

Notes on Moscow Exchange index review

Moscow Exchange announces the updated list of index components and free float ratios effective from 22 December 2017. The indices were reviewed according to the new calculation methodology that came into force on 27 November 2017.

Key changes under the new methodology to the MOEX Russia Index (formerly known as the MICEX Index) and the RTS Index are a move to a floating number of component stocks as well as increased liquidity requirements for stocks. Acron (ords), DIXY Group (ords), LSR Group (ords) and Mosenergo (ords) as well as depositary receipts of Lenta Ltd. will be deleted from the MOEX Russia Index and the RTS Index. From 22 December the indices will comprise 45 (versus the current 50) component stocks.

The MOEX Russia Index and the RTS Index have identical component stocks and weightings; the MOEX Russia Index is denominated in RUB, while the RTS Index in USD.

Under the new methodology, the Blue Chip Index may now include only one security type of an issuer, i.e. either its ordinary or preferred shares, subject to their liquidity and free float market capitalisation. Thus, Surgutneftegas (prefs) will be deleted from the index.

Novorossiysk Grain Plant (ords) and depositary receipts on shares of En+ Group plc will be added to the Broad Market Index, while Cherkizovo Group (ords) will be deleted as its free float sank below 5 per cent, and Kazanorgsintez (ords) will be deleted as its liquidity ratio declined below the minimum threshold.

IDGC of Centre (ords), IDGC of Volga (ords), MOESK (ords) and RussNeft (ords) will be added to the SMID Index that replaces the Second Tier Index. Under the new methodology, financial institutions will be removed from the index; thus ordinary shares of Moscow Exchange and Bank St. Petersburg as well as DRs on shares of QIWI PLC will be deleted. Shares of Cherkizovo Group and LSR Group will be deleted due to their free float and liquidity ratios declining below the permissible level.

Sectoral indices will be also modified under the newly established methodology. Industry classification has been brought more in line with international standards employed by the leading index providers.

TMK (ords), a producer of steel pipes for the oil and gas industry, will be added to the Oil & Gas Index, while Saratov Refinery (prefs) and Slavneft-Megionneftegas (prefs) will be deleted as their weights are now below the minimum threshold of 0.5 per cent. Automobile and media companies such as SOLLERS (ords), Yandex N.V. (ords) and AVTOVAZ (ords and prefs) will be added to the Consumer & Retail Index. Cherkizovo Group (ords) will be deleted from the index. Kazanorgsintez (ords) will be deleted from, while Novorossiysk Grain Plant (ords) will be added, to the Chemicals Index.

The number of companies with low weightings will be deleted from the Metals & Mining Index. Specifically, Ashinskiy metzavod (ords), Mechel (ords), Lenzoloto (ords), Seligdar (ords), Southern Urals Nickel Plant (ords), Lenzoloto (prefs) and Seligdar (prefs) will be deleted from the index. KTC (ords), a coal mining and energy company, and TMK (ords), a producer of steel pipes for the oil and gas industry, will be deleted from the Metals & Mining Index due to updates in the industry classifications. These companies will be categorized as belonging to the energy sector under the new methodology.

IDGC of South (ords), TGC-2 (ords) and TGC-14 (ords) will be deleted from the Electric Utilities Index as their weightings in the index are below the minimum threshold. DRs on shares of QIWI PLC will be added to the Financials Index. They will replace Sistema (ords) that are not now eligible for the sectoral index due to its multi-sector profile.

En+ Group plc is also considered a holding company, and thus its depositary receipts do not qualify for the sectoral indices.

The Exchange has discontinued the Industrials Index as a sufficient number of liquid stocks is not available to calculate the index. The Siberia Index will also be discontinued.

Nauka-Telecom (ords) will be added to the MICEX Innovation Index. It will replace Multisistema (ords) and Chelyabinski zavod PROFNASTIL (ords).

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Summary of Moscow Exchange's index review

Index	Included	Excluded
MOEX Russia (MICEX) Index, RTS Index		PJSC Acron, Ordinary shares PJSC "DIXY GROUP", Ordinary shares Lenta Ltd., DR (Issuer Deutsche Bank Luxembourg S.A) PJSC LSR Group, Ordinary shares MOSENERGO, Ordinary shares
Blue Chip Index		"Surgutneftegas" OJSC, Preferred shares
Broad Market Index	En+ Group plc, DR (Issuer Citibank, N.A.) PJSC "NGP", Ordinary shares	PJSC "Cherkizovo Group", Ordinary shares PJSC "Kazanorgsintez", Ordinary shares
SMID Index	"IDGC of Centre", PJSC, Ordinary shares IDGC of Volga, PJSC, Ordinary shares PJSC "MOESK", Ordinary shares PJSC "RussNeft", Ordinary shares	"Bank "Saint-Petersburg" PJSC, Ordinary shares PJSC "Cherkizovo Group", Ordinary shares PJSC LSR Group, Ordinary shares Moscow Exchange, Ordinary shares QIWI PLC, DR (Issuer The Bank of New York Mellon Corporation)
Oil & Gas index	TMK, Ordinary shares	PJSC Saratov Oil Refinery, Preferred shares JSC "Slavneft-Megionneftegas", Preferred shares
Consumer goods and retail index	PJSC "AVTOVAZ", Ordinary shares PJSC "AVTOVAZ", Preferred shares SOLLERS PJSC, Ordinary shares Yandex N.V., Shares of a foreign issuer	ПАО "Группа Черкизово", ао
Chemicals index		PJSC "Ashinskiy metzavod", Ordinary shares PAO CMP, Ordinary shares PJSC "KTC", Ordinary shares PJSC "Lenzoloto", Ordinary shares PJSC "Lenzoloto", Preferred shares PJSC "Seligdar", Ordinary shares PJSC "Seligdar", Preferred shares TMK, Ordinary shares Southern Urals Nickel Plant PJSC, Ordinary shares PJSC "Ashinskiy metzavod", Ordinary shares
Metals & Mining Index		IDGC of South, PJSC, Ordinary shares PJSC "TGC-2", Ordinary shares PJSC "TGC-14", Ordinary shares
Electric Utilities Index		Sistema PJSC, Ordinary shares
Finances Index	QIWI PLC, DR (Issuer The Bank of New York Mellon Corporation)	
Transport Index	PJSC "NGP", Ordinary shares	
MICEX Innovation Index	PJSC "Nauka-Telecom", Ordinary shares	PJSC "Multisistema", Ordinary shares PAO "Chelyabinski zavod PROFNASTIL", Ordinary shares

Free floats were adjusted for certain securities included on the new lists.
The indices will be constructed with free floats determined as of 30 November 2017.

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Below is the list of securities for which free float changed:

Ticker	Name	Current number of shares	New number of shares	Current free float	New free float
AFLT	PJSC "Aeroflot", Ordinary shares	1 110 616 299		41%	45%
BSPB	"Bank "Saint-Petersburg" PJSC, Ordinary shares	499 554 000		37%	36%
CBOM	CREDIT BANK OF MOSCOW, Ordinary shares	23 879 709 866	27 079 709 866	23%	
DIXY	PJSC "DIXY GROUP", Ordinary shares	124 750 000		46%	31%
EELT	European Eltech Public Joint Stock Company, Ordinary shares		610 000 000		5%
ENPL	En+ Group plc, DR (Issuer Citibank, N.A.)		571 428 572		11%
EPLN	PJSC "SFI", Ordinary shares	111 637 791		35%	29%
FEES	"FGC UES", PJSC, Ordinary shares	1 274 665 323 063		21%	18%
GCHE	PJSC "Cherkizovo Group", Ordinary shares	43 963 773		11%	3%
GMKN	PJSC "MMC "NORILSK NICKEL", Ordinary shares	158 245 476		33%	38%
HYDR	PJSC "RusHydro", Ordinary shares	386 255 464 890	426 288 813 551	23%	25%
IRGZ	JSC Irkutskenergo, Ordinary shares	4 766 807 700		10%	8%
MAGN	PJSC MMK, Ordinary shares	11 174 330 000		13%	16%
MFON	PJSC "MegaFon", Ordinary shares	620 000 000		15%	21%
MGNT	PJSC "Magnit", Ordinary shares	94 561 355		63%	69%
MOEX	Moscow Exchange, Ordinary shares	2 276 401 458		57%	58%
MRKU	IDGC of Urals, JSC, Ordinary shares	87 430 485 711		15%	13%
MTLR	Mechel PAO, Ordinary shares	416 270 745		45%	50%
OTCP	PJSC "OTCPharm", Ordinary shares	145 422 732		14%	11%
PIKK	PIK GROUP, Ordinary shares	660 497 344		32%	18%
PRFN	PAO "Chelyabinski zavod PROFNASTIL", Ordinary shares	838 287 450		13%	17%
PSBR	Promsvyazbank PJSC, Ordinary shares	1 113 385 474 671		8%	9%
RBCM	PJSC "RBC", Ordinary shares	365 631 010		30%	23%
ROLO	PJSC "Rusolovo", Ordinary shares	3 000 100 000		5%	6%
RUAL	United Company RUSAL Plc, Shares of a foreign issuer	15 193 014 862		13%	16%
SELGP	PJSC "Seligdar", Preferred shares	150 000 000		100%	16%
UPRO	PJSC "Unipro", Ordinary shares	63 048 706 145		18%	16%
URKA	PJSC Uralkali, Ordinary shares	2 936 015 891		6%	5%
UWGN	PJSC "RPC UWC", Ordinary shares	115 996 689		20%	26%
VSMO	"VSMPO-AVISMA Corporation", Ordinary shares	11 529 538		10%	9%
ZVEZ	PJSC "ZVEZDA", Ordinary shares	562 020 480			9%

Lists of shares considered for inclusion in/exclusion from the Moscow Exchange Indices will be as follows from 22 December 2017:

Under consideration to be added to Moscow Exchange indices:

No	Ticker	Name
1	OBUV	OR PJSC, Ordinary shares
2	GTRK	PJSC "GTM", Ordinary shares
3	TNSE	PJSC GC "TNS energo", Ordinary shares
4	OTCP	PJSC "OTCPharm", Ordinary shares

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No	Ticker	Name
5	GAZA	PJSC GAZ, Ordinary shares
6	OPIN	PJSC "OPIN", Ordinary shares
7	PRFN	PAO "Chelyabinski zavod PROFNASTIL", Ordinary shares
8	CNTLP	PJSC "Central Telegraph", Ordinary shares

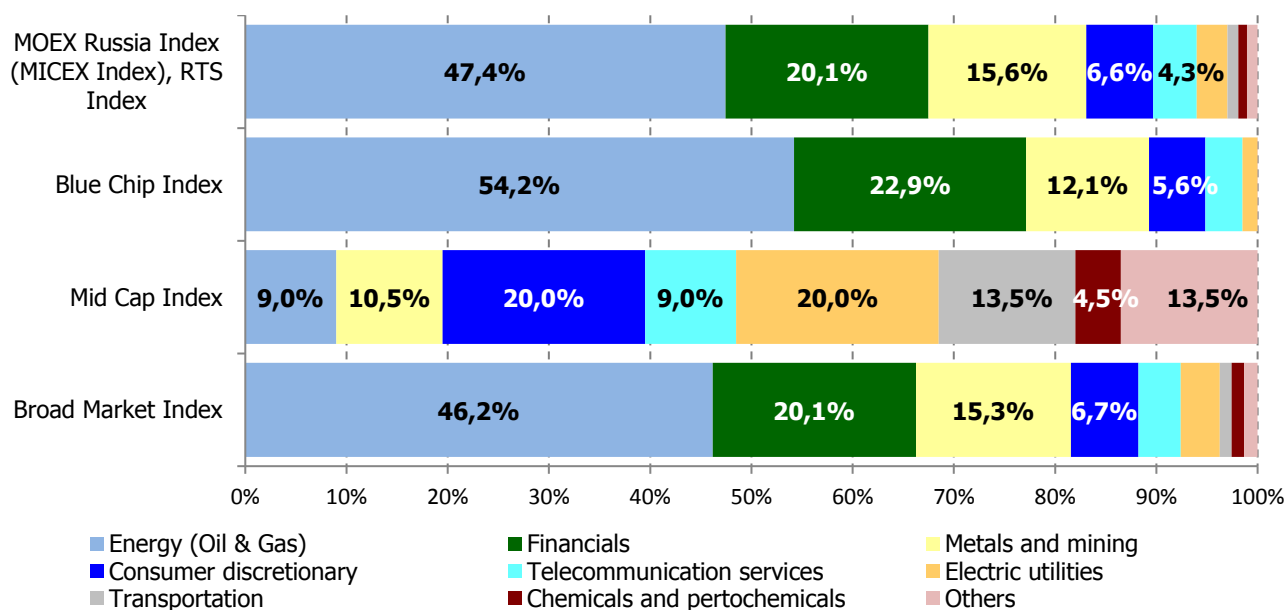
Under consideration to be removed from Moscow Exchange indices:

No	Ticker	Name
1	KBTk	PJSC "KTC", Ordinary shares
2	MFGSP	JSC "Slavneft-Megionneftegas", Preferred shares
3	TGKN	PJSC "TGC-14", Ordinary shares
4	UNKL	Southern Urals Nickel Plant PJSC, Ordinary shares

Main features of composite and thematic indices (prices as of 30 November, 2017)

Index	Number of securities (issuers)	Total cap USD mln	Total cap included in the index USD mln	Cap of companies included on the new index list USD mln		
				Mid	Large	Small
MOEX Russia Index (MICEX Index), RTS Index	45 (42)	521,024	158,401	11,578	82,814	892.7
Blue Chip Index	15 (15)	397,410	127,452	26,494	82,814	4,837
Mid Cap Index	30 (28)	48,059	6,717	1,602.0	3,591	195.3
Broad Market Index	100 (90)	567,487	168,709	5,675	82,814	20.8
MICEX Innovation Index	12 (10)	5,643.9	26.7	470.3	4,723	1.2

Composite indices by sectors (as of 30 November, 2017)



The sectoral structure of the composite indices has changed as the Exchange employs now an updated industry classification for issuers.

Specifically, the MOEX Russia Index (formerly known as the MICEX Index) and the RTS Index were reviewed in terms of their sectoral structure. As before, the energy sector (previously, oil & gas) and financials have the largest weights in the indices, 44.45 and 20.05 per cent, respectively. The metals and mining sector (15.58%) is also in the spotlight. The share of the consumer sector slightly increased to 6.6 per cent as foreign issuer Yandex N.V. from the media industry was added to the indices under the new methodology.

Notes on Moscow Exchange index review

In the Blue-Chip Index, the energy sector accounts for 54.21 per cent. The index also comprises financials (22.92%), metals and mining (12.15%) and consumer & retail (5.57%).

After the SMID Index that replaced the Second Tier Index, was reviewed, consumer & retail as well as electric utilities have been the most represented sectors in the index. Each of them makes up 20 per cent of index's sectoral structure, i.e. the largest possible weight subject to the threshold established by the SMID Index methodology. Financial institutions do not qualify for the index under the new methodology. The transport and other sectors have substantial weights in the SMID Index (each has 13.5 per cent). The "other" category includes holding companies as well as industrial and real estate companies.

The energy (oil & gas) and financial sectors have the largest weights in the Broad Market Index: 46.18 and 20.07 per cent, respectively. Metals & mining has 15.30 per cent. Most issuers that migrated to a new category under the new MOEX industry classification have small weights in the Broad Market Index, and therefore, its sectoral structure has not changed much.

For more detailed information on the new industry classification applicable to all issuers in the MOEX indices, please follow this [link](#).

MICEX Index and RTS Index

Sberbank shares have the largest weight in the Moscow Exchange's main indices at 15.00%. They are followed by Gazprom and LUKOIL. MMC "NORILSK NICKEL" and JSC "NOVATEK" take fourth and fifth place.

No	Ticker	Name	Weight (as of 30.11.2017)
1	SBER	Sberbank, Ordinary shares	13.90%
	SBERP	Sberbank, Preferred shares	1.10%
2	GAZP	PJSC "GAZPROM", Ordinary shares	14.94%
3	LKOH	PJSC "LUKOIL", Ordinary shares	13.37%
4	GMKN	PJSC "MMC "NORILSK NICKEL", Ordinary shares	6.16%
5	NVTK	JSC "NOVATEK", Ordinary shares	5.53%
6	MGNT	PJSC "Magnit", Ordinary shares	4.48%
7	SNGS	"Surgutneftegas" OJSC, Ordinary shares	2.65%
	SNGSP	"Surgutneftegas" OJSC, Preferred shares	1.72%
8	TATN	PJSC "TATNEFT", Ordinary shares	3.44%
	TATNP	PJSC "TATNEFT", Preferred shares	0.56%
9	ROSN	Rosneft, Ordinary shares	3.70%
10	MTSS	MTS PJSC, Ordinary shares	2.95%

For the full list of MICEX Index and RTS Index constituents from 22 December, 2017, please visit the exchange's website.

Blue Chip Index

The index constituents have the following weights as of 30 November, 2017:

Ticker	Name	Weight, %
GAZP	PJSC "GAZPROM", Ordinary shares	18.56%
SBER	Sberbank, Ordinary shares	17.27%
LKOH	PJSC "LUKOIL", Ordinary shares	16.62%
GMKN	PJSC "MMC "NORILSK NICKEL", Ordinary shares	7.66%
NVTK	JSC "NOVATEK", Ordinary shares	6.87%
MGNT	PJSC "Magnit", Ordinary shares	5.57%
ROSN	Rosneft, Ordinary shares	4.59%

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Ticker	Name	Weight, %
TATN	PJSC "TATNEFT", Ordinary shares	4.27%
MTSS	MTS PJSC, Ordinary shares	3.66%
VTBR	VTB Bank (PJSC), Ordinary shares	3.44%
SNGS	"Surgutneftegas" OJSC, Ordinary shares	3.30%
ALRS	PJSC "ALROSA", Ordinary shares	2.62%
MOEX	Moscow Exchange, Ordinary shares	2.20%
CHMF	PAO Severstal, Ordinary shares	1.87%
IRAO	PJSC "Inter RAO", Ordinary shares	1.50%

For the full list of the Blue Chip Index constituents effective from 22 December, 2017, please visit the exchange's website.

Broad Market Index, Mid Cap Index

For the full lists of the Broad Market Index and Mid Cap Index constituents effective from 22 December, 2017, please visit the exchange's website.

MICEX Innovation Index

The index constituents have the following weights as of 30 November, 2017:

Ticker	Name	Weight, %
QIWI	QIWI PLC, DR (Issuer The Bank of New York Mellon Corporation)	15.00%
UNAC	PJSC "UAC", Ordinary shares	15.00%
NAUK	NPO "Nauka", Ordinary shares	15.00%
LIFE	PJSC "Pharmsynthez", Ordinary shares	15.00%
DZRD	DONSKOY FACTORY OF RADIOCOMPONENTS, Ordinary shares	3.84%
DZRDP	DONSKOY FACTORY OF RADIOCOMPONENTS, Preferred shares	8.65%
ISKJ	PJSC "HSCI", Ordinary shares	10.54%
DIOD	DIOD PJSC, Ordinary shares	7.86%
RLMN	Rollman Group, Ordinary shares	1.10%
RLMNP	Rollman Group, Preferred shares	4.37%
NSVZ	PJSC "Nauka-Telecom", Ordinary shares	2.20%
LVHK	Levenhuk Inc., Ordinary shares	1.45%

For the full list of the MICEX Innovation Index constituents and their parameters effective from 22 December, 2017, please visit the Exchange's website.

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