

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 20 August some moderately positive external background formed on the Russian market. On Monday the US indices DJIA and S&P500 closed with an increase of 1.0-1.2% on expectations of expansion of stimulus measures for the global economy and easing tensions in relations between the US and China. Following the emergence of information on upcoming support programs in the Eurozone, Germany and China, the media reported that the White House is considering the possibility of reducing income taxes to reinforce domestic demand. As the Washington Post recalls, earlier similar measures under Barack Obama led to an increase in income of more than \$100 billion. The decision of the US Department of Commerce to extend the validity of licenses for US companies to conduct business with Chinese Huawei by 90 days contributed to the weakening of the US-China trade confrontation. On Tuesday, the composite index of the Asia-Pacific region MSCI Asia Pacific added 0.6%. The restraining factor for the markets in the Asian session was significantly less than expected – by just a few basis points – the People’s Bank of China lowering the loan prime rate for businesses as part of the interest rate reform announced on Monday. October Brent futures traded around \$59.7 per barrel, \$0.5 higher than our close on 19 August. Brent quotes rose as part of an overall improvement in investors’ risk.

The MOEX Russia Index spent most of the day in more than half a percent plus, including due to the stability of the Brent price above \$59 per barrel and the preservation of positive changes in emerging markets – the MSCI EM Index added about a third of a percent. Against this background, Russian buyers ignored some deterioration in sentiment on the western markets. The index of developed markets MSCI World during the trading session lost on average half a percent after a steady rise in the previous two days. The reason for the profit taking was the next statement by the US Secretary of State about the threat to national security in the person of Huawei, as well as information that the US Department of Commerce included in the “black list” another 46 subsidiary structures of the Chinese holding. In addition, the management of Home Depot, the world’s largest building materials network, lowered its annual financial forecast and warned that the tariff war in Washington and Beijing could slow the consumer spending growth. Analysts note that this increases the risks of weakening the US economy, given that over the past few quarters it was the expenditures of the population that served as the main driver of its increase.

During the trading session, the electric utilities sector index underperformed. Shares of Inter RAO and Mosenergo made the main contribution to the MOEXEU underperformance in comparison with the MOEX Russia Index.

ELECTRIC POWER INDUSTRY NEWS

“Energy Leaders” came to practice in Distribution Zones

Participants of the All-Russian competition “Energy Leaders” began to pass the fourth, practical, stage - conducting a technical audit of 38 Distribution Zones of a branch of Rosseti Ural (the brand of IDGC of Urals) - Chelyabenergo, which will last until 25 August 2019. More than 300 people representing Rosseti’s Group are involved in the events.

Read full text: http://www.rosseti.ru/press/news/index.php?ELEMENT_ID=35858

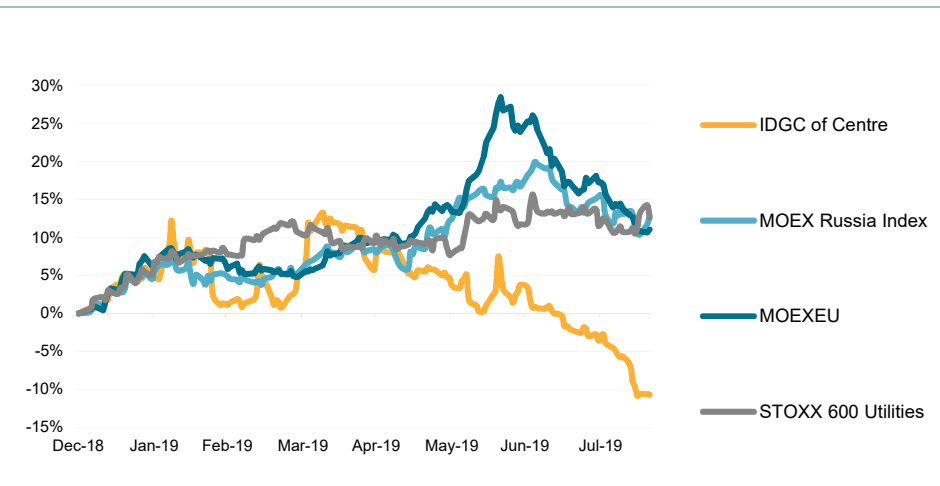
COMPANY NEWS

Igor Makovskiy was elected Chairman of the Board of Directors of JSC “YarEGC”

The Board of Directors of Joint-Stock Company “Yaroslavl Electric Grid Company” (JSC “YarEGC”) at its meeting on 16 August unanimously elected Igor Makovskiy, General Director of Rosseti Centre - the managing organization of Rosseti Centre and Volga Region, as its Chairman.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/69365/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change | |
|---------------|----------|---------|-------------|
| | | per day | fr 31.12.18 |
| MOEX Russia | 2672,84 | 0,93% | 12,81% |
| S&P 500 | 2915,57 | -0,28% | 16,30% |
| FTSE 100 | 7125 | -0,90% | 5,90% |
| DAX | 11651,18 | -0,55% | 10,34% |
| DJStoxx 600 | 371,3 | -0,68% | 9,97% |
| Nikkei | 20677,22 | 0,55% | 3,31% |
| Sensex | 37328,01 | -0,20% | 3,49% |
| CSI300 | 3787,73 | -0,09% | 25,81% |
| Bovespa | 99077,2 | -0,39% | 12,73% |

Source: Bloomberg, Company calculations (19:00 MSK)

| Currency rates | Value | Change | |
|----------------|---------|---------|-------------|
| | | per day | fr 31.12.18 |
| USD/RUB | 66,6082 | 0,93% | -4,12% |
| EURO/RUB | 73,9484 | 0,99% | -6,94% |

Source: Bloomberg, Company calculations (19:00 MSK)

| Raw | Value | Change | |
|-----------------|---------|---------|-------------|
| | | per day | fr 31.12.18 |
| Gold, USD/oz | 1504,83 | 0,60% | 17,34% |
| Brent*, USD/bbl | 59,69 | -0,08% | 10,95% |

* - October futures

Source: Bloomberg, Company calculations (19:00 MSK)

| Shares | Price**, ₽ | MCap**, ₽ bln | MCap**, \$ mln |
|----------------------------|------------|---------------|----------------|
| IDGC of Centre | 0,2554 | 10,78 | 161,88 |
| IDGC of Centre & Volga Reg | 0,2395 | 26,99 | 405,22 |

Source: Central Bank of Russia, Company calculations

| Comparison with indexes | Change | |
|-----------------------------------|---------|-------------|
| | per day | fr 31.12.18 |
| STOXX 600 Utilities | -1,43% | 12,62% |
| MOEXEU | 0,36% | 11,06% |
| IDGC of Centre** | -0,08% | -10,70% |
| IDGC of Centre and Volga Region** | -0,21% | -9,62% |

Source: Bloomberg, Company calculations

| Grid companies | Change** | |
|----------------------------|----------|-------------|
| | per day | fr 31.12.18 |
| Rosseti, ordinary shares | 0,88% | 38,22% |
| FGC UES | 2,33% | 15,65% |
| IDGC of Volga | -0,22% | -7,45% |
| MOESK | 1,17% | 11,82% |
| IDGC of Northern Caucasus | -0,26% | 122,29% |
| IDGC of North-West | 0,33% | 9,91% |
| IDGC of Urals | -1,39% | -7,58% |
| IDGC of Siberia | 3,72% | 139,51% |
| IDGC of South | 0,34% | 7,16% |
| Lenenergo, ordinary shares | -0,35% | 6,62% |
| TRK, ordinary shares | 1,72% | -4,22% |
| Kubanenergo | -0,67% | 21,72% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

IDGC of Centre, PJSC
 127018, Moscow, 2nd Yamskaya, 4
 +7 (495) 747 92 92
www.mrsk-1.ru/en/investors/

IR Division
 +7 (495) 747 92 92, ext. 33-34
ir@mrsk-1.ru

Tickers
 Moscow Exchange (MOEX)
 Bloomberg
 Reuters

MRKC
MRKC:RM
MRKC:MM