



**MOSCOW
EXCHANGE**

August 2016

Investor presentation



Recent developments

2

Dividend and free float update

3

Business overview

4

Our trading markets

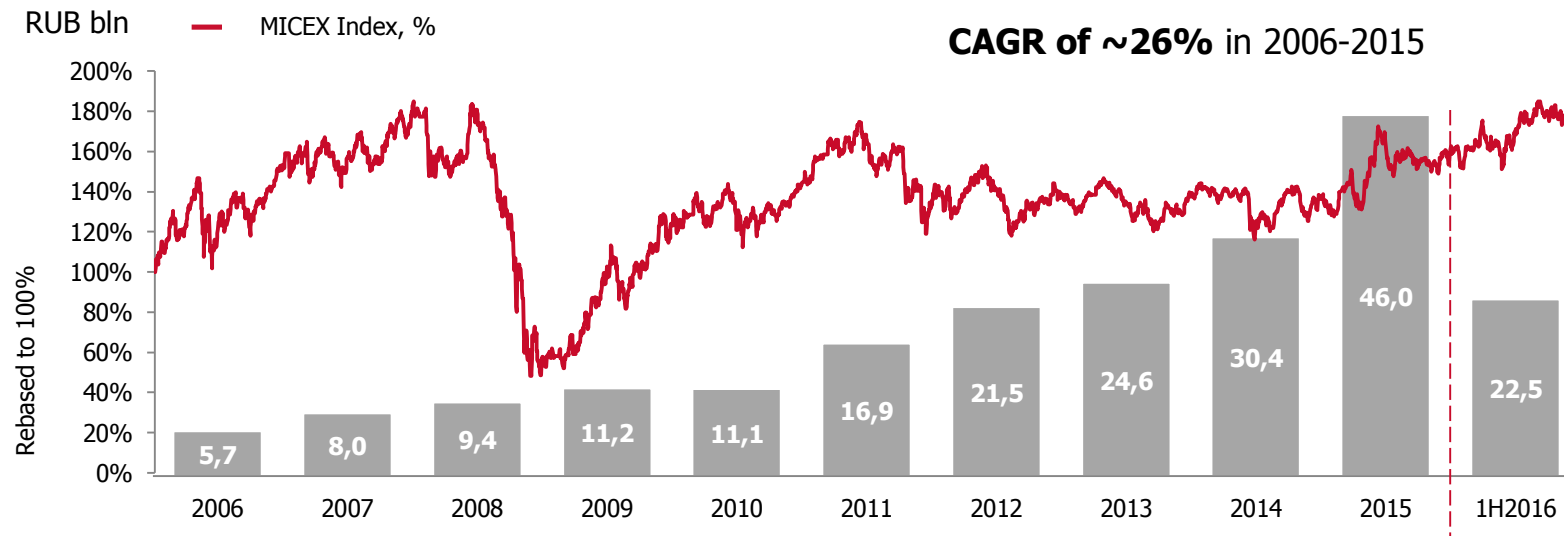
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2Q 2016 financial results



MOEX business model **continues to deliver**

Operating income¹

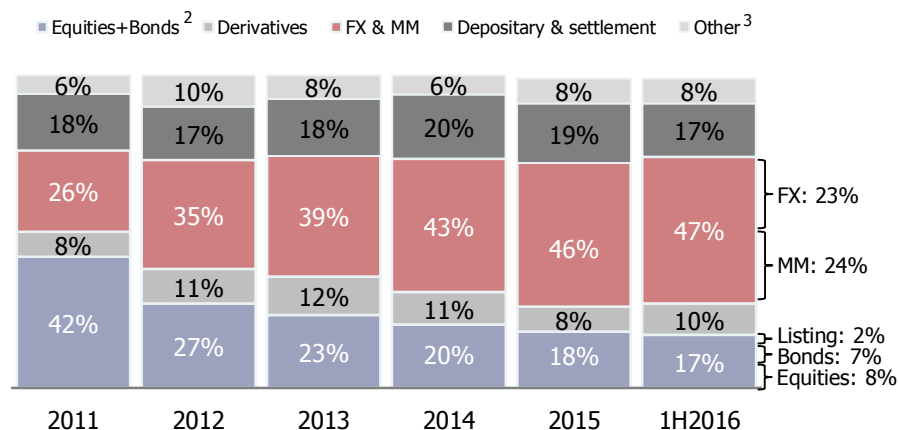


Key highlights

Unique business model allows MOEX to increase operating income regardless of the stage of the economic cycle:

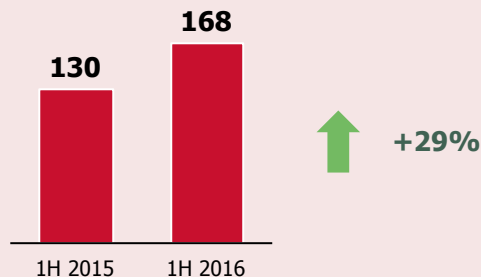
- **Business lines** are diversified, while markets have limited growth correlation
- **Growth drivers differ** across markets and products

Fee & commission income evolution¹

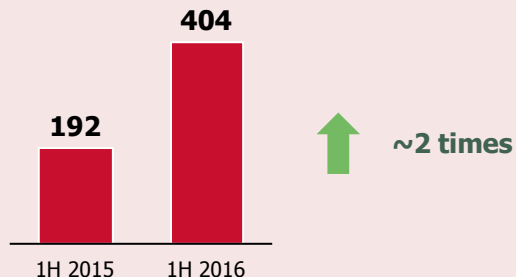


Wide range of products driving growth

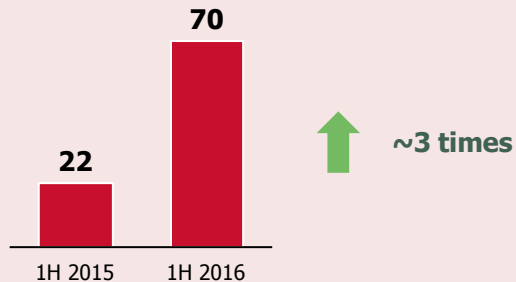
FX Market
RUB trn



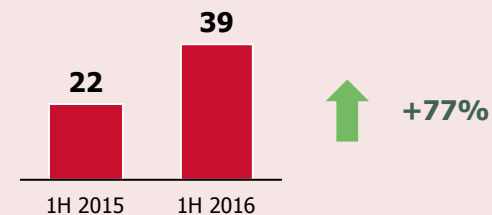
CNY/RUB
RUB bln



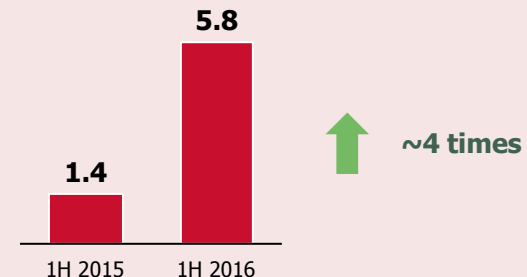
REPO with
CCP
RUB trn



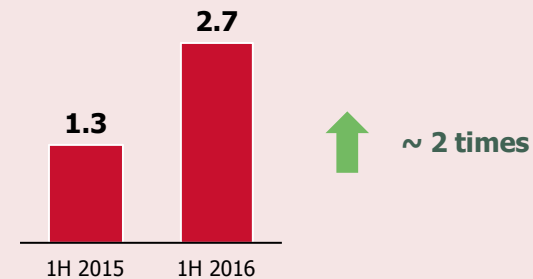
FX Futures
RUB trn



Futures on
commodities
RUB trn

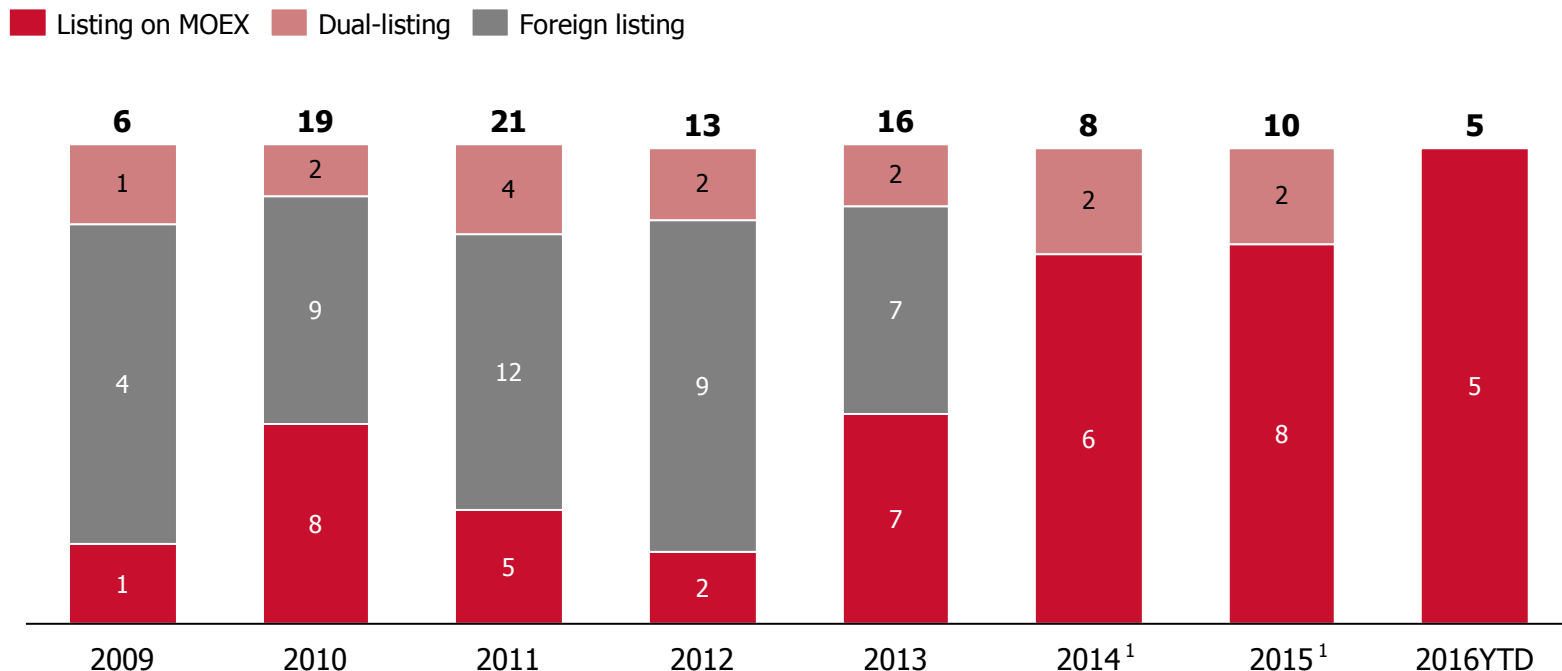


Options
RUB trn



Shift towards local listings continued

Number of IPO/SPOs/listings by Russian issuers



Though macro environment affected Russian equity capital markets...

- Russian issuers successfully completed 9 share placements in 2015 in the form of IPOs or SPOs totalling ~RUB 80 bln
- In 2016YTD, 5 Russian issuers held IPOs/SPOs amounted to ~RUB 86 bln, including Alrosa's privatisation deal in July 2016
- Most of the recent transactions 2015-2016 were held on MOEX

Diversified investor base across different markets

Equities
Market
RUB trn

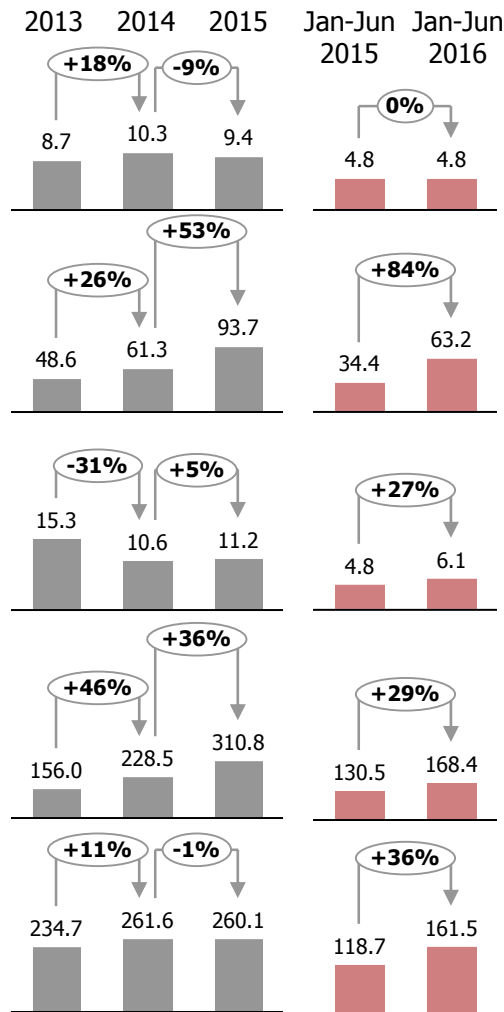
Derivatives
Market
RUB trn

Fixed
Income
Market
RUB trn

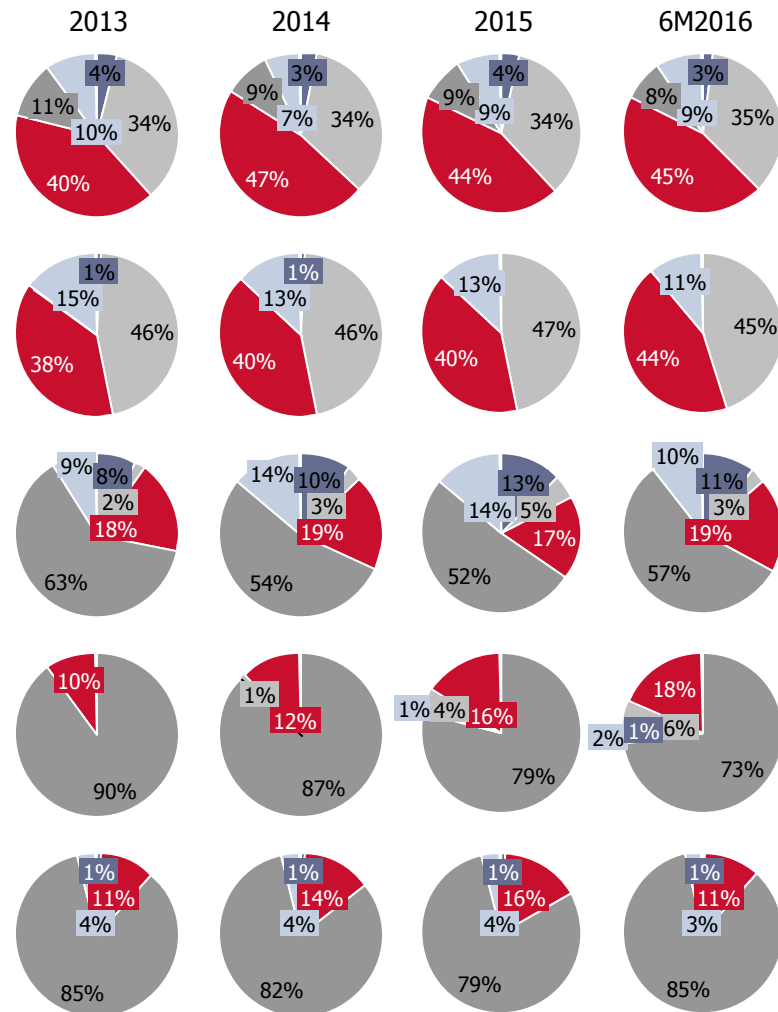
FX Market
RUB trn

Money
Market¹
RUB trn

Trading volumes



Volume breakdown by investor types



Source: Moscow Exchange data

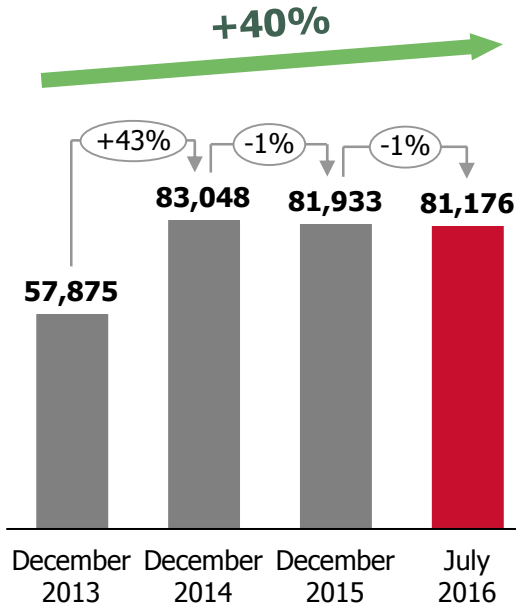
¹ Trading volumes including REPO with collateral management. Investor structure based on on-exchange REPO trading volumes only

Local funds
Local banks and brokers prop trading
Local retail investors
Local corporates
Foreign investors

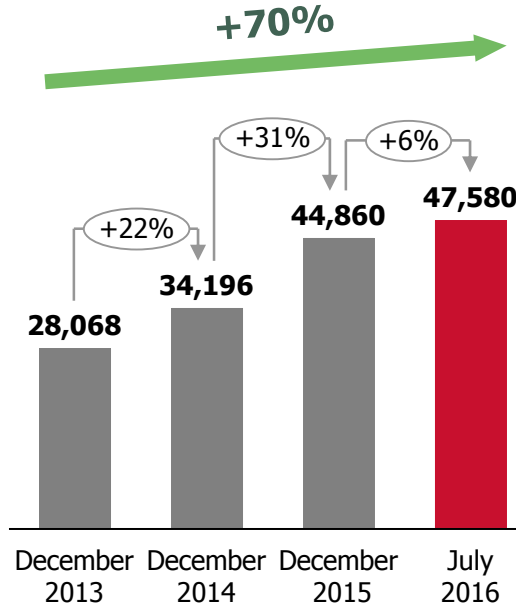
Retail clients: growing segment of the Russian financial market

Number of active retail client accounts

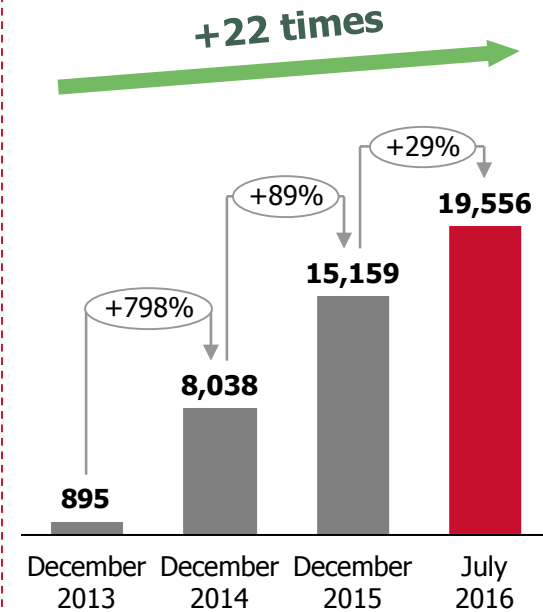
Equities Market



Derivatives Market



FX Market¹



Recent regulatory changes:

- Introduction of **individual investment accounts** for private investors since 2015 – more than 130,000 accounts opened in 7m2016
- **Tax breaks** on capital gains on securities held for more than 3 years (up to RUB 9 mln for securities purchased after 1 Jan 2014)
- Retail investors allowed to **remotely open a brokerage account**. This simplifies the process for retail investors in Russia's regions

CORPORATE ACTIONS REFORM IN RUSSIA:

FROM PAPER TO A LEADING MARKET TECHNOLOGIES FOR CORPORATE ACTIONS

From July 1st 2016

New approach to corporate actions processing

LOWER COSTS

- ✓ No more power of attorney
- ✓ Zero mailing costs, no hard-copies needed for investors to participate in corporate actions
- ✓ CSD's service pricing based on principles of cost-coverage, simplicity and fairness

LOWER RISKS

- ✓ Creation of the single source of reliable and comprehensive information on corporate actions based on the Russian CSD
- ✓ Unified electronic ISO-based standards for corporate actions
- ✓ Control over assets and settlement oversight by the Russian CSD

BETTER CORPORATE GOVERNANCE:

- ✓ Direct electronic access to AGMs for investors
- ✓ Standardized electronic meeting's convocations, directors nomination, participation in corporate actions through custodians
- ✓ No more special requirements for holders' incorporation set by issuers



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WHAT'S CHANGED:

FROM PAPER TO A LEADING MARKET TECHNOLOGIES FOR CORPORATE ACTIONS

Key issues investors, issuers and depositories faced...

- ✓ Direct interaction between shareholders and an issuer, infrastructure are not involved
- ✓ Lack of reliable information on corporate actions
- ✓ Hard-copies of documents exchange
- ✓ Complex procedure for participation in corporate actions, authorization by a power of attorney
- ✓ Lack of guarantee of timely and efficient settlements

... will be resolved from July, 1st 2016

- ✓ All corporate actions are processed in a centralized manner through a single CSD platform
- ✓ NSD becomes an official corporate information center, where information distributed simultaneously and available to all market participants
- ✓ Electronic data exchange based on ISO-standards
- ✓ Custodians are entitled to represent their clients interests without any formalities
- ✓ Russian CSD ensures timeliness and efficiency of settlement

NSD: crucial component of the financial infrastructure generating steady revenues

- The largest settlement depository **in Central and Eastern Europe**
- The Russian CSD and an operator of **systemically important depository, repository and payment system**
- **Links with** other CSDs and **ICSDs**
- Stable and **recurring revenue source**, which is less depended on the market environment

CSD

- ✓ Safekeeping
- ✓ Settlement (FOP, DVP)
- ✓ Corporate actions
- ✓ Tax agent services

Clearing & Tri-party services

- ✓ Clearing
- ✓ Collateral management (tri-party services)

Payment service provider

- ✓ Cash settlement services
- ✓ FX services

Repository

- ✓ OTC derivatives reporting
- ✓ Clearing, CMS and information services

Corporate Information Center

- ✓ Comprehensive source of corporate information
- ✓ Valuation center
- ✓ Pricing center

Key initiatives

- Completion of the ongoing corporate actions reform to further simplify market access and reduce costs for market participants
- Development of the corporate information center and a recognized pricing center, which are set to become a comprehensive and authoritative source of reliable information on securities and corporate actions
- Further trade repository development to make OTC derivatives market more transparent and better understand risks associated with the market



Priorities and points of growth 2016

Key initiatives

New products

- ✓ Repo with General Collateral Certificates
- ✓ DMA for corporates to FX Market, Fixed Income Market and Money Market
- ✓ Focus on bonds: substitution of bank lending with public capital markets and securitization development
- ✓ Expanding the market data business: new products and subscription-based services
- ✓ Corporate actions reform

Growing the investor base

- ✓ Attract non-resident flow, including further infrastructure developments, foreign clearing membership on FX & derivatives markets, NCC accreditation by EMIR/CFTC and creation of trading links between Russia and international markets
- ✓ Focus on retail investors, including on-line marketing tools, product and brand development, educational efforts for individuals

Cross-market services

- ✓ Unified collateral pool across all markets
- ✓ Collateral management services
- ✓ Cross-margining

IT excellence

- ✓ New IT architecture of the Exchange – segregation of trading and clearing modules
- ✓ New Tier-3 data center

Organic growth

- ✓ Privatization program
- ✓ Increase in public debt



1

Recent developments



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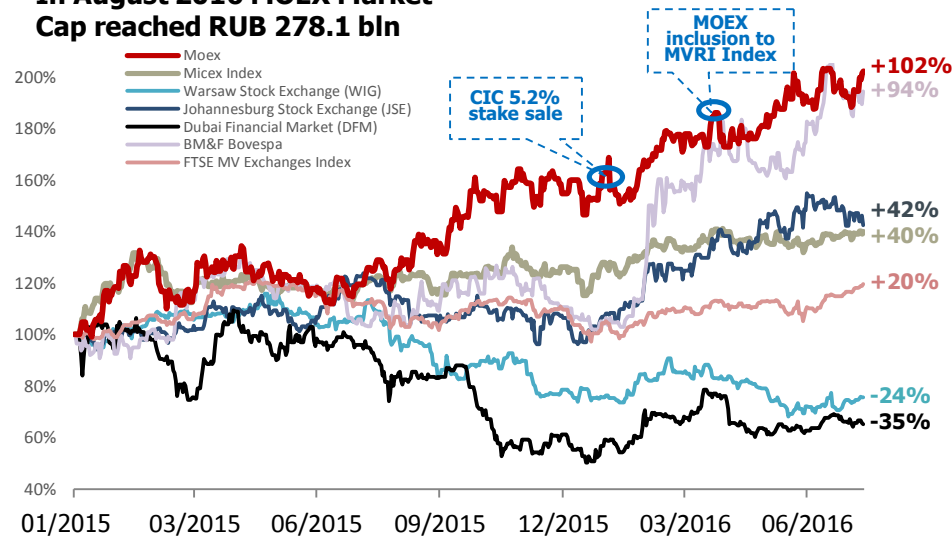
2Q 2016 financial results



Dispersed ownership with **the highest free-float in Russia**

Share performance¹

In August 2016 MOEX Market Cap reached RUB 278.1 bln

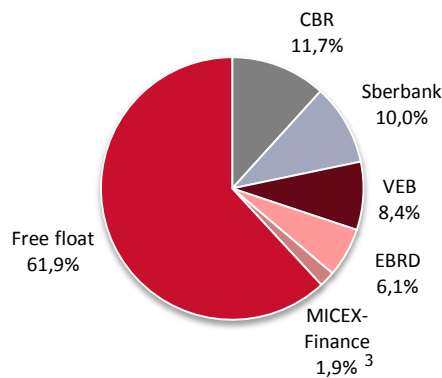


Comments

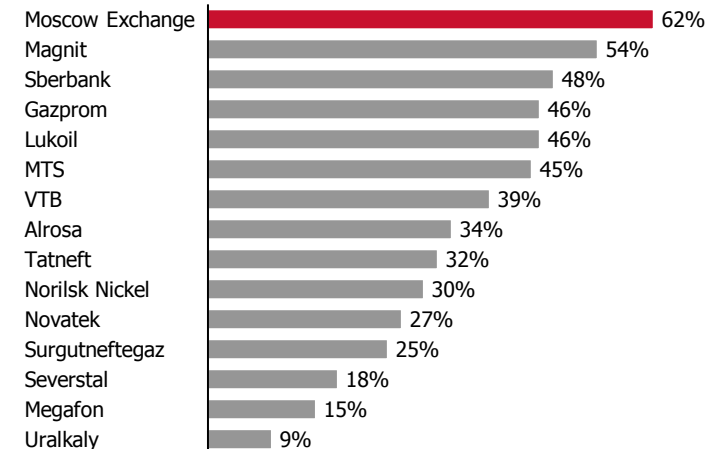
- More than 30 institutional investors from the US, UK, Europe and Russia acquired stakes in MOEX via Chengdong Investment Corp share sale. The transaction was held in form of an accelerated book build worth USD 136 mln
- In March 2016 Market Vectors Index Solutions (MVIS) included MOEX in the MVRSX index, which is tracked by the USD 1.9 bln ETF
- In May 2016 MSCI changed MOEX's FIF (MSCI free-float estimate) to 0.60 from 0.50
- MOEX free float increased to 62% in July 2016, which is the highest among Russian listed companies

Dispersed ownership with no controlling shareholder...

as of May 16, 2016²



...and the highest free-float in Russia⁴



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¹ In local currencies for the period 01.01.2015-11.08.2016

² Including changes disclosed in July 2016

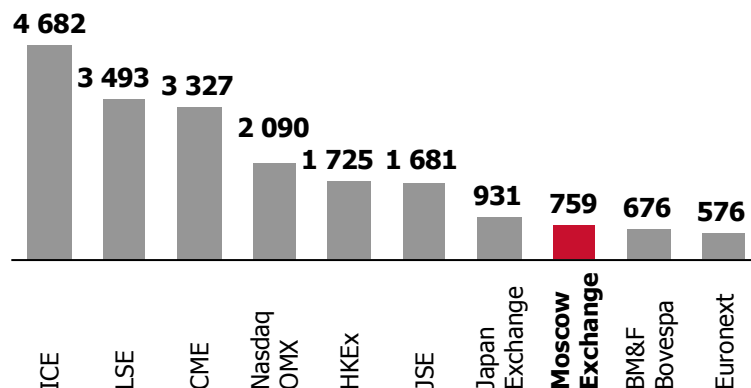
³ 100% owned subsidiary of the Moscow Exchange

⁴ Top 15 companies by market capitalisation from MICEX Index. Alrosa's free-float increased from 23% to 34% following the privatisation deal on 10 July 2016

New dividend policy: payout floor raised to 55%

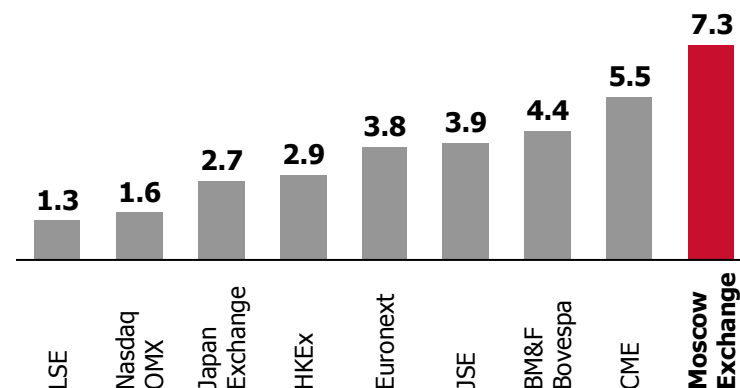
Revenues 2015¹

USD mln



Dividend yield 2016E

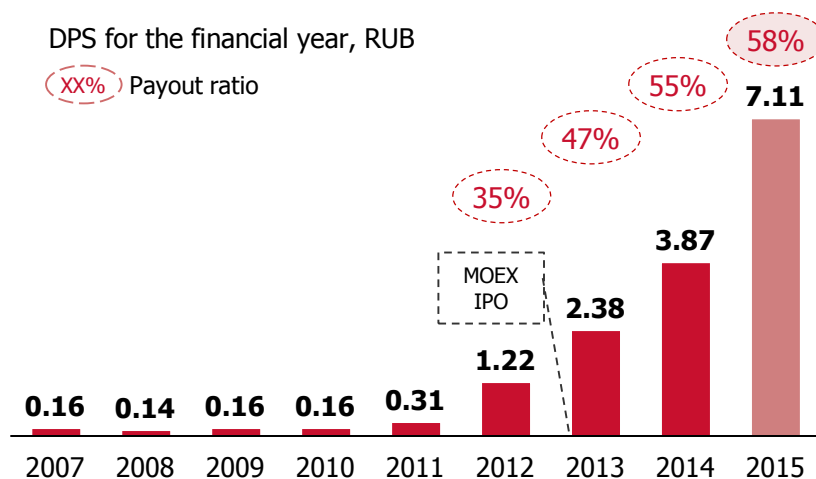
%



History of dividend growth

DPS for the financial year, RUB

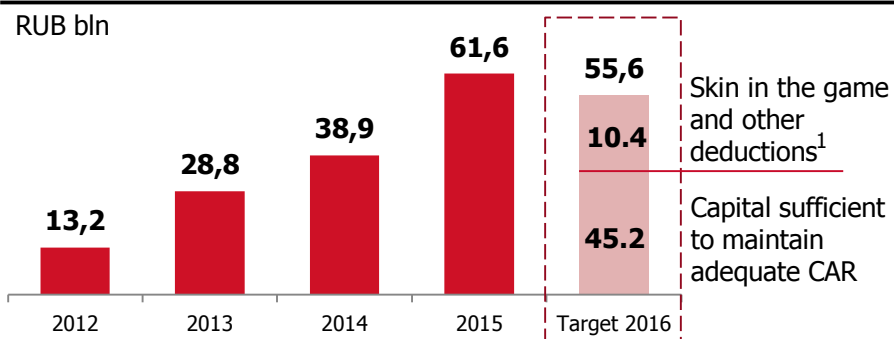
(XX%) Payout ratio



- A new dividend policy approved in Sept 2015 sets 55% of net profit as the new payout floor
- In April 2016 the AGM approved a dividend for 2015 of RUB 7.11 per share, which is 58.2% of 2015 IFRS net profit
- Since IPO, MOEX has returned **8.2%** (RUB 17.2 bln) of the YE 2015 market cap (RUB 208.3 bln) to shareholders in the form of dividends

NCC capital target: RUB 55.6 bln

NCC capital (end of period)



Key takeaways

Target level of NCC capital is set at **RUB 55.6 bln** based on:

- ✓ **CCP Stress-tests with a new risk-covering mechanism**
Capital should be sufficient to cover potential losses under a stress scenario and keep business operational
- ✓ **New CBR regulation of capital adequacy ratio**
CAR should be sufficient under Basel III rules (**min of 8%** versus 10% previously), and following adjustments of capital (skin in the game) and RWA

New regulation and its impact on NCC capital requirements

1

New regulation of CCPs in Russia

The CBR required all CCPs to be incorporated as entities with (i) clearing and (ii) non-credit banking organization licenses. The law was adopted in Dec 2015 with a transition period of 2 years for NCC. The licenses switch is expected to move regulation of NCC away from a classical banking regulation towards best practices of CCP regulation, which may reduce capital requirements for NCC in the long-run.

2

New financial stability recovery mechanism

Risk-protection system was unified across all markets and aligned with CPSS-IOSCO requirements. New "Skin in the game" size was approved by the NCC's Supervisory Board in line with the CBR's requirements:

- ✓ RUB **6.5 bln since Nov 2015**
- ✓ RUB **9.5 bln since July 2016 (planned)**

'Skin in the game' is deducted from the capital adequacy ratio (CAR) calculation, while NCC's financial assets and obligations, which NCC entered with market participants as CCP, are excluded from risk-weighted assets (RWA).

Net effect is expected to reduce capital requirements of NCC in the mid-run.

3

Introduction of Basel III rules

CAR calculation was aligned with Basel III requirements, with minimum CAR set at 8% level. NCC is expected to maintain a capital buffer to keep CAR at comfortable level exceeding 8%.



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Investment highlights

1

MOEX operates in one of the largest economies globally and encompasses Russia's largest public trading markets

2

Leading market position in a global context

3

Unique business model, offering trading of a wide range of assets together with well-established centralized post-trade infrastructure

4

Strong transparency and corporate governance standards

5

Successful track record of infrastructure reforms and improving regulatory framework

6

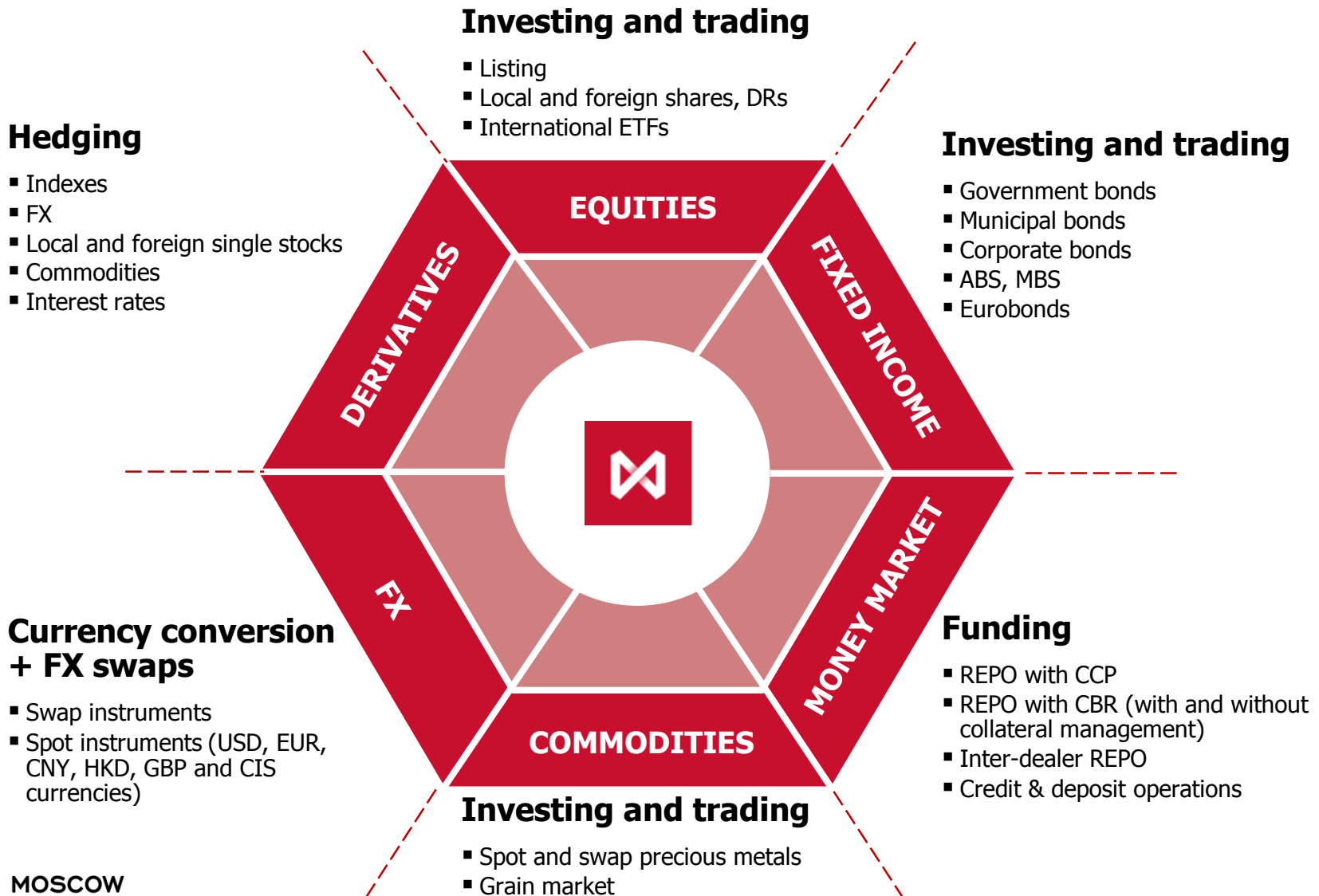
Strong financial performance

7

Attractive dividend policy



Highly diversified product offering...



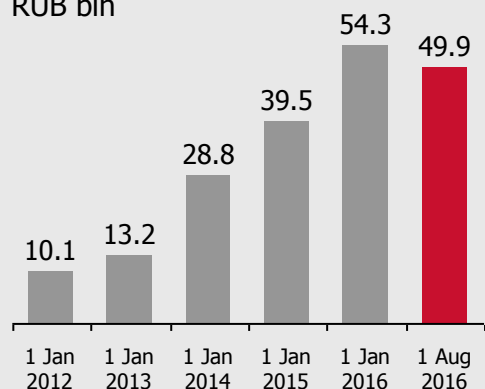
...coupled with **strong post-trade infrastructure**

Central Counterparty (CCP) and Central Securities Depository (CSD)

CLEARING

National Clearing Centre (NCC) own funds (capital)¹

RUB bln



CCP cleared value based on ADTV (1H 2016)

RUB bln

FX	1380.5
REPO with CCP	572.2
Derivatives	517.8
Fixed income	50.0
Equities	39.0
Commodities	0.6
OTC derivatives	0.12

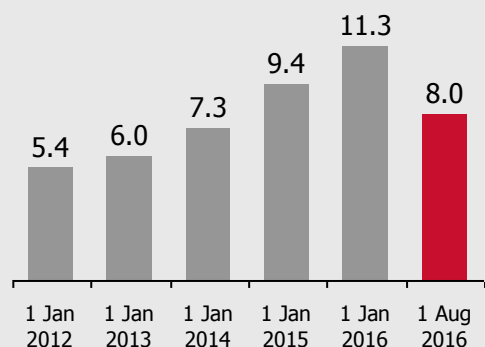
Comments

- Well-capitalized NCC as CCP for all asset classes
- Bank of Russia qualified CCP status
- Centralized clearing of OTC derivatives

SETTLEMENT & DEPOSITORY

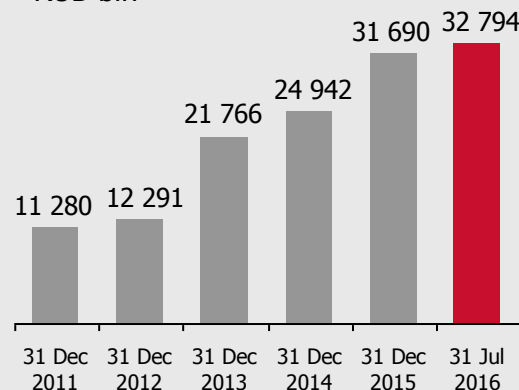
National Settlement Depository² (NSD) capital

RUB bln



Assets on deposit³

RUB bln



Comments

- Safekeeping and settlement services
- Collateral management services for REPO transactions
- Repository for OTC trades
- Links to Euroclear and Clearstream for Russian bonds and equities
- AA- rating from Thomas Murray⁴



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Source: Moscow Exchange operational information

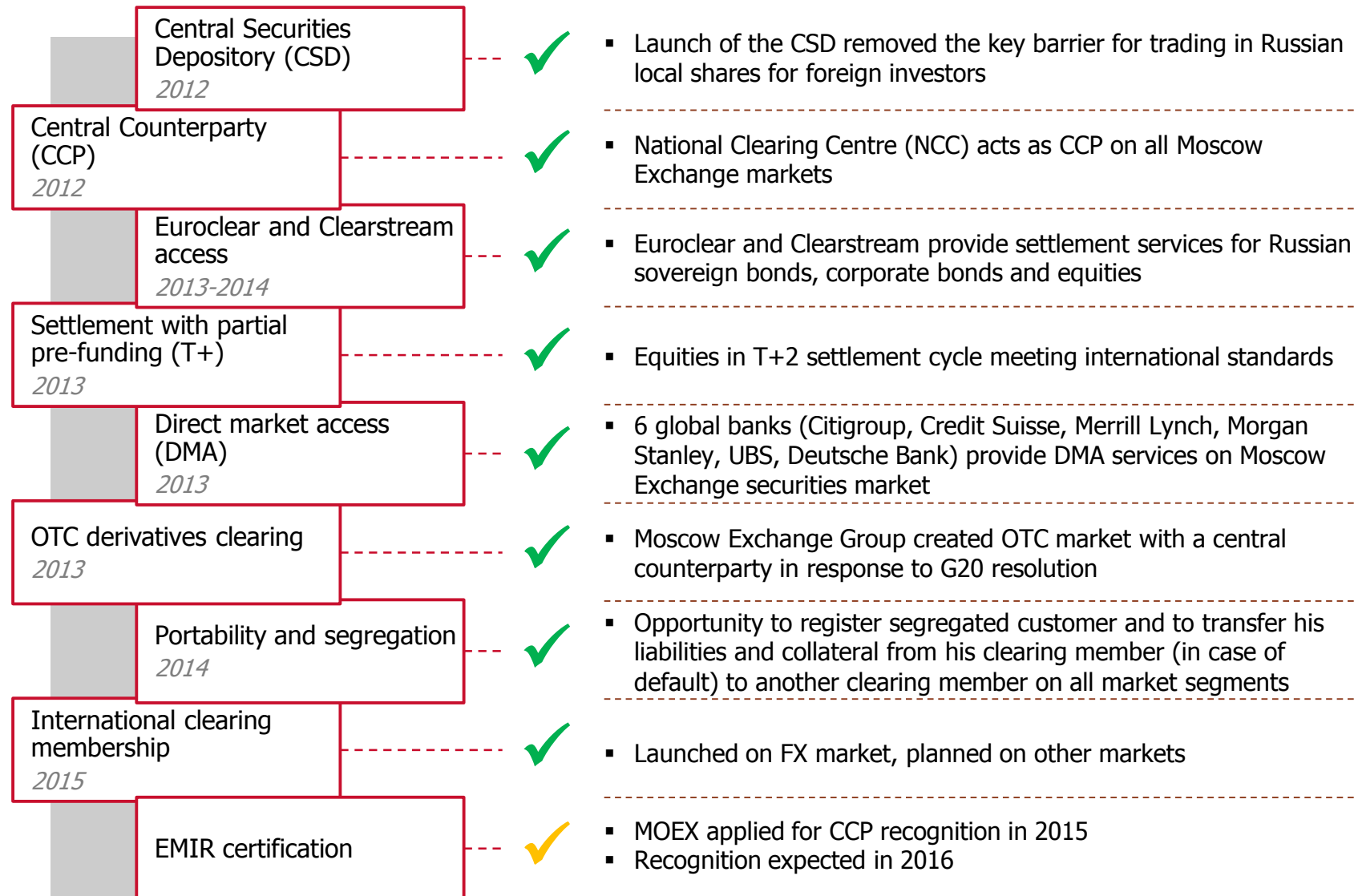
¹ Figures in accordance with Russian Accounting Standards as reported to and disclosed by the CBR on a monthly basis

² Russian Central Securities Depository

³ Assets in deposit based on Company' operational data

⁴ Thomas Murray – leading global agency for depository services

Moscow Exchange infrastructure meets international standards



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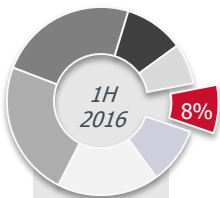


Our trading markets

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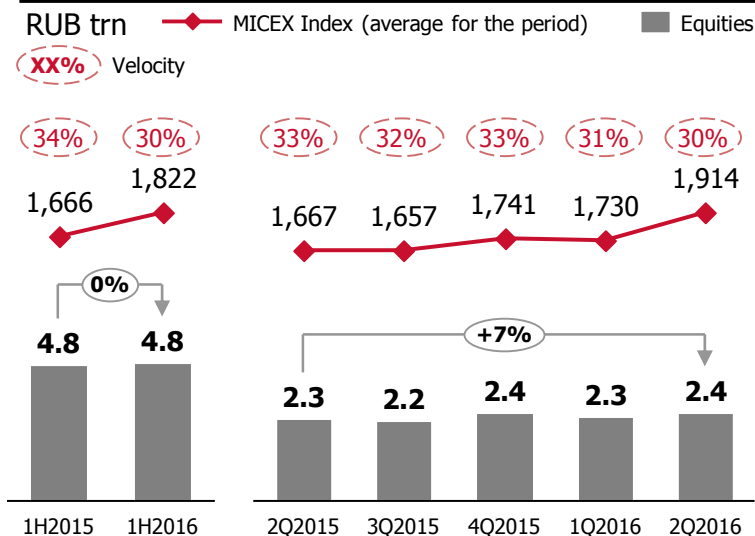
2Q 2016 financial results





Equities Market: Market capitalization growth drives F&C income

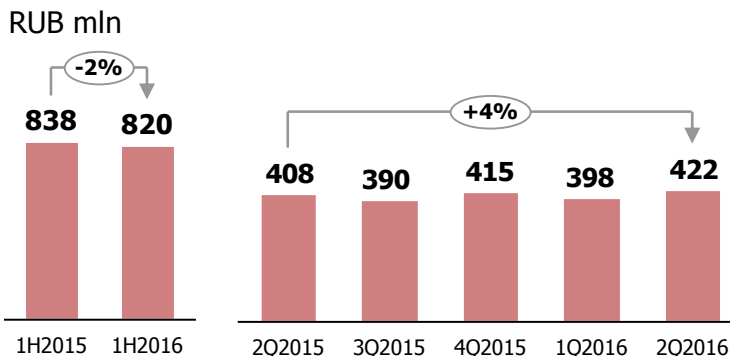
Trading volumes¹



Russian equities trading volumes², MOEX vs LSE



Fee & commission income



Comments

- In July, the privatization process started with the SPO of Alrosa. The state successfully sold 10.9% of the company's share capital with a discount to the market price of just 4%. The deal size was RUB 52.2 bln (US \$813 mln). Additionally, UWC and Promsvyazbank raised RUB 5.0 bln (USD 77 mln) and RUB 2.6 bln (USD 39 mln) respectively through SPOs on MOEX in 2Q 2016
- Average market share of MOEX vs LSE for dual-listed Russian companies was 59% in 2Q 2016, while equities market capitalization growth led to 4% YoY fees and commissions increase



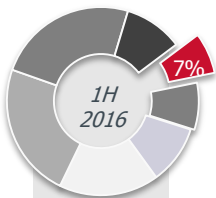
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Source: Moscow Exchange operational information and Consolidated Financial Statements, Liquidmetrix

¹ Volumes on both primary and secondary markets

² Moscow Exchange and London Stock Exchange data for Russian dual-listed companies

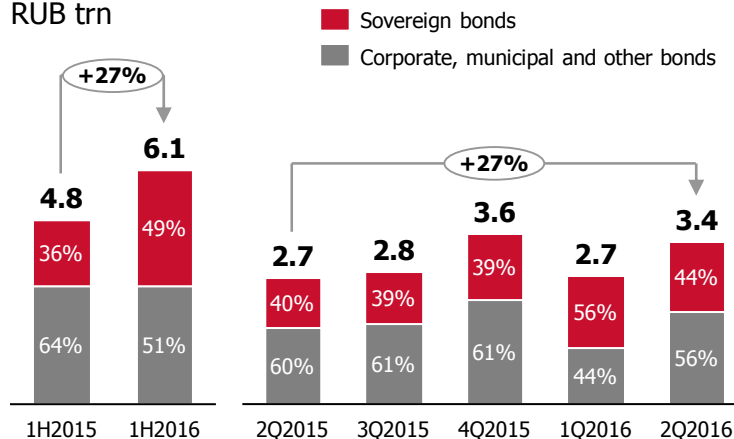
³ Only electronic order book deals



Fixed Income Market: F&C growth driven by new primary placements

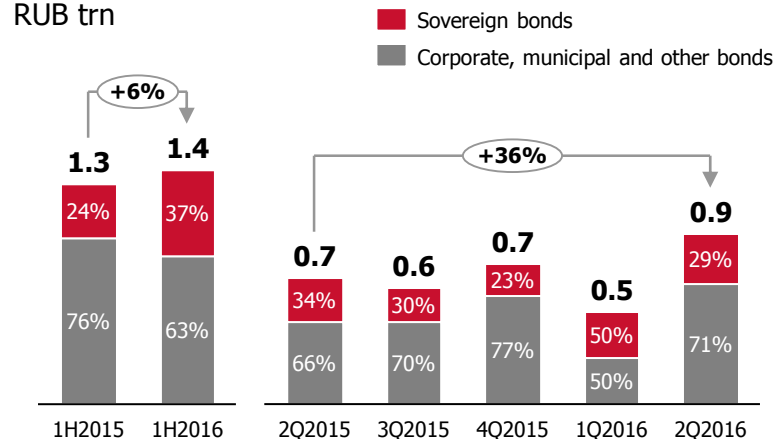
Trading volumes¹

RUB trn



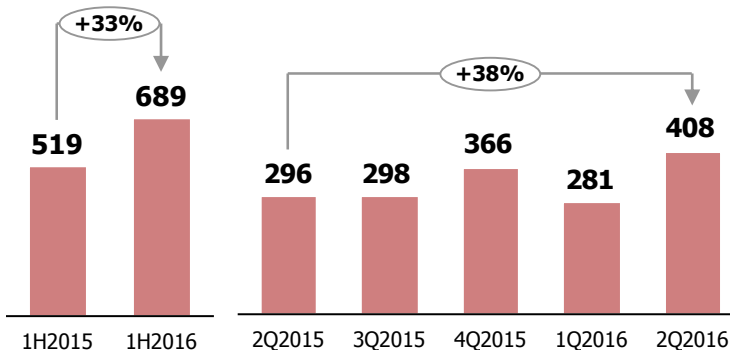
Primary market

RUB trn



Fee & commission income

RUB mln



Comments

- The share of corporate bonds in the total trading volumes accounted for 56% on the back of strong primary placements, which grew 45% YoY driven by lower interest rates and easier access for Russian corporates to public debt
- Continued growth of trading volumes on secondary markets contributed to total trading volume growth (+27% YoY), mainly driven by solid performance of government bonds thanks to product advancements completed last year (shift to T+1 settlement, improved tariff plans, launch of closing and opening auctions)



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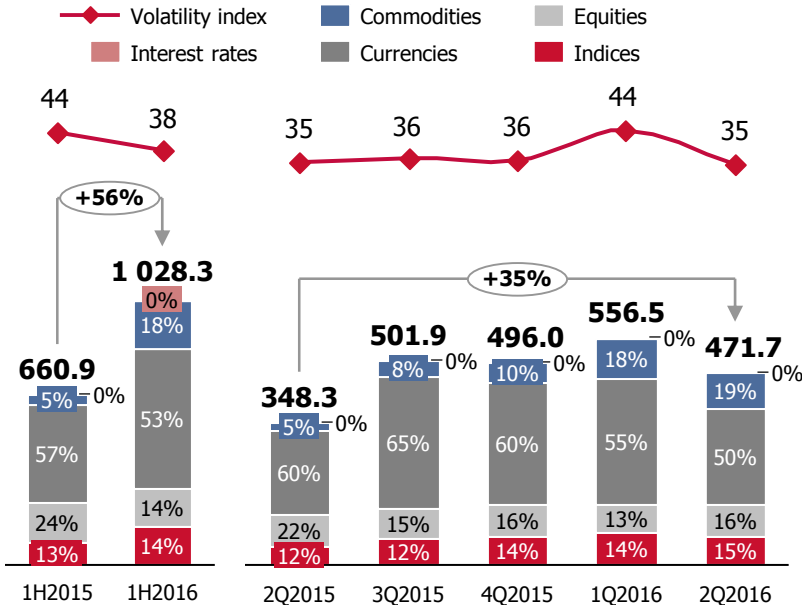
Source: Moscow Exchange operational information and Consolidated Financial Statements

¹ Trading volumes on fixed income market include placements

Derivatives Market: healthy growth across the board

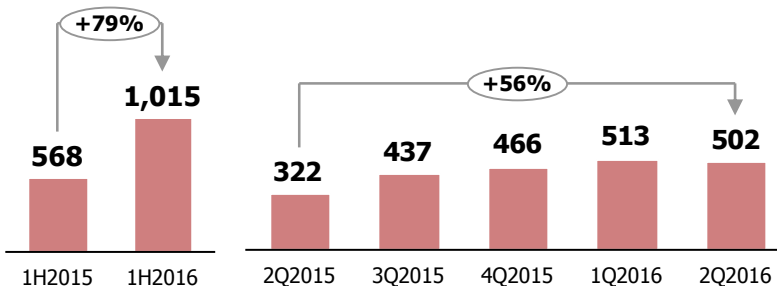
Trading volumes

millions of contracts



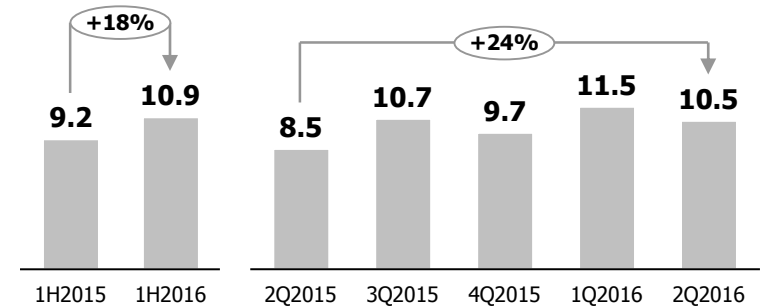
Fee & commission income

RUB mln



Open interest

millions of contracts, daily average



Comments

- Fee and commission income showed a second best quarterly growth rate ever (up 56% YoY) and increased to RUB 502 mln thanks to solid growth of trading volumes in futures on FX, commodities, indices, as well as options
- Futures and options on FX remained the most traded contracts and accounted for 50% of total derivatives contracts. Derivatives on commodities continued their rapid expansion with a 19% share of total trading volumes versus 5% a year ago
- Open interest grew by 24% to 10.5 mln contracts



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Source: Moscow Exchange operational information and Consolidated Financial Statements

Case study: Derivatives Market delivers record results

Focused efforts to improve financial literacy and attract retail investors...

Investor Contests

MOEX has been involving retail investors through a set of competitions focused on new clients ("invest-trial") and experienced investors ("invest-battle"), or focused on different products, e.g. futures on Brent ("Make your call on oil price") and FX futures ("Around the world in 35 days")



> 2 000

Number of participants



> 2 000



14 000



13 447

MOEX School – basic financial education

MOEX held more than 75 educational seminars through the **MOEX school**, which focused on market basics to improve financial literacy



> 7 500

Specialized seminars & workshops

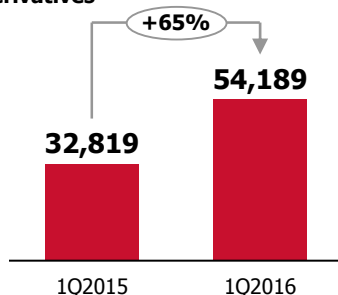
MOEX held 35 specialized workshops, conferences and seminars to improve financial literacy and promote MOEX products in more than 20 Russian cities



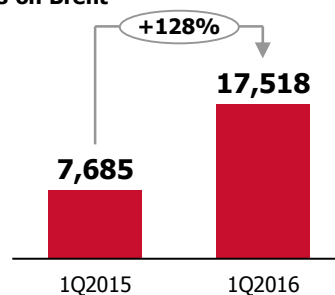
> 2 000

...led to outstanding growth of active clients and new records

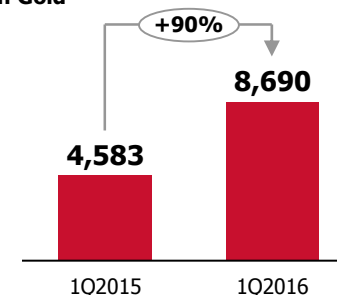
Active clients:
All derivatives



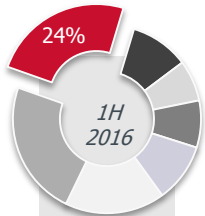
Active clients:
Futures on Brent



Active clients:
Futures on Gold

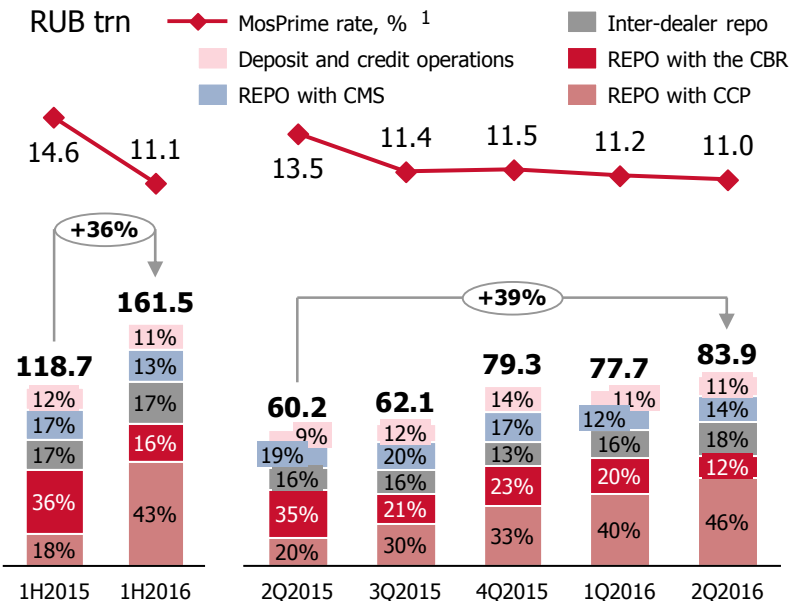


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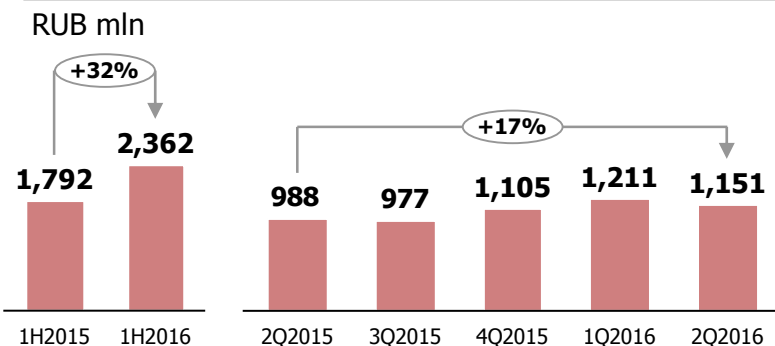


Money Market: demand for on-exchange services continues to grow

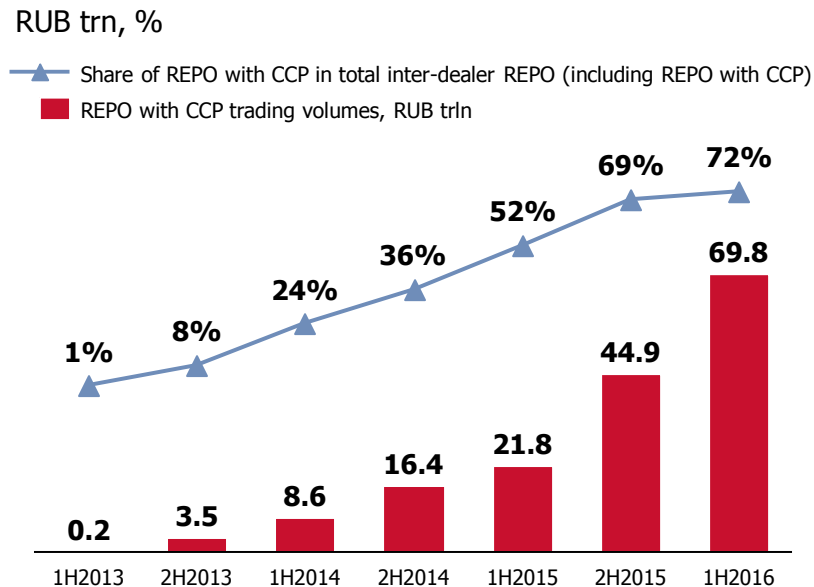
Trading volumes



Fee & commission income

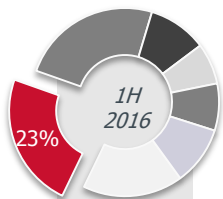


Trading volumes for REPO with CCP



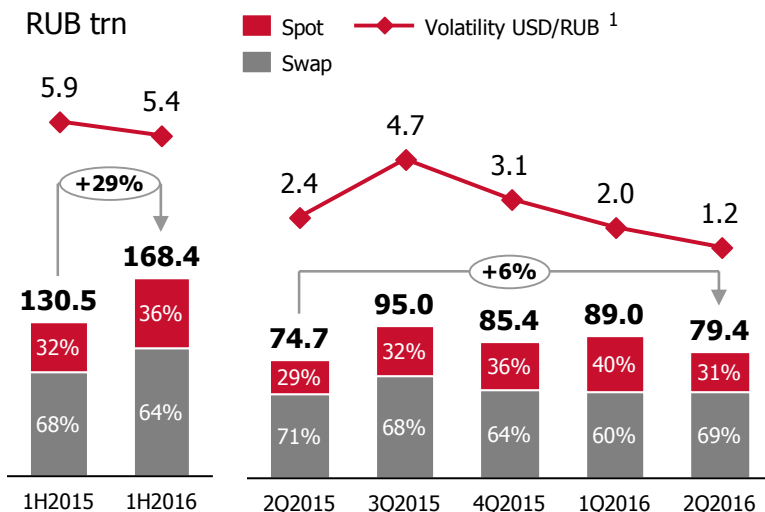
Comments

- Fees of RUB 1.15 bln (+17%) thanks to the growth of REPO with CCP, one of the fastest-growing products (up 3.1x YoY) across MOEX's product portfolio
- Repo with GCC (general collateral certificate) launched in the end of February kept gaining steam and grew 13 times QoQ
- Average REPO maturity declined from 7.2 days to 3.9 days due to change in the liquidity available in the banking system and lack of long-term FX repo by the CBR in 2Q2016, which was in great demand in 1H 2015

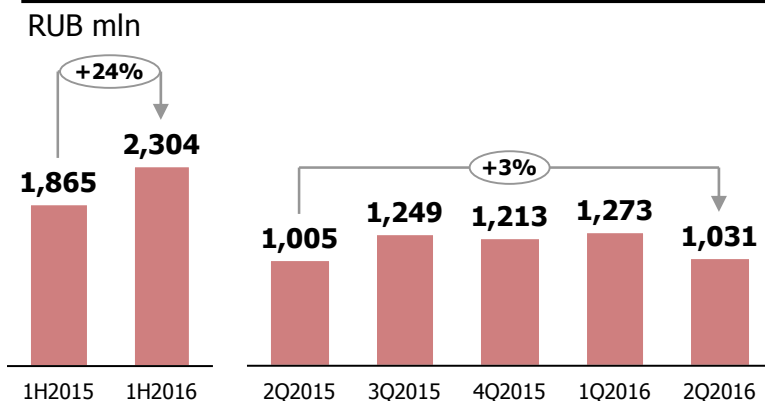


FX Market: normalization of volatility, normalization of growth

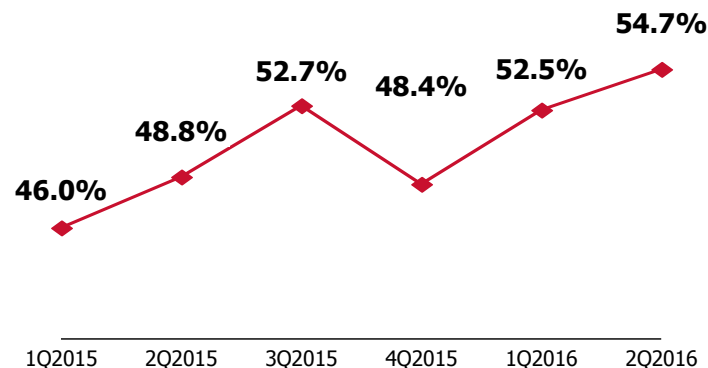
Trading volumes



Fee & commission income



MOEX share on the Russian interbank FX market



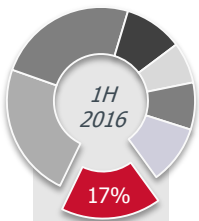
Comments

- Trading volumes growth decelerated to 6% YoY on the back of volatility normalization that led to 3% YoY growth of fees and commissions. USD/RUB volatility decreased to the lowest level for the recent 2 years
- Spot market trading volumes grew 16% YoY, while swap transaction volumes increased 2% YoY amid cooling demand from local banks to manage liquidity positions
- MOEX continued to increase its market share versus OTC trading, having more than 50% of Ruble liquidity concentrated on-exchange



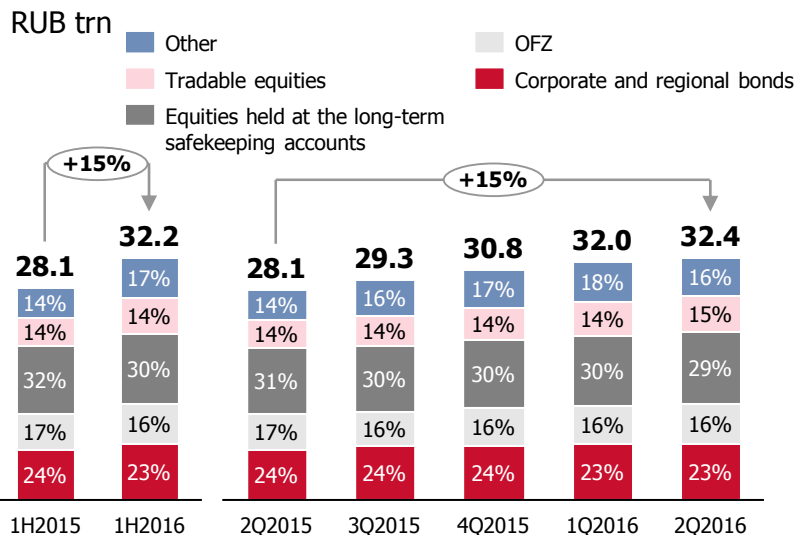
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Source: Moscow Exchange operational information and Consolidated Financial Statements, CBR
¹ Calculated as daily standard deviation of the USD/RUB exchange rate for the period



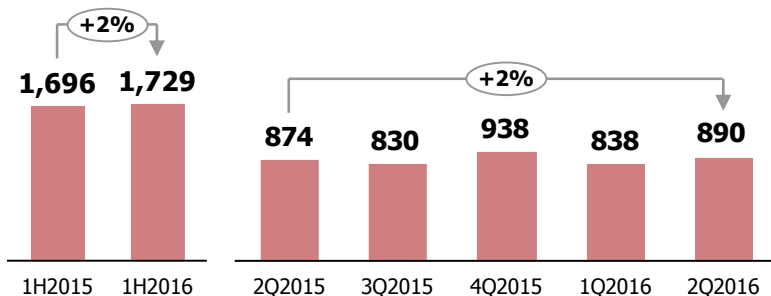
Depository and settlement: continued growth of assets under custody

Assets on deposit (average for the period)



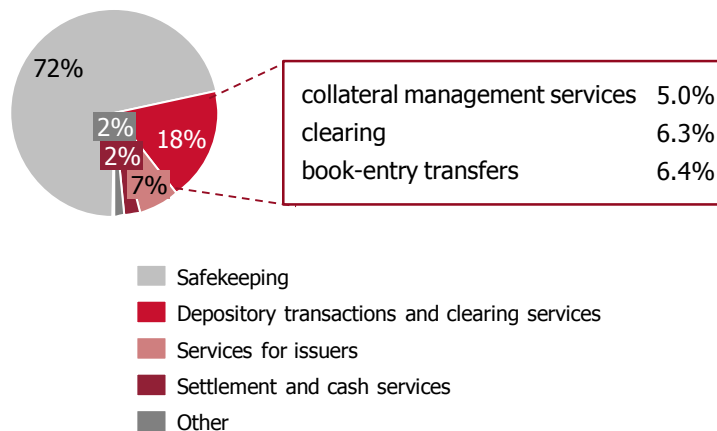
Fee & commission income

RUB mln



Fee & commission income breakdown

2Q 2016

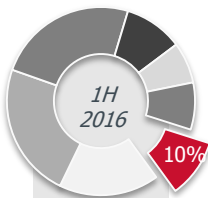


Comments

- The increase in assets under custody was driven by increased market cap of the Equities Market, inflow of Eurobonds, bonds of foreign issuers and international institutions, as well as new local bond placements
- On 1 July 2016, the legal framework for corporate actions reform went into effect
- Corporate Information Center was launched by NSD, forming a single source of corporate data with "golden copy" status, which will solve the problem of multiple, inconsistent corporate actions data



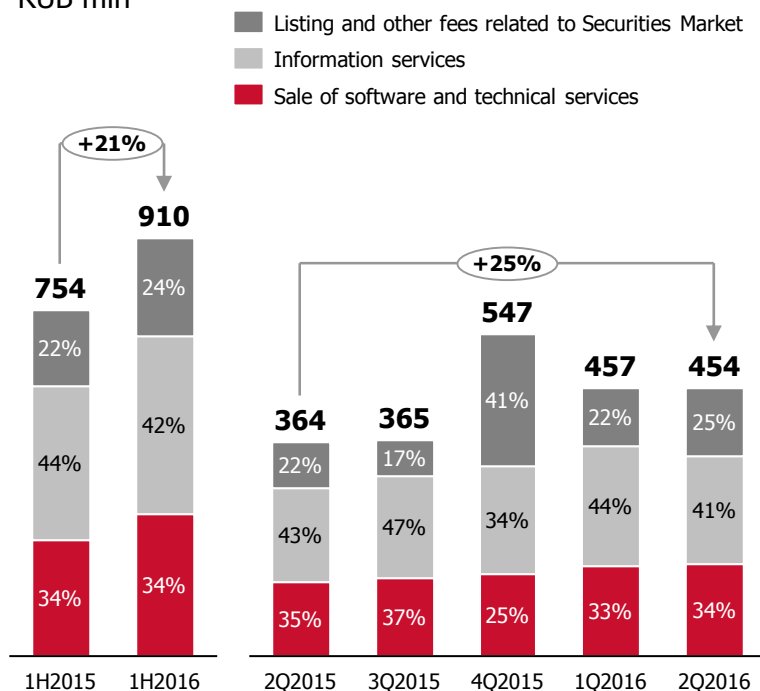
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Growth in information services fees

Other fee & commission income¹

RUB mln



Comments

- Fees and commissions across all lines demonstrated healthy double-digit growth
- Listing and other fees related to the Securities Market grew by 42.0% YoY on the back of primary bond placements
- Fees from information services and sale of software and technical services grew by 22.9% YoY and 17.1% YoY respectively, driven by expansion of the client base



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Source: Consolidated Financial Statements

¹ Not including other fee & commission income as presented in financial statements

1

Recent developments

2

Dividend and free float update

3

Business overview

4

Our trading markets



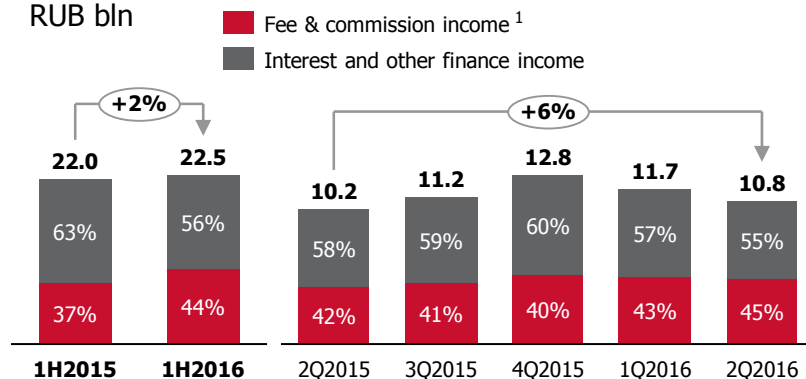
2Q 2016 financial results



2Q 2016 Key Financial Highlights

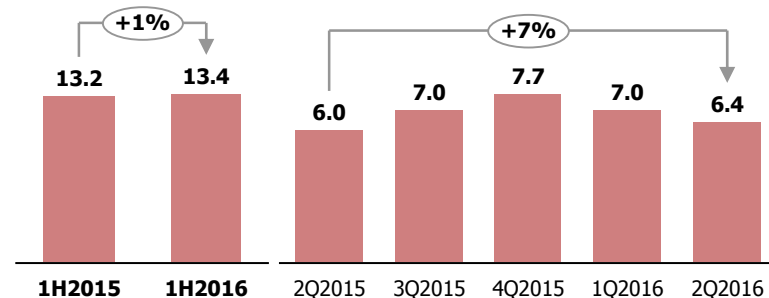
Operating income

RUB bln



Net income

RUB bln



**+7.2%
YoY**

Operating Expenses
2.9 bln RUB

- In Q2 2016 costs grew 7.2% YoY, slightly below CPI in Russia

**+0.3p.p.
YoY**

Cost/Income ratio
26.4%

- Cost to income ratio remained at a strong 26.4%, up from 26.1% in 2Q 2015

**+6.6%
YoY**

EBITDA
8.5 bln RUB

- Robust fee income generation drove EBITDA of RUB 8.5 bln, up 6.6% YoY. The EBITDA margin of 78.4% remained one of the best-in-class

**-2.4 p.p.
YoY**

ROE
21.9%

- ROE declined by 2.4 percentage points due to equity growth and remained at a healthy level of 21.9%

**+16.7%
YoY**

Net cash
74.4 bln RUB

- Cash position increased to 74.4 bln (+16.7%) thanks to MOEX highly cash-generative business model

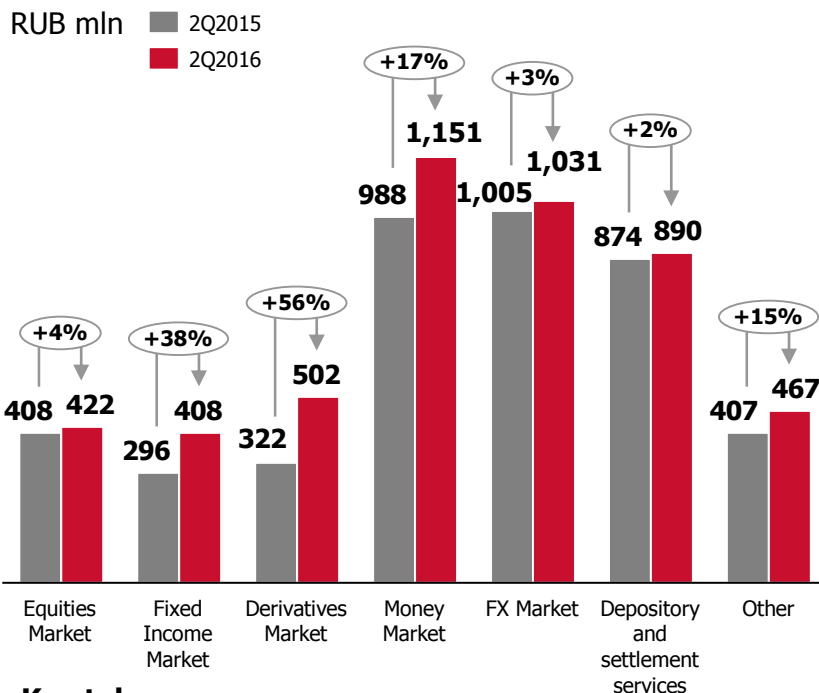


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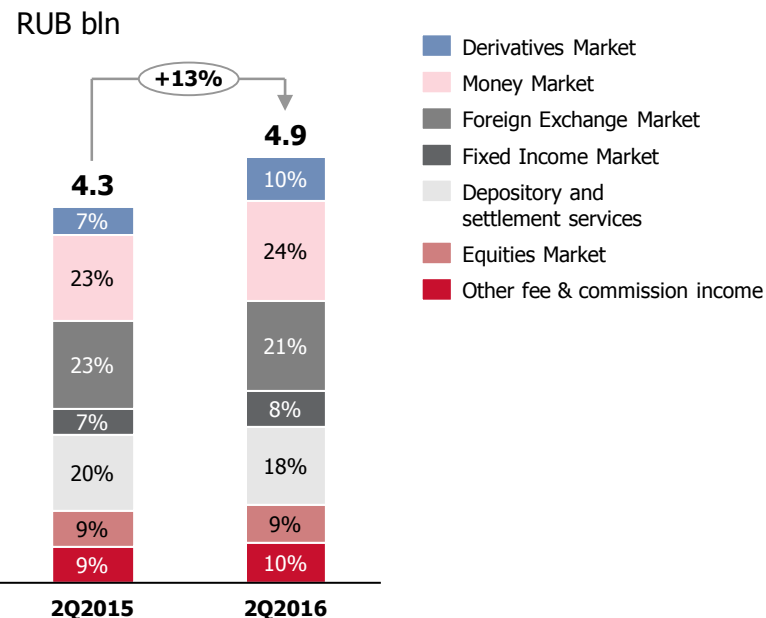
¹ Including other operating income

Diversified fee & commission income

Fee & commission income performance



Fee & commission income breakdown



Key takeaways

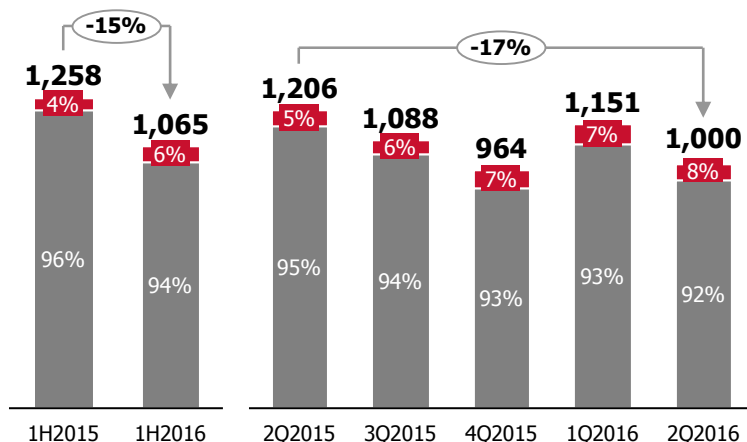
- Fee and commission income increased 13% YoY to RUB 4.9 bln, with the Derivatives, Fixed Income and Money Markets showing the strongest growth rates
- Fee & commission income remained well-diversified, with seven segments contributing, none of which represents more than a quarter of the total

2Q 2016 Interest income

Investment portfolio¹ (average daily volume)

RUB bln

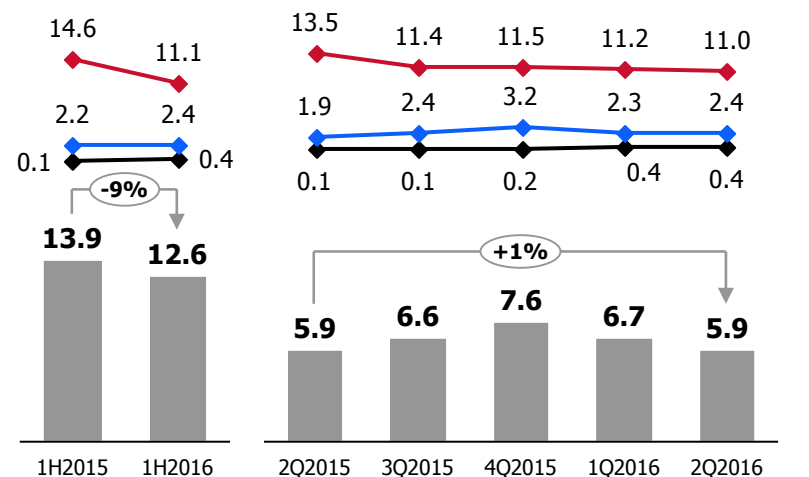
■ Moscow Exchange's own funds
■ Client funds



Interest income

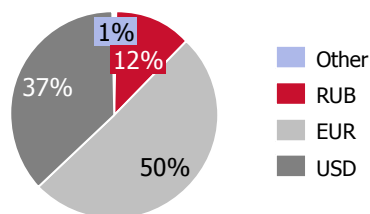
RUB bln

■ Interest and other finance income² — LIBOR rate, %³
◆ MosPrime rate, %³ ◆ Effective yield, %



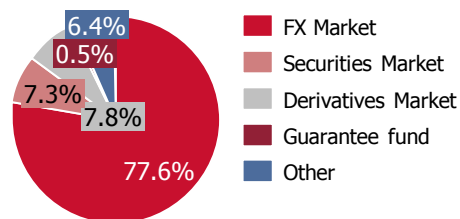
Clients funds by currency

2Q2016



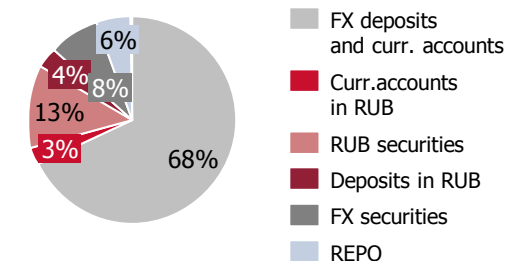
Clients funds by source

2Q2016



Investment portfolio by type of asset

2Q2016



Source: NFEA, Bloomberg, Moscow Exchange operational information and Consolidated Financial Statements

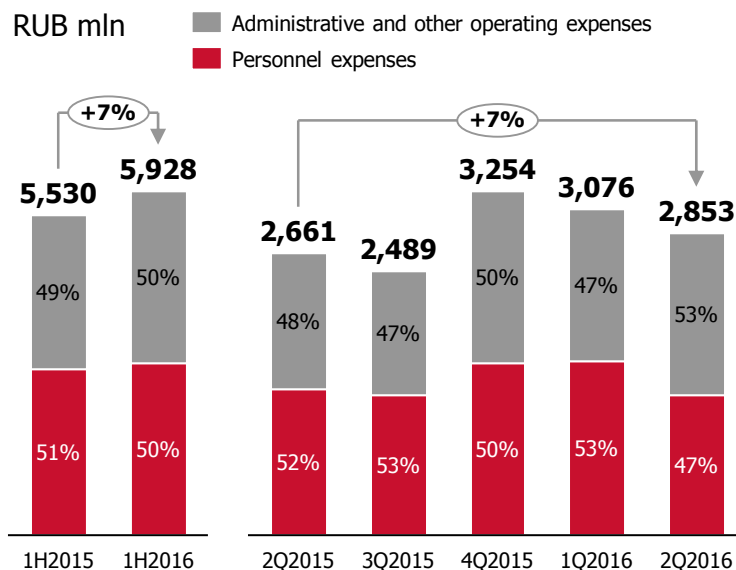
¹ Based on average daily investment portfolio according to management accounts

² Interest and other finance income includes interest and other finance income, interest expense, net loss on financial assets available-for-sale, foreign exchange gains less losses

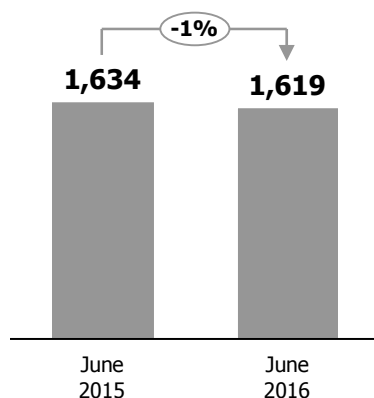
³ Average daily rate for the period

Operating expenses

Operating expenses



Headcount



Major expense items

RUB mln	2Q2015	2Q2016	Change YoY
Personnel expenses	1387	1328	-4%
Administrative and other operating expenses, including	1274	1525	20%
Amortisation of intangible assets	291	305	5%
Equipment and intangible assets maintenance	156	217	39%
Depreciation of property and equipment	142	211	49%
Rent and office maintenance	123	118	-4%
Taxes other than income tax	113	118	5%
Professional services	97	76	-21%
Advertising and marketing costs	54	158	195%
Total	2 661	2 853	7%
Cost income ratio	26.1%	26.4%	-

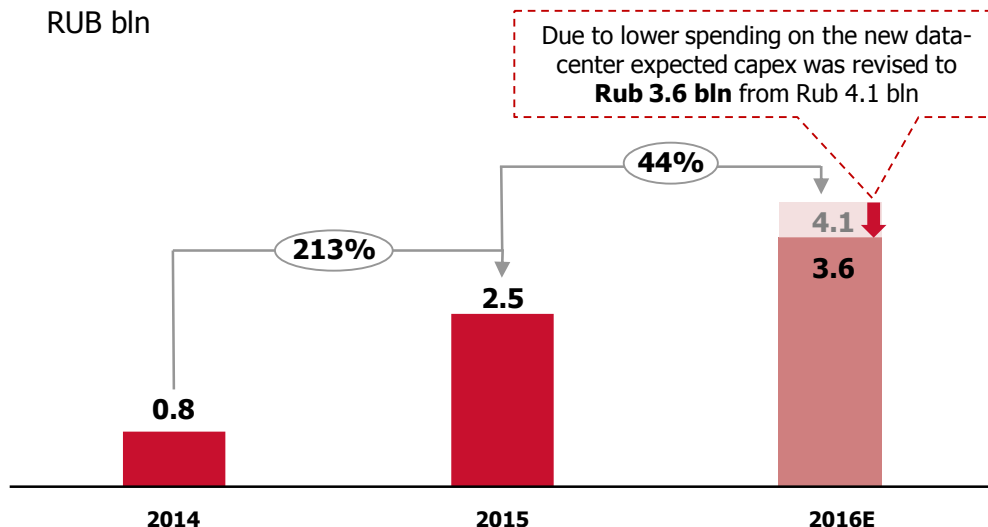
Comments

- Cost control remained strict with 7.2% growth YoY, which is below Russia's inflation rate
- Administrative expenses grew by 20% YoY due to higher depreciation of property & equipment, amortization of intangible assets and equipment, spending on intangible assets maintenance as a result of investments in IT-infrastructure and higher advertising and marketing costs
- Personnel costs decreased 4% YoY due to reversal of bonus provision related to 2015 year. Headcount declined 1% YoY

CAPEX and OPEX Guidance

CAPEX 2015-2016

RUB bln



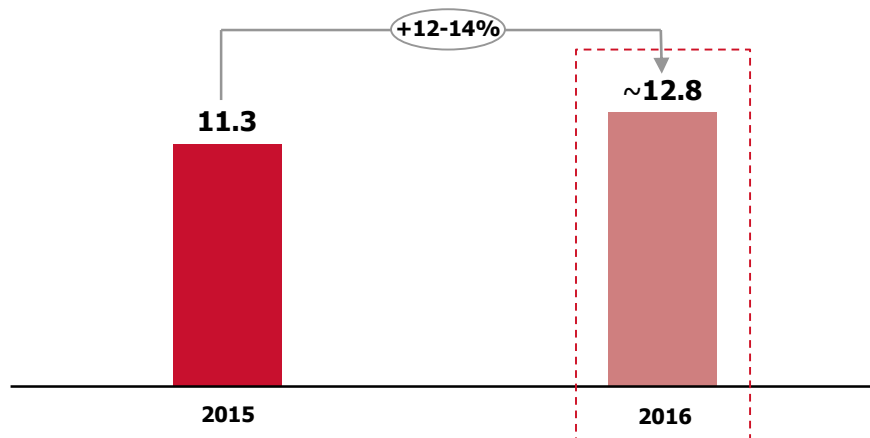
- Capex 2016 is expected to exceed normalized mid-term forecasted level of RUB 2.5-3.0 bln due to the partial shift of expenditures from 2015 to 2016

■ Capex scope remained the same:

- New IT architecture
- New data-center
- Hardware upgrade and implementation of advanced quality assurance practices
- Other projects, including grain market and corporate actions reform

Operating expenses 2015-2016

RUB bln



- Personnel expenses are expected to grow **12-14%** in 2016 on the back of employment of new IT specialists and higher spending on social taxes. The guidance was revised from 16% YoY based on lower than expected capital expenditures and more steady hiring process



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Source: Moscow Exchange

Consolidated Statement of Financial Position

<i>In million rubles</i>	<i>June 30, 2016</i>	<i>December 31, 2015</i>	<i>% chg. June 30, 2016/December 31, 2015</i>
Assets:			
Cash and cash equivalents	599 893.6	992 696.1	-40%
Central counterparty financial assets	1 064 515.5	518 509.3	105%
Financial assets ¹	282 360.2	211 876.5	33%
Property and equipment and intangible assets	25 407.0	24 825.2	2%
Goodwill	15 971.4	15 971.4	0%
Other assets ²	2 905.5	2 439.1	19%
Total Assets	1 991 053.2	1 766 317.6	13%

<i>In million rubles</i>	<i>June 30, 2016</i>	<i>December 31, 2015</i>	<i>% chg. June 30, 2016/December 31, 2015</i>
Liabilities:			
Balances of market participants	805 053.9	1 119 097.5	-28%
Central counterparty financial liabilities	1 064 515.5	518 509.3	105%
Distributions payable to holders of securities	2 795.0	6 138.4	-54%
Other liabilities ³	5 955.6	8 962.8	-34%
Total Liabilities	1 878 320.0	1 652 708.0	14%
Total Equity	112 733.2	113 609.6	-1%
Total Liabilities and Equity	1 991 053.2	1 766 317.6	13%



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Source: Moscow Exchange, Consolidated Financial Statements

1 Financial assets at fair value through profit or loss, Due from financial institutions, Investments available-for-sale, Investments in associates

2 Current tax prepayments, Deferred tax asset, Other assets

3 Settlement on reverse repo margins, Deferred tax liability, Current tax payables, Other liabilities

Consolidated Statement of **Comprehensive Income**

<i>In million rubles</i>	<i>Three month period ended June 30, 2016</i>	<i>Three month period ended June 30, 2015</i>	<i>% chg. 2Q2016/ 2Q2015</i>	<i>Six month period ended June 30, 2016</i>	<i>Six month period ended June 30, 2015</i>	<i>% chg. 1H2016/ 1H2015</i>
Fee and commission income	4 872.6	4 299.1	13%	9 833.1	8 089.9	22%
Interest and other finance income ¹	5 928.2	5 854.3	1%	12 693.2	13 906.4	-9%
Other operating income	6.8	23.2	-71%	20.3	52.5	-61%
Operating Income	10 807.6	10 176.6	6%	22 546.6	22 048.8	2%
Administrative and other operating expenses	-1 525.2	-1 273.7	20%	-2 963.4	-2 686.0	10%
Personnel expenses	-1 327.7	-1 387.0	-4%	-2 965.0	-2 843.7	4%
Operating Expense	-2 852.9	-2 660.7	7%	-5 928.4	-5 529.7	7%
Operating Profit	7 954.7	7 515.9	6%	16 618.2	16 519.1	1%
Share of profit/(loss) of associates	-	-1.3	-	-	2.1	-
Profit before Tax	7 954.7	7 514.6	6%	16 618.2	16 521.2	1%
Income tax expense	-1 545.7	-1 511.0	2%	-3 231.0	-3 314.6	-3%
Net Profit	6 409.0	6 003.6	7%	13 387.2	13 206.6	1%
Earnings per share						
Basic earnings per share, rubles	2.86	2.70	6%	5.98	5.95	1%
Diluted earnings per share, rubles	2.84	2.68	6%	5.94	5.92	0%



DR holders pay substantial **EXTRA FEES** to depositary banks

Fees to be paid to depositary bank for some of DR programs of the Russian companies

DR program		Depository Service Fee ¹ (DSF), USD per DR	Dividend Fee ² , USD per DR	Dividend Fee as % of dividend amount ³	DRs cancellations fee, USD per DR
RusHydro	BoNY Mellon	0.02	0.003	12%	0.05
TGK-1	BoNY Mellon	0.02	0.002	12%	0.05
VTB Bank	BoNY Mellon	0.03	0.005	12%	0.05
TMK	BoNY Mellon	0.02	0.003	11%	0.05
MMK	BoNY Mellon	0.02	0.013	11%	0.05
Sberbank	BoNY Mellon	0.02	0.004	12%	0.05
Gazprom	BoNY Mellon	0.02 ⁵	0.02	7%	0.05
Surgutneftgaz	BoNY Mellon	0.02	0.012	12%	0.05
Surgutneftgaz-p	BoNY Mellon	0.02	0.02	2%	0.05
Russian Grids	BoNY Mellon	0.02	0.02	10%	0.05
Lukoil	BoNY Mellon	0.02 ⁵	0.02	1%	0.05
Norilsk Nickel	BoNY Mellon	0.01	0.02	2%	0.05
Uralkali	BoNY Mellon	0.02	0.02	6%	0.05
Acron	Deutsche Bank	0.02	0.02	8%	0.05
MTS	JP Morgan	0.01 ⁶	0.03	5%	0.05
Rosneft	JP Morgan	0.01 ⁶	-	0%	0.05
Magnit	JP Morgan	0.01 ⁶	-	0%	0.05
Phosagro	Citi	0.02	0.01	1%	0.05
Average		0.02	0.01	7%	0.05

Gross DSF and dividend fees calculated for Top-3 international funds holding DRs of Russian companies⁴

Fund A	6 304 777 USD
Fund B	2 089 864 USD
Fund C	4 843 087 USD

Cost of cancellations all DR in portfolios to local shares for Top-3 funds

Fund A	8 963 463 USD
Fund B	3 015 388 USD
Fund C	6 022 079 USD

- Depository service fee and Dividend fee are to be paid by DR holder to the depositary bank while there are no such fees for holders of local shares
- All DRs cancellations operations are also charged 0.05 USD per DR

(1) Service fees are charged annually, in arbitrary date. Calculated based on number of DR on client account on the record date

(2) Dividend fees are charged when dividends are paid

(3) As % of dividend amount after tax

(4) Calculations based on Thomson Reuters data as of June 2015

(5) Data on depositary service fees for these companies are not available. Indicative numbers based on average level of depositary service fee for DR of Russian companies are used for the purposes of this presentation

(6) Depository service fee which is applicable for 0%, 5%, 10% withholding tax rates





Source: BNY Mellon, Deutsche Bank, JP Morgan, Citi, Thomson Reuters



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Foreign investors acquired more than 50% of sizeable ECM transactions on MOEX, 2013-2015

Foreign investors' participation in IPO/SPO's on Moscow Exchange

Company name	Date	Type	Placement size	Share acquired by foreign investors
 United Wagon Company	April 2015	IPO	RUB 9 bln	~55%
 MOSCOW EXCHANGE	July 2014	SPO	RUB 16 bln	~60%
 АЛРОСА ALROSA	October 2013	IPO	RUB 41 bln	~85%
 MOSCOW EXCHANGE	February 2013	IPO	RUB 15 bln	~85%

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–perception of market services offered by the Company and its subsidiaries;

–volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate;

–changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets;

–competition increase from new players on the Russian market;

–the ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers;

–the ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness;

–the ability to attract new customers on the domestic market and in foreign jurisdictions;

–the ability to increase the offer of products in foreign jurisdictions.

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