

Moscow Interbank Currency Exchange Group

Consolidated Financial Statements
Year Ended December 31, 2010

MICEX GROUP

TABLE OF CONTENTS

	Page
STATEMENT OF THE MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS	1
INDEPENDENT AUDITORS' REPORT	2-3
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010:	
Consolidated income statement	4
Consolidated statement of comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8-9
Notes to the consolidated financial statements	10-47

MICEX GROUP

STATEMENT OF THE MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

The Management of CJSC MICEX is responsible for the preparation of the consolidated financial statements that present fairly the financial position of CJSC MICEX and its subsidiaries (the "Group") as of December 31, 2010, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, the Management is responsible for:

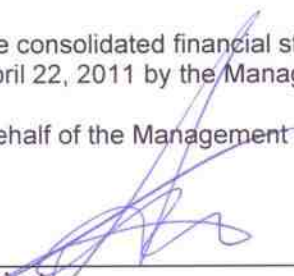
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance;
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound of internal controls throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- Maintaining statutory accounting records in compliance with the legislation and accounting standards of the Russian Federation;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities


These consolidated financial statements for the year ended December 31, 2010 were authorized for issue on April 22, 2011 by the Management of CJSC MICEX.

On behalf of the Management



President
Aganbegyan R.A.

April 22, 2011
Moscow



Chief Accountant
Gordiyenko O.Yu.

April 22, 2011
Moscow

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors
of CJSC Moscow Interbank Currency Exchange:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CJSC Moscow Interbank Currency Exchange and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

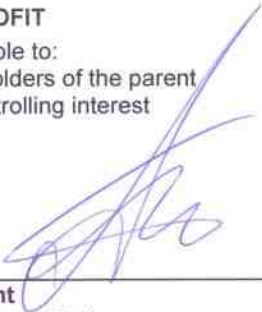
Deloitte & Touche

April 22, 2011
Moscow

MICEX GROUP


CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010 (in thousands of Russian rubles)

	Notes	Year ended December 31, 2010	Year ended December 31, 2009
Commission income	6, 24	7,768,810	7,072,816
Net interest income	7, 24	3,404,823	4,028,402
Net (loss)/gain on financial assets at fair value through profit or loss	8	(78,064)	97,341
Other operating income		21,333	79,783
Foreign currency difference		<u>(6,118)</u>	<u>(72,987)</u>
NET INCOME		11,110,784	11,205,355
Administrative and other operating expenses	9, 24	(4,534,594)	(3,528,061)
Commission expenses	6, 24	<u>(368,501)</u>	<u>(405,135)</u>
OPERATING PROFIT		6,207,689	7,272,159
Share of profits of associates	16, 24	<u>30,192</u>	<u>24,938</u>
PROFIT BEFORE TAX		6,237,881	7,297,097
Income tax expense	10	<u>(1,411,618)</u>	<u>(1,493,717)</u>
NET PROFIT		<u>4,826,263</u>	<u>5,803,380</u>
Attributable to:			
Equity holders of the parent		4,436,476	5,102,665
Non-controlling interest		389,787	700,715



President
Aganbegyan R.A.

April 22, 2011
Moscow



Chief Accountant
Gordiyenko O.Yu.


April 22, 2011
Moscow

The notes on pages 10-47 form an integral part of these consolidated financial statements.

MICEX GROUP


CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2010 (in thousands of Russian rubles)

	Notes	Year ended December 31, 2010	Year ended December 31, 2009
NET PROFIT		<u>4,826,263</u>	<u>5,803,380</u>
OTHER COMPREHENSIVE LOSS			
Exchange differences on translating foreign operations		23	-
Net loss resulting on revaluation of investments available-for-sale during the period		(72,511)	-
Deferred income tax on items recorded in other comprehensive loss	10	<u>14,497</u>	<u>-</u>
OTHER COMPREHENSIVE LOSS AFTER INCOME TAX		<u>(57,991)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>4,768,272</u>	<u>5,803,380</u>
Attributable to:			
Equity holders of the parent		4,378,485	5,102,665
Non-controlling interest	5	<u>389,787</u>	<u>700,715</u>
TOTAL COMPREHENSIVE INCOME		<u>4,768,272</u>	<u>5,803,380</u>



President
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April 22, 2011
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Gordiyenko O.Yu.

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MICEX GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2010 (in thousands of Russian rubles)

	Notes	December 31, 2010	December 31, 2009
ASSETS:			
Cash and cash equivalents	11, 24	160,462,572	191,509,835
Financial assets at fair value through profit or loss	12, 24	21,548,639	17,537,556
Due from banks	13, 24	9,066,179	11,317,996
Central counterparty financial assets	24	560,489	1,641,905
Investments available-for-sale	14, 24	10,585,578	43,767
Investments held to maturity	15	1,564,752	1,419,490
Investments in associates	16, 24	145,495	114,253
Property and equipment	17	5,452,174	5,504,024
Intangible assets	17	656,823	523,506
Other assets	18, 24	832,905	602,959
Non-current assets held for sale	19, 24	-	435,911
TOTAL ASSETS		210,875,606	230,651,202
LIABILITIES AND EQUITY			
LIABILITIES:			
Balances of market participants	20, 24	178,487,994	203,975,628
Central counterparty financial liabilities	24	560,489	1,641,905
Deferred income tax liabilities	10	435,881	418,430
Other liabilities	21, 24	3,619,026	1,369,062
Total liabilities		183,103,390	207,405,025
Equity attributable to equity holders of the parent:			
Share capital	22	1,574,654	1,399,704
Share premium	22	4,998	4,998
Foreign currency translation reserve		18	-
Investments revaluation reserve		(58,009)	-
Retained earnings		25,367,828	19,587,084
Total equity attributable to owners of the parent		26,889,489	20,991,786
Non-controlling interest	5	882,727	2,254,391
Total equity		27,772,216	23,246,177
TOTAL LIABILITIES AND EQUITY		210,875,606	230,651,202

President
Aganbegyan R.A.

April 22, 2011
Moscow

Chief Accountant
O.Yu. Gordiyenko

April 22, 2011
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MICEX GROUP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010**
(in thousands of Russian rubles)

	Notes	Share capital	Share premium	Investments revaluation reserve	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
December 31, 2008		1,399,704	4,998	-	-	14,709,310	16,114,012	1,564,560	17,678,572
Dividends declared	22	-	-	-	-	(221,268)	(221,268)	-	(221,268)
Acquisition of non-controlling interest in the subsidiary	4	-	-	-	-	(3,623)	(3,623)	(10,884)	(14,507)
Total comprehensive income for the year		-	-	-	-	5,102,665	5,102,665	700,715	5,803,380
December 31, 2009		1,399,704	4,998	-	-	19,587,084	20,991,786	2,254,391	23,246,177
Dividends declared	22	-	-	-	-	(247,214)	(247,214)	(24,874)	(272,088)
Reorganization of the Group	4,22	174,950	-	-	-	1,591,482	1,766,432	(1,944,051)	(177,619)
Acquisition of subsidiary	4	-	-	-	-	-	-	207,474	207,474
Total comprehensive income for the year		-	-	(58,009)	18	4,436,476	4,378,485	389,787	4,768,272
December 31, 2010		1,574,654	4,998	(58,009)	18	25,367,828	26,889,489	882,727	27,772,216

President
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April 22, 2011
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April 22, 2011
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MICEX GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010 *(in thousands of Russian rubles)*

	Notes	Year ended December 31, 2010	Year ended December 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax		6,237,881	7,297,097
Adjustments for:			
Other provisions		772	6,401
Fair value adjustment on financial assets at fair value through profit or loss		52,939	(94,536)
Unrealized loss/(gain) on foreign exchange operations		1,838	(14,429,944)
Loss on disposal of property and equipment and intangible assets		103,552	14,522
Depreciation and amortization charge		525,490	441,633
Share of profits of associates		(30,192)	(24,938)
Gain on disposal of non-current assets held for sale		(2,299)	-
Impairment of investments held to maturity		(6,839)	(6,814)
Net change in interest accruals		(184,541)	1,205,496
Cash flows from operating activities before changes in operating assets and liabilities		6,698,601	(5,591,083)
Changes in operating assets and liabilities			
(Increase)/decrease in operating assets:			
Due from banks		2,248,233	(3,850,319)
Financial assets at fair value through profit or loss		(4,028,716)	(11,820,734)
Central counterparty financial assets		1,081,416	(1,641,905)
Other assets		408,304	150,380
Increase/(decrease) in operating liabilities:			
Balances of market participants		(27,116,750)	(143,014,609)
Central counterparty financial liabilities		(1,081,416)	1,641,905
Other liabilities		2,274,373	35,884
Cash outflow from operating activities before taxation		(19,515,955)	(164,090,481)
Income tax paid		(1,470,750)	(1,509,527)
Net cash outflow from operating activities		(20,986,705)	(165,600,008)

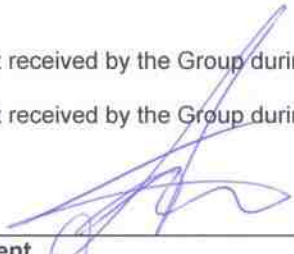
MICEX GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2010 (in thousands of Russian rubles)

	Notes	Year ended December 31, 2010	Year ended December 31, 2009
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment and intangible assets		(684,313)	(2,261,634)
Gain from disposal of property and equipment and intangible assets		68,110	64,448
Proceed on disposal of non-current assets held for sale		438,210	-
Purchase of investments available-for-sale		(10,529,365)	(23,031)
Disposal of investments available-for-sale		-	7,612
Purchase of investments held to maturity		(52,978)	(1,195,980)
Reorganization of the Group		(177,619)	(14,507)
Acquisition of subsidiaries, net of cash acquired		5,612	(50,716)
Net cash outflow from investing activities		<u>(10,932,343)</u>	<u>(3,473,808)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		<u>(272,088)</u>	<u>(221,268)</u>
Net cash outflow from financing activities		<u>(272,088)</u>	<u>(221,268)</u>
Effect of changes in foreign exchange rates on cash and cash equivalents		<u>1,143,873</u>	<u>13,989,504</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(31,047,263)	(155,305,580)
CASH AND CASH EQUIVALENTS, beginning of year	11	<u>191,509,835</u>	<u>346,815,415</u>
CASH AND CASH EQUIVALENTS, end of year	11	<u>160,462,572</u>	<u>191,509,835</u>

Interest received by the Group during the year ended December 31, 2010 amounted to RUB 3,220,282 thousand.

Interest received by the Group during the year ended December 31, 2009 amounted to RUB 3,062,619 thousand.



President
Aganbegyan R.A.

April 22, 2011
Moscow



Chief Accountant
O.Yu. Gordiyenko

April 22, 2011
Moscow

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MICEX GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

(in thousands of Russian rubles, unless otherwise indicated)

1. ORGANIZATION

CJSC Moscow Interbank Currency Exchange ("MICEX") is a closed joint stock company that was incorporated in the Russian Federation (the "RF") in 1992. MICEX conducts its business under the following licences:

- Licence No. VB-01/92 issued by the Central Bank of the Russian Federation (the "CBR") on July 15, 1992 for the organization of sale-and-purchase operations in foreign currency traded for rubles and performance of settlements for the concluded deals;
- Addendum No.1 to Licence No. VB-01/92, dated March 10, 1998, issued by the CBR for the organization of sale-and-purchase operations in foreign currency traded for other foreign currencies and performance of settlements for the concluded deals;
- Licence No. 077-05870-000001 issued by the Federal Securities Commission on February 26, 2002 for the organization of trade in the securities market (stock market);
- Licence No. 077-05869-000010 issued by the Federal Securities Commission on February 26, 2002 for clearing activities (stock market);
- Licence No. 105 of March 17, 2000 issued by the Commission for Commodity Exchange under the RF Ministry for Antimonopoly Policy and Support of Entrepreneurship to organize exchange trading in the Derivatives (Standard Contracts) Market Section in the RF;
- Addendum to Licence No. 105, dated September 18, 2001, issued by the Commission for Commodity Exchange under the RF Ministry for Antimonopoly Policy and Support of Entrepreneurship to organize exchange trading in the RF in the following commodity sections: electric power, energy carriers (oil and oil-products, gas and gas condensates), ferrous/non-ferrous metals and alloys, construction materials, timber, crops, grain legumes, industrial crops, agricultural products, pharmaceuticals, hydroponic cultures.

MICEX Group ("Group") is an integrated exchange structure that provides electronic trade organization, clearing and settlements on trades, custodial and information services. The Group offers trading, clearing and settlement services on the following financial market segments: foreign currencies exchange market, government securities and money market, market of derivative financial instruments, equities market, corporate and regional bonds market, commodities market, government and municipal procurement market.

The legal address of MICEX: 13 Bolshoy Kislovsky per., Moscow, the Russian Federation.

MICEX is a parent company of the Group, which includes the following enterprises consolidated in the financial statements:

Name	Country of operation	Voting shares held by the Group, %		Type of operation
		2010	2009	
CJSC MICEX	The Russian Federation		Parent	Currency exchange operations
Subsidiaries				
CJSC MICEX Stock Exchange (CJSC MICEX SE)	The Russian Federation	12.72	12.72	Stock exchange operations
NCO CJSC MICEX Settlement House	The Russian Federation	-	88.71	Settlement services to market participants
CJSC National Depository Center (CJSC NDC)	The Russian Federation	-	50.17	Custodial and clearing operations
NCO CJSC National Settlement Depository	The Russian Federation	99.96	-	Custodial, clearing and settlement operations
CJSC National Clearing Center (CJSC NCC)	The Russian Federation	100.00	100.00	Banking and clearing operations
CJSC MICEX – Ural Region Regional Exchange Center (CJSC MICEX – Ural Region)	The Russian Federation	100.00	100.00	Exchange activities
CJSC MICEX – Volga Region Regional Exchange Center (CJSC MICEX – Volga Region)	The Russian Federation	100.00	100.00	Exchange activities

