices</u>	MICEX PWR, MICEX SC
<u>Listing</u>	A-1 at MOEX
<u>Quantity of shares</u>	42 217 941 468 pc
<u>Share price</u> (30.09.2014)	0,3172 RUB
<u>Max/min</u> (01.07.14-30.09.14)	0,3705 RUB / 0,2201 RUB
<u>Cap<sup>2</sup></u> (30.09.2014)	13,39 bln RUB
<u>Cap<sup>2</sup></u> (30.09.2014)	340 million USD

<sup>2</sup> at the price of last transaction at MOEX

## Financial performance under RAS for 9 months 2013-2014

Data in bln RUB, unless specified otherwise

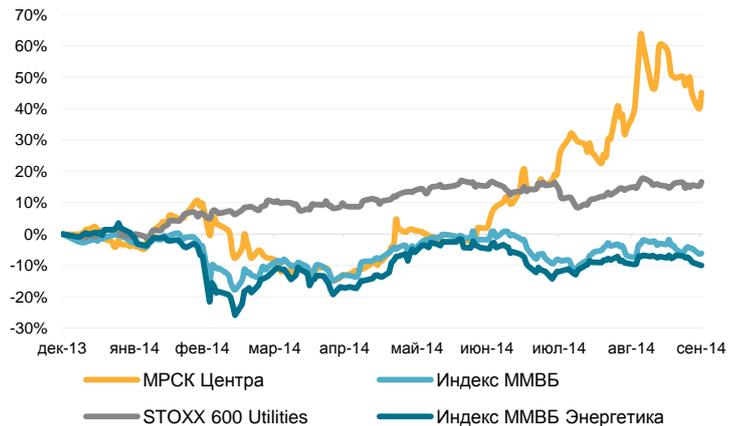
Indicators	9M 2013	9M 2014	Change, %
<b>Revenue (total), including:</b>	<b>64,5</b>	<b>64,6</b>	<b>0,2%</b>
Revenue from electricity transmission	45,6	48,1	5,5%
Revenue from grid connection	0,5	0,9	80,0%
Revenue from resale of electric energy and power	17,8	15,0	-15,7%
Other revenue	0,6	0,6	0,0%
<b>Cost of sales</b>	<b>54,3</b>	<b>56,7</b>	<b>4,4%</b>
<b>Sales profit<sup>1</sup></b>	<b>8,3</b>	<b>7,3</b>	<b>-12,0%</b>
<b>Sales profit margin, %</b>	<b>12,9%</b>	<b>11,3%</b>	<b>-1,6 p.p.</b>
<b>EBITDA<sup>2</sup></b>	<b>8,1</b>	<b>11,9</b>	<b>46,9%</b>
<b>EBITDA margin, %</b>	<b>12,6%</b>	<b>18,4%</b>	<b>5,8 p.p.</b>
<b>Net profit</b>	<b>0,1</b>	<b>2,2</b>	<b>2100,0%</b>
<b>Net profit margin, %</b>	<b>0,2%</b>	<b>3,4%</b>	<b>3,2 p.p.</b>
<b>Amount of electric energy transmitted<sup>3</sup>, billion kWh</b>	<b>40,6</b>	<b>39,6</b>	<b>-2,5%</b>
<b>Electric energy losses, %</b>	<b>8,58%</b>	<b>8,42%</b>	<b>-0,16 p.p.</b>

<sup>1</sup> - Revenue net of costs, selling and administrative expenses

<sup>2</sup> - Net profit + profit tax and other similar mandatory payments + interest payable - interest receivable + depreciation charges

<sup>3</sup> - Joint operation productive supply without taking into account losses of TGCs

## Changes in Stocks and Indices for 9 months 2014



## Investment highlights of IDGC of Centre



- Operation in 11 regions of Central Russia with stable outlook for economic growth
- Leader in innovations implementation in the sector
- Stable financial position
- Approved dividend policy and positive dividend history
- Corporate governance rating **NCGR 7+**
- Credit rating **S&P «BB»**
- Development of value-added energy services
- High level of information transparency

## IDGC of Centre for 9M 2014 modernized and commissioned 389 MVA capacity

According to operational data for 9 months of 2014 during the implementation of the investment program IDGC of Centre's branches disbursed capital investments amounting to more than 6,977 mln RUB. For the specified period they commissioned 2.74 thousand kilometres of power lines of different voltage levels, reconstructed and constructed energy facilities with total capacity of 389 MVA. The total cost of commissioned fixed assets amounted to 5,484 mln RUB. Until the end of 2014 IDGC of Centre plans to invest 5,153 mln RUB in the modernization, renovation and construction of power facilities.

The structure of the investment program for 9M 2014:

- Modernization and reconstruction – 51,3%;
- New construction – 48,4%;
- Other – 0,3%.

The share of the grid connection in the structure – 53%.

### Key events in Quarters 3-4 2014

Date	Event
31 July	IDGC of Centre published financial statements for 1H 2014 under RAS
20 August	Russian Institute of Directors confirmed the corporate governance rating of IDGC of Centre at 7+
29 August	IDGC of Centre published performance results for 1H 2014 under IFRS
23 September	The adjusted Business Plan of the Company, including the Investment Program for 2014 was approved
24 September	IDGC of Centre paid dividends on ordinary shares for 2013
03 October	IDGC of Centre's management took part in the Annual Investment Forum "RUSSIA CALLING!"
16 October	IDGC of Centre took part in the 8th Conference Investor Relations Advanced Experience
20 October	Moscow stock exchange approved changes to the decision on the issue and the prospectus of exchange-traded bonds of IDGC of Centre of series BO-02-BO-06 totalling 25 bln RUB
29 October	IDGC of Centre published financial statements for 9 months 2014 under RAS

### IR Calendar for Quarter 4 2014

Date	Event
October	VTB Capital Annual Investment Forum of "RUSSIA CALLING!"
October	8th Conference Investor Relations Advanced Experience
October	Financial performance for 9 months 2014 (RAS)
November	Utilities Day (FC BCS). One-on-one meetings
December	Approval of the Business Plan and the Investment Program of the Company for 2015
December	Annual seminar "Improving policy of interaction with shareholders and investors of the distribution grid companies" (Russian Grids)
December	Preliminary performance results IDGC of Centre for 2014, forecasts for 2015

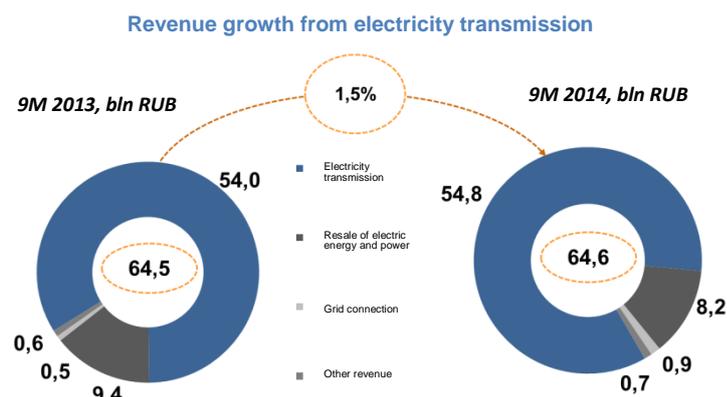
### Key resolutions of Board of Directors

Date	Resolution
10 July	On approval of an internal document of the Company: The Purchasing Policy of the Company
31 July	On approval of an internal document of the Company: The Policy of Innovative Development, Energy Conservation and Energy Efficiency
20 August	On approval of the corporate structure of the Executive Office of IDGC of Centre
28 August	On approval of an internal document of the Company: The Policy of interaction with the public, customers and authorities.
18 September	On approval of the adjusted Business Plan of the Company (including the Investment Program) for 2014.

### Ratings

Agency	Scale	Rating
S&P	international, long-term	BB
S&P	international, short-term	B
S&P	national (Russia)	ruAA
National Rating Agency	national (Russia)	AA

### Revenue analysis according to management accounting



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