



IDGC OF CENTRE

DAILY MARKET REVIEW

25 September, Thursday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 24 September some neutral external background formed on the Russian market. On Tuesday the U.S. indices DJIA and S&P500 fell by 0.6-0.7% under the pressure of weak statistics on business activity in the Eurozone and the growth of geopolitical tensions in the Middle East, where a coalition of countries led by the United States for the first time delivered airstrikes on militant positions of the Islamic State in Syria. At the same time, the major stock indices of the Asia-Pacific region showed mixed trends, and futures for the S&P500 rose by 0.2%. November Brent traded around \$96.8 per barrel – at the level of our closing on 23 September.

The Russian market continues to rise on hopes of investors on possible mitigation of European sanctions. This decision, according to the media, can be made as a result of beginning in late September discussions in the Committee of Permanent Representatives to the EU countries on implementation of the plan to resolve the conflict in Ukraine. In this case, for the second day in a row the Russian indices have ignored the negative trend of European markets, which most of the trading session on Wednesday were slightly negative after the publication of the next portion of disappointing regional statistics. In Germany, in September, the Business Climate Index fell to a minimum of one and a half years, expectations with regard to the six-month business outlook fell to the lowest level since December 2012. At the end of the day the markets were supported with good statistics from the United States, where new home sales in August rose to a maximum of 6 years, and the rate of growth was the biggest since January 1992.

The dynamics of the MicexPWR Sector Index again underperformed the market mainly due to the ongoing sales in shares of Russian Grids, which on Wednesday lost 2%. Pressure on the securities could be given by a statement of Deputy Head of the company A. Demin, firstly, that the amount of shortfall in income of Russian Grids in the period between 2015 to 2017 may reach 600 billion rubles, if their offers of compensation are not taken, and secondly, that the project for the transfer of grid assets of Russian Grids to French ERDF is actually being frozen due to the foreign environment. On Western exchanges the European DJStoxx rose by 0.72%, and the U.S. S&P Index was 0.78% up.

ELECTRIC POWER INDUSTRY NEWS

"Russian Grids" did not touch Ministry of Energy

"Russian Grids" is trying to justify the new strategy, which implies the consolidation of the company's assets, getting functions of a quasi-regulator by it and unification of tariffs. According to "Russian Grids", on the whole the changes will cost of 50 billion rubles, but will provide 35-40 billion rubles of new revenue per year. But the state does not yet support the idea: FTS calls single tariffs "too ambitious", and the Ministry of Energy is opposed to consolidation at all.

To read full text: <http://www.kommersant.ru/doc/2574481>

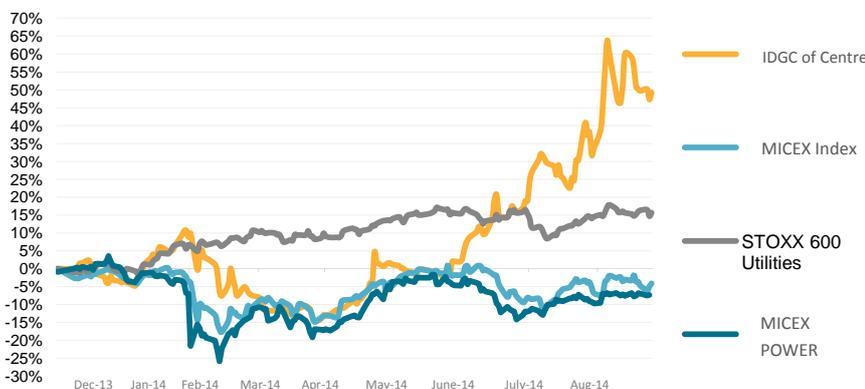
COMPANY NEWS

IDGC of Centre paid dividends on ordinary shares for 2013

The total amount of dividends paid on the shares of IDGC of Centre as at 24.09.2014 was 75 219 836.44 rubles.

To read full text: http://www.mrsk-1.ru/ru/press/news/company/?id_4=89688

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day	fr 31.12.13
MICEX	1 441,83	0,87%	-4,14%
S&P 500	1 998,30	0,78%	8,11%
FTSE 100	6 706,27	0,45%	-0,63%
DAX	9 661,97	0,70%	1,15%
DJStoxx 600	344,35	0,72%	4,90%
STOXX Utilities	321,82	0,86%	15,63%
Nikkei	16 167,45	-0,24%	-0,76%
Sensex	26 744,69	-0,12%	26,33%
CSI300	2 441,86	1,77%	4,80%
Bovespa	56 824,42	0,50%	10,32%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day	fr 31.12.13
Euro/USD	1,28	-0,47%	-7,27%
USD/RUB	38,67	0,23%	18,14%
Euro/RUB	49,69	0,14%	10,50%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day	fr 31.12.13
Gold, USD/oz	1 217,09	-0,52%	1,29%
Brent*, USD/bbl	96,95	0,10%	-9,23%

* - November futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,3263
Capitalisation**, billion RUB	13,78
Capitalisation**, million USD	356,26

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day	fr 31.12.13
MICEX-Power Index	0,21%	-7,34%
Shares of IDGC of Centre**	1,34%	49,27%

Source: MOEX, Company calculations

Grid companies	Change** for the day	fr 31.12.13
JSC Russian Grids	-1,99%	-30,24%
FGC UES	-0,66%	-36,97%
IDGC of Volga	0,58%	14,14%
MOESK	-0,09%	-28,02%
IDGC of Northern Caucasus	0,67%	7,58%
IDGC of Centre and Volga Reg	-6,21%	40,95%
IDGC of North-West	-1,69%	2,08%
IDGC of Urals	2,47%	-4,39%
IDGC of Siberia	0,00%	31,91%
IDGC of South	0,05%	26,69%
Lenenergo	0,92%	13,49%

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

Tickers

Moscow Exchange

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MRKC.RX

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