

REVIEW OF WORLD STOCK MARKETS

U.S. sequestration threatens all markets. Throughout the day, European markets were under pressure from the U.S. budget problems. Another negative factor was the data on unemployment in the Eurozone in January – the indicator rose to a record 11.9%. Against this background, the maximum for the last five years growth in retail sales in Germany in January and slightly better than expected statistics on business activity in the industrial sector of the Eurozone in February failed to support the markets. In the afternoon the decline in European indices was averaged more than one per cent. Part of the losses the markets could compensate after the publication of statistics from the U.S. - the expenses of the population in January rose in line with expectations, despite the record of at least 20 years falling income, which was due to the abolition of tax concessions on wages in the fiscal cliff solution. At the end of the trading session the European DJStoxx 600 Index closed with a loss of 0.32%, the US S&P 500 Index managed to get into positive territory and closed with a gain of 0.23%.

REVIEW OF THE RUSSIAN STOCK MARKET

The Russian market closed the week negative. Before the opening of trading some moderately negative external background formed on the Russian market of March 1, mainly related to the fact that the U.S. Senate did not support any of the two alternative drafts to mitigate the effects of sequestration. Experts estimate that the sequestration will mean loss of 0.6 percentage points of positive GDP growth this year and will slow down the recovery of the U.S. economy. On these concerns the MICEX Index lost about one per cent in the middle of the day, but then rebounded slightly upward. However, after the negative - more than half-percent red - start of trading in the U.S., sales in the Russian market got increased again. The MICEX Index lost 0.84%, the MicexPWR Sector Index decreased by 1.37%.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" should attract private investment in power grids

The main task of the created OJSC "Russian Grids" on the basis of "IDGC Holding" should be to attract private investment into the distribution grid complex, as stated Prime Minister Dmitry Medvedev at a meeting on electricity industry issues.

To read full text: <http://www.bigpowernews.ru/news/document48340.phtml>

Power engineers have calculated the cross-subsidization

Analysts of the Energy Centre of the Business School "Skolkovo" estimated the volume of cross-subsidization in the Russian energy sector. In 2011, it amounted to 323.9 billion rubles - 1.5 times the estimates of the government.

To read full text: <http://www.kommersant.ru/doc/2139602>

COMPANY NEWS

Voronezh power engineers of IDGC of Centre have planned a large-scale repair campaign

To read full text: http://www.mrsk-1.ru/ru/press/news/branches/index.php?id_4=88162

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	Change from 31.12.12
MICEX	1 473,54	-0,84%	-0,08%
S&P 500	1 518,20	0,23%	6,45%
FTSE 100	6 378,60	0,28%	8,15%
DJStoxx 600	289,02	-0,32%	3,34%
STOXX Utilities	247,82	-0,76%	-4,31%
Nikkei	11 606,38	0,41%	11,65%
Bovespa	56 883,99	-0,94%	-6,67%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	Change from 31.12.12
Brent*, USD/bbl	110,40	-0,88%	-0,64%

* - April futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUR	0,5938
Capitalisation**, billion RUR	25,069
Capitalisation**, million USD	821,60

** - at the price of last transaction at MICEX

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	Change from 31.12.12
MICEX-Power Index	-1,37%	-3,10%
Shares of IDGC of Centre	-2,62%	-1,03%

Source: MICEX, Company calculations

Distribution grid companies	Change for the day	Change from 31.12.12
IDGC of Volga	-1,58%	14,97%
MOESK	-2,98%	7,29%
IDGC of Northern Caucasus	-0,73%	-27,74%
IDGC of Centre and Volga Region	-2,51%	11,79%
IDGC of North-West	-0,11%	-3,60%
IDGC of Urals	0,89%	5,58%
IDGC of Siberia	0,64%	-1,06%
IDGC of South	-0,76%	1,10%
Lenenergo	0,00%	-5,29%

Source: MICEX, Company calculations

IDGC of Centre

127018, Russia, Moscow,
2nd Yamskaya, 4
+7 (495) 747 92 92
<http://mrsk-1.com/en/investors/>

IR Division

+7 (495) 747 92 92, ext. 31-81
ir@mrsk-1.ru

Tickers

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