

**OPEN JOINT-STOCK COMPANY
MOSCOW EXCHANGE
MICEX-RTS**

**Consolidated Interim Condensed Financial Statements
For the Six-Month Period Ended June 30, 2013**

MOSCOW EXCHANGE GROUP

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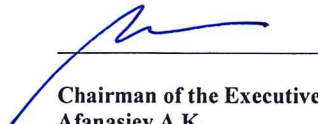
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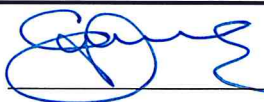
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Consolidated Interim Condensed Statement of Profit or Loss for the Six-Month Period Ended June 30, 2013 (in thousands of Russian rubles)

		Three-month period ended June 30,		Six-month period ended June 30,	
	Notes	2013 (unaudited)	2012 (unaudited)	2013 (unaudited)	2012 (unaudited)
Fee and commission income	5	3 287 908	2 784 028	6 146 662	5 352 088
Interest and other finance income	6	2 833 245	2 607 568	5 311 364	4 939 214
Interest expense		(725)	(7 557)	(1 120)	(39 067)
Net loss on financial assets available-for-sale	7	(66 169)	(93 553)	(84 150)	(84 410)
Foreign exchange gains less losses	8	228 177	(97 630)	407 333	76 178
Other operating income	9	20 787	14 503	40 627	43 253
Operating Income		6 303 223	5 207 359	11 820 716	10 287 256
Administrative and other operating expenses	10	(1 125 494)	(1 193 927)	(2 163 332)	(2 413 188)
Personnel expenses	11	(1 042 045)	(981 566)	(2 069 942)	(1 815 717)
Operating Profit		4 135 684	3 031 866	7 587 442	6 058 351
Interest expense in respect of written put option over own shares		-	(376 970)	(199 686)	(747 635)
Share of profits of associates	19	19 638	17 913	41 330	25 350
Profit before Tax		4 155 322	2 672 809	7 429 086	5 336 066
Income tax expense	12	(854 115)	(571 579)	(1 565 478)	(1 119 205)
Net Profit		3 301 207	2 101 230	5 863 608	4 216 861
Attributable to:					
Equity holders of the parent		3 302 139	2 101 746	5 866 192	4 220 609
Non-controlling interest		(932)	(516)	(2 584)	(3 748)
Earnings per share					
Basic earnings per share, rubles	29	1,49	0,98	2,66	1,99
Diluted earnings per share, rubles	29	1,49	0,98	2,66	1,99


Chairman of the Executive Board
Afanasiev A.K.

August 27, 2013
Moscow


Chief Financial Officer
Fetisov E.E.

August 27, 2013
Moscow

The notes on pages 9-31 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

Consolidated Interim Condensed Statement of Other Comprehensive Income for the Six-Month Period Ended June 30, 2013 (in thousands of Russian rubles)

		Three-month period ended June 30,		Six-month period ended June 30,	
		2013	2012	2013	2012
	Notes	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net profit		3 301 207	2 101 230	5 863 608	4 216 861
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		32 847	94 310	43 253	12 071
Net gain resulting from revaluation of investments available-for-sale		(317 971)	(227 668)	(256 559)	(196 859)
Net loss on investments available-for sale reclassified to profit or loss	7	66 169	93 553	84 150	84 410
Income tax relating to items that may be reclassified	12	50 343	26 823	34 464	22 490
Other comprehensive income that may be reclassified subsequently to profit or loss		(168 612)	(12 982)	(94 692)	(77 888)
Total comprehensive income		3 132 595	2 088 248	5 768 916	4 138 973
Attributable to:					
Equity holders of the parent		3 117 139	2 052 936	5 749 830	4 138 734
Non-controlling interest		15 456	35 312	19 086	239
Total comprehensive income		3 132 595	2 088 248	5 768 916	4 138 973

The notes on pages 9-31 form an integral part of these consolidated interim condensed financial statements.

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Consolidated Interim Condensed Statement of Financial Position as at June 30, 2013 (in thousands of Russian rubles)

	Notes	June 30, 2013 (unaudited)	December 31, 2012
ASSETS			
Cash and cash equivalents	13	214 566 452	193 356 484
Financial assets at fair value through profit or loss	14	6 047 603	18 025 839
Due from financial institutions	15	18 628 779	13 726 867
Central counterparty financial assets	16	16 010 762	2 823 444
Assets of disposal group held for sale	24	1 421 968	-
Investments available-for-sale	17	73 028 039	56 674 522
Investments in associates	19	772 932	728 654
Investments held-to-maturity	18	60 279	529 842
Property and equipment	20	6 223 322	6 355 233
Intangible assets	21	19 059 155	19 463 776
Goodwill	22	16 072 432	16 066 094
Current tax prepayments		283 401	535 032
Deferred tax asset	12	70 502	103 178
Other assets	23	1 361 471	715 130
TOTAL ASSETS		373 607 097	329 104 095
LIABILITIES			
Balances of market participants	25	268 578 939	246 990 385
Written put option over own shares	4	-	23 318 767
Central counterparty financial liabilities	16	16 010 762	2 823 444
Distributions payable to holders of securities		4 185 528	4 436 856
Loans payable		40 700	20 243
Liabilities of disposal group held for sale	24	271 075	-
Deferred tax liability	12	4 044 681	3 884 784
Current tax payables		157 923	161 022
Other liabilities	26	4 255 602	2 393 192
TOTAL LIABILITIES		297 545 210	284 028 693
EQUITY:			
Share capital	27	2 597 997	2 416 918
Share premium	27	38 929 593	27 403 927
Treasury shares	27	(10 310 314)	(2 860 714)
Foreign currency translation reserve		11 262	(10 321)
Investments revaluation reserve		(139 896)	(1 951)
Share-based payments		347 670	179 166
Written put option over own shares	4	-	(21 054 656)
Retained earnings	29	44 278 448	38 674 893
Total equity attributable to owners of the parent		75 714 760	44 747 262
Non-controlling interest		347 127	328 140
TOTAL EQUITY		76 061 887	45 075 402
TOTAL LIABILITIES AND EQUITY		373 607 097	329 104 095

The notes on pages 9-31 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

Consolidated Interim Condensed Statement of Cash Flows for the Six-Month Period Ended June 30, 2013 (in thousands of Russian rubles)

	Notes	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:			
Profit before tax		7 429 086	5 336 066
Adjustments for:			
Depreciation and amortization charge	10	779 369	755 935
Interest expense on written put option on own shares		199 686	747 635
Fair value adjustment on financial assets at fair value through profit or loss		(135 751)	101 869
Revaluation of derivatives		(34 406)	-
Share-based payment expense		168 504	-
Unrealized loss/(gain) on foreign exchange operations		(230 784)	(48 824)
Share of profits of associates		(41 330)	(25 350)
Loss / (gain) on disposal of investments available-for-sale	7	84 150	84 410
Net change in interest accruals		(436 581)	(285 544)
Net loss / (gain) on disposal of property and equipment and intangible assets	9, 10	(4 767)	59 698
Other provisions		2 328	53 251
Changes in operating assets and liabilities:			
Due from financial institutions		(4 577 353)	(6 332 548)
Financial assets at fair value through profit or loss		12 416 078	(4 389 638)
Central counterparty financial assets		(13 187 318)	(1 764 174)
Other assets		(636 771)	442 196
Balances of market participants		9 157 630	(18 547 028)
Central counterparty financial liabilities		13 187 318	1 764 174
Distributions payable to holders of securities		(251 328)	-
Other liabilities		(915 769)	(707 913)
Cash flows from operating activities before taxation		22 971 991	(22 755 785)
Income tax paid		(1 071 405)	(1 722 205)
Cash flows from / (used in) operating activities		21 900 586	(24 477 990)

The notes on pages 9-31 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

Consolidated Interim Condensed Statement of Cash Flows for the Six-Month Period Ended June 30, 2013 (Continued) (in thousands of Russian rubles)

	Notes	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:			
Purchase of investments available-for-sale		(26 052 168)	(24 501 709)
Proceeds from disposal of investments available-for-sale		10 521 021	12 148 886
Purchase of property and equipment and intangible assets		(246 500)	(752 087)
Proceeds from redemption of investments held-to-maturity		460 495	507 469
Proceeds from disposal of property and equipment and intangible assets		19 257	15 167
Purchase of investments in associates		-	(2 214)
Cash flows from / (used in) investing activities		(15 297 895)	(12 584 488)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:			
IPO proceeds, net of transaction costs paid		5 781 560	-
Acquisition of treasury shares		(1 527 896)	(4 543 355)
Loans (repaid) / received		20 041	(2 549 432)
Proceeds from issue of ordinary shares		5 822	-
Sale of treasury shares		-	9 625 947
Acquisition of non-controlling interest in subsidiaries		(80)	(55)
Cash flows from / (used in) financing activities		4 279 447	2 533 105
Effect of changes in foreign exchange rates on cash and cash equivalents		11 709 543	977 912
Net increase / (decrease) in cash and cash equivalents		22 591 681	(33 551 461)
Cash and cash equivalents, beginning of period	13	193 356 484	165 830 133
Cash and cash equivalents, end of period	13	215 948 165	132 278 672

Interest received by the Group during the six-month period ended June 30, 2013, amounted to RUB 4 949 555 thousand (June 30, 2012: RUB 5 035 500 thousand).

Interest paid by the Group during the six-month period ended June 30, 2013, amounted to RUB 704 thousand (June 30, 2012: RUB 51 331 thousand).

The notes on pages 9-31 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

Consolidated Interim Condensed Statement of Changes in Equity for the Six-Month Period Ended June 30, 2013 (in thousands of Russian rubles)

	Notes	Share capital	Share premium	Treasury shares	Written put option over own shares	Investments revaluation reserve	Share-based payments	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
December 31, 2011		2 416 918	24 147 074	(7 424 768)	(21 054 656)	(364 379)	-	40 733	31 149 729	28 910 651	386 047	29 296 698
Net profit (unaudited)		-	-	-	-	-	-	-	4 220 609	4 220 609	(3 748)	4 216 861
Other comprehensive income (unaudited)		-	-	-	-	(89 959)	-	8 084	-	(81 875)	3 987	(77 888)
Total comprehensive income for the period		-	-	-	-	(89 959)	-	8 084	4 220 609	4 138 734	239	4 138 973
Transactions with owners												
Dividends declared		-	-	-	-	-	-	-	(663 175)	(663 175)	-	(663 175)
Shares issued		-	3 256 853	6 369 094	-	-	-	-	-	9 625 947	-	9 625 947
Repurchase of own shares		-	-	(1 805 040)	-	-	-	-	-	(1 805 040)	-	(1 805 040)
Acquisition of non-controlling interest		-	-	-	-	-	-	-	-	-	(55)	(55)
Total transactions with owners		-	3 256 853	4 564 054	-	-	-	-	(663 175)	7 157 732	(55)	7 157 677
June 30, 2012		2 416 918	27 403 927	(2 860 714)	(21 054 656)	(454 338)	-	48 817	34 707 163	40 207 117	386 231	40 593 348
December 31, 2012		2 416 918	27 403 927	(2 860 714)	(21 054 656)	(1 951)	179 166	(10 321)	38 674 893	44 747 262	328 140	45 075 402
Net profit (unaudited)		-	-	-	-	-	-	-	5 866 192	5 866 192	(2 584)	5 863 608
Other comprehensive income (unaudited)		-	-	-	-	(137 945)	-	21 583	-	(116 362)	21 670	(94 692)
Total comprehensive income for the period		-	-	-	-	(137 945)	-	21 583	5 866 192	5 749 830	19 086	5 768 916
Transactions with owners												
Shares issued (unaudited)		181 079	13 113 763	(13 289 020)	-	-	-	-	-	5 822	-	5 822
Sale of treasury shares in IPO (unaudited)		-	(1 588 097)	7 367 316	-	-	-	-	-	5 779 219	-	5 779 219
Expiration of IPO-related written put option (unaudited)		-	-	-	21 054 656	-	-	-	2 463 796	23 518 452	-	23 518 452
Repurchase of own shares (unaudited)		-	-	(1 527 896)	-	-	-	-	-	(1 527 896)	-	(1 527 896)
Dividends declared (unaudited)		-	-	-	-	-	-	-	(2 726 452)	(2 726 452)	-	(2 726 452)
Share-based payments (unaudited)		-	-	-	-	-	168 504	-	-	168 504	-	168 504
Acquisition of non-controlling interest (unaudited)		-	-	-	-	-	-	-	19	19	(99)	(80)
Total transactions with owners		181 079	11 525 666	(7 449 600)	21 054 656	-	168 504	-	(262 637)	25 217 668	(99)	25 217 569
June 30, 2013		2 597 997	38 929 593	(10 310 314)	-	(139 896)	347 670	11 262	44 278 448	75 714 760	347 127	76 061 887

The notes on pages 9-31 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

1. Organization

Open Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange) is a stock exchange based in Moscow, Russian Federation. It was established as closed joint-stock company "Moscow Interbank Currency Exchange" (MICEX) in 1992. In December 2011 the company was reorganized into the form of open joint-stock company and renamed to Open Joint-Stock Company MICEX-RTS. In July 2012 the name of the company was changed to Open Joint-Stock Company Moscow Exchange MICEX-RTS.

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

Moscow Exchange Group ("the Group") is an integrated exchange structure that provides financial market participants with a full set of competitive trading, clearing, settlement, depository 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.

Moscow Exchange is the parent company of the Group, which includes the following entities:

Name	Principal activities	June 30, 2013 (unaudited)	December 31, 2012
		Voting rights, %	Voting rights, %
CJSC MICEX Stock Exchange (MICEX SE)	Stock exchange operations	100%	100%
NCO CJSC National Settlement Depository (NSD)	Depository, clearing and settlement services	99,997%	99,997%
CJSC National Clearing Center (NCC)	Banking and clearing operations	100%	100%
CJSC Clearing Center RTS (CC RTS)	Financial activities	100%	100%
Non-banking Credit Organisation Settlement Chamber RTS CJSC (SC RTS)	Settlement services	100%	100%
CJSC Depository Clearing Company (DCC)	Depository services	99,995%	99,995%
Open Joint-Stock Company "Evraziyskaia Trading System" Commodity Exchange (ETS)	Commodity exchange operations	61,32%	61,32%
LLC Technical Center RTS (TechCenter)	Technical support of exchange activities	100%	100%
LLC MICEX Finance (MICEX Finance)	Financial activities	100%	100%
LLC MICEX Cyprus (MICEX Cyprus)	Financial activities	100%	100%
LLC E-Stock (E-Stock)	IT services	100%	100%
CJSC MICEX-Information Technologies (MICEX-IT)	IT services, operator of electronic trading platform	100%	100%
CJSC PFTS Stock Exchange (PFTS SE)	Stock exchange operations	50,02%	50,02%

MICEX SE provides services for Securities Market Sections of the Group.

NSD is the central securities depository of the Russian Federation. NSD is Russia's national numbering agency and the substitute numbering agency for the Commonwealth of Independent States (CIS), authorized to assign the international ISIN and CFI codes. The status of central securities depository was assigned to NSD by the Russian Federal Financial Markets Service (FSFM) on 6 November 2012. NSD holds a license for depository and clearing operations issued by the FSFM, and license for settlement operations issued by the Central Bank of the Russia (CBR).

NCC performs functions of a clearing organization and central counterparty in the financial market. NCC has a license for clearing activities issued by the FSFM.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

1. Organization (continued)

E-Stock provides IT services to Moscow Exchange clients.

MICEX-IT is an operator of the online procurement platform (state and corporate purchases) – one of five procurement platforms determined by the Economic Development Ministry of the Russian Federation and Federal Antimonopoly Service as the national electronic auction marketplace for state and municipal procurement.

PFTS SE is a stock exchange, which has a stock exchange license in Ukraine and facilitates spot trading.

MICEX Finance and MICEX (CYPRUS) LTD are established for facilitating financial activities of the Group.

Until December 2012 CC RTS provided clearing services for Derivatives Market and Securities Market (“Standard” sector) Sections of the Group. In the end of 2012 this line of business was transferred to NCC. The Group is now considering possible functions for CC RTS in the future.

SC RTS is a non-banking credit institution. In 2012 SC RTS provided settlement services to trading participants. In the second half of 2012 this line of business was transferred to NSD. In March 2013 the Management Board decided to sell SC RTS and initiated a tender to locate a buyer. SC RTS has a licence to perform settlement services issued by the CBR.

DCC provides depository and clearing services. DCC has licenses to perform depository and clearing activities issued by the FSFM.

TechCenter provides information and technical services to Moscow Exchange clients.

ETS is a commodity exchange, which has a license in Kazakhstan for organisation of trading in commodities.

Moscow Exchange and all subsidiaries are located in Russia, except for ETS, PFTS SE and MICEX (CYPRUS) LTD. ETS is located in Kazakhstan, PFTS SE is located in Ukraine and MICEX (CYPRUS) LTD is registered in Cyprus.

The Group has 1 685 employees as at June 30, 2013 (December 31, 2012: 1 648 employees).

Entities controlled by the Russian Federation together hold more than 50% of voting shares of Moscow Exchange. Accordingly, the Russian Federation exercises control over Moscow Exchange.

2. Basis of Presentation

Statement of compliance

These Consolidated Interim Condensed Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standard IAS 34 “Interim Financial Statements”.

Basis of presentation

These Consolidated Financial Statements are presented in thousands of Russian rubles, unless otherwise indicated. These Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

3. Significant Accounting Policies

The accounting policies adopted by the Group in the preparation of these Consolidated Interim Condensed Financial Statements are consistent with those followed in the preparation of the Group's Consolidated Financial Statements for the year ended December 31, 2012 except for the adoption of new standards and interpretations effective as of 1 January 2013.

The Group applies, for the first time, IFRS 10 Consolidated Financial Statements, IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosure of Interest in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment is described below:

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Group's financial position or performance.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period. The Group provides these disclosures in Note 31.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Consolidated Interim Condensed Financial Statements.

Written put option over own shares

Financial liabilities of the Group as at December 31, 2012 include a written put option on the Group's shares. The option was granted by the Group to certain former shareholders of RTS as a part of the merger with RTS. The option gave its holders the right to put the Group's shares back to the Group for cash:

- in July 2013 in the case if the Group has not conducted an IPO by June 30, 2013, and MICEX stock index and FTSE Mondo Visione Exchanges index have not fallen by 30% or more after the merger date;
- In October 2014, if the option has not been exercised in July 2013 and the Group has not conducted an IPO by September 30, 2014.

Because the put option required the Group to deliver cash in the event of occurrence or non-occurrence of uncertain future events that are beyond control of both the Group and the holders of the option, in accordance with IAS 32 *Financial Instruments: Presentation* the option was classified as a financial liability and is carried at the net present value of its strike price. For the purpose of calculation of the net present value, Management assumed that the option could be exercised in July 2013 and has used the discount rate of 7%. Unwinding of the discount is recorded as interest expense in a separate line of the Consolidated Income Statement.

The Group conducted an IPO on February 15, 2013. The put option over own shares lapsed and a financial liability in respect of the put option was derecognised.

Held-to-maturity financial assets

The Management has reviewed the Group's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to maturity. Details of these assets are set out in Note 18.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Impairment of receivables

The Group regularly reviews its receivables to assess for impairment. The Group's receivables impairment provisions are established to recognize incurred impairment losses in its portfolio of receivables. The Group considers accounting estimates related to allowance for impairment of receivables a key source of estimation uncertainty because (a) they are highly susceptible to change from period to period as the assumptions about future default rates and valuation of potential losses relating to impaired receivables are based on recent performance experience, and (b) any significant difference between the Group's estimated losses and actual losses would require the Group to record provisions which could have a material impact on its Consolidated Financial Statements in future periods.

The Group uses Management's judgment to estimate the amount of any impairment loss in cases where the debtor has financial difficulties and there are few available sources of historical data relating to similar debtors. Similarly, the Group estimates changes in future cash flows based on past performance, past counterparty behavior, observable data indicating an adverse change in the payment status, and national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the group of receivables. The Group uses Management's judgment to adjust observable data for a group of receivables to reflect current circumstances not reflected in historical data.

The allowances for impairment of financial assets in the Consolidated Interim Condensed Financial Statements have been determined on the basis of existing economic and political conditions.

Valuation of financial instruments

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

Impairment of goodwill

Goodwill is tested for impairment annually (as at December 31) and when there is an indication that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of each cash-generating unit (CGU) or group of CGUs to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

Share-based payments

The Group measures the cost of transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and volatility and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 11.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

5. Fee and Commission Income

	Six-month period ended June 30,	
	2013	2012
	(unaudited)	(unaudited)
Securities market	1 462 767	1 597 161
Money market	1 171 748	736 117
Foreign exchange	1 123 881	963 052
Depository and settlement services	1 061 582	952 357
Derivatives	832 875	616 429
Sale of software and technical services	220 628	220 385
Information services	170 710	194 131
Other	102 471	72 456
Total fee and commission income	6 146 662	5 352 088

Income from securities market comprises fees and commissions from equities trading, bonds trading, listing and service fees:

	Six-month period ended June 30,	
	2013	2012
	(unaudited)	(unaudited)
Equities	729 308	1 086 345
Bonds	641 596	445 487
Listing and other service fees	91 863	65 329
Total income from securities market	1 462 767	1 597 161

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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6. Interest and Other Finance Income

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Income on securities at fair value through profit or loss		
Interest income	315 995	2 001 198
Net loss on securities at fair value through profit or loss	(75 188)	(369 566)
Total income on securities at fair value through profit or loss	240 807	1 631 632
Interest income on financial assets other than at fair value through profit or loss		
Interest on due from financial institutions	2 641 065	1 888 024
Interest income on investments available-for-sale	2 419 063	1 398 916
Interest on investments held-to-maturity	10 429	20 642
Total interest income on financial assets other than at fair value through profit or loss	5 070 557	3 307 582
Total interest and other finance income	5 311 364	4 939 214

7. Net Loss on Financial Assets Available-for-Sale

In the six-month period ended June 30, 2013 the Group recognized a net loss on financial assets available-for-sale of RUB 84 150 thousand (six-month period ended June 30, 2012: loss of RUB 84 410 thousand). The loss resulted from the sale of high yield bonds held by the Group. Interest income received on these bonds exceeded the losses realised on the sale of such securities (refer to Note 6).

8. Foreign Exchange Gains Less Losses

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Net gains arising from dealing in foreign currencies	176 549	27 354
Net foreign exchange translation gains	230 784	48 824
Total foreign exchange gains less losses	407 333	76 178

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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9. Other Operating Income

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Income from lease	16 426	20 570
Gain on disposal of property, equipment and intangible assets	4 767	-
Other income	19 434	22 683
Total other operating income	40 627	43 253

10. Administrative and Other Operating Expenses

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Amortisation of intangible assets	511 043	498 157
Professional services	417 952	467 540
Depreciation of property and equipment	268 326	257 778
Taxes, other than income tax	243 322	163 265
Rent and office maintenance	175 070	293 803
Equipment and intangible assets maintenance	173 376	175 609
Market makers fees	166 701	238 562
Advertising and marketing costs	116 482	79 969
Business trip expenses	28 897	36 134
Security expenses	15 555	18 831
Charity	6 639	5 426
Loss on disposal of property, equipment and intangible assets	-	59 698
Other	39 969	118 416
Total administrative and other operating expenses	2 163 332	2 413 188

Professional services comprise consulting, audit, IT services, information and telecommunication, insurance, legal services and other.

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)

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11. Personnel Expenses

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Staff expenses	1 632 909	1 528 806
Payroll related taxes	268 529	286 911
Share-based payment expense	168 504	-
Total personnel expenses	2 069 942	1 815 717

The Group grants equity-settled share options to senior management and some employees. A majority of the options vest when the employee continues to be employed by the Group at the vesting date. The maximum contractual term of the options is four years. The fair value of the options is measured at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the six-month period ended June 30, 2013:

	Number	WAEP
Outstanding at 1 January	42 027 058	47.53
Lapsed during the period	(950 001)	46.90
Granted during the period	4 500 001	46.90
Outstanding at 30 June	45 577 058	47.48

The weighted average remaining contractual life for the share options outstanding as at June 30, 2013 was 1,04 years. The weighted average fair value of options granted during the six-month period was RUB 11,13. Exercise prices for options outstanding as at June 30, 2013 were RUB 46,9 – RUB 51.

The following table lists the inputs to the models used:

Assumption	Value
Expected volatility	25,5%
Risk-free interest rate	6,4%
Weighted average share price, RUB	54
Dividend yield	4,1%

The volatility assumption is based on implied volatilities of quoted options on shares of similar stock exchanges.

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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12. Income Tax

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of countries where the Group and its subsidiaries operate and which may differ from IFRS.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences relate mostly to different methods of income and expense recognition, as well as to recorded values of certain assets.

The tax rate used for the reconciliations between tax expense and accounting profit is the corporate tax rate of 20% payable by corporate entities in the Russian Federation on taxable profits under the tax law in that jurisdiction.

Temporary differences comprise:

	Consolidated statement of financial position		Consolidated income statement	
	June 30, 2013 (unaudited)	December 31, 2012	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Tax effect from deductible temporary differences				
Cash and cash equivalents	9 471	-	9 471	-
Financial assets at fair value through profit or loss	-	29 750	(29 750)	8 786
Investments in associates and assets available-for-sale	21 567	29 360	(49 852)	(27 580)
Property and equipment and intangible assets	12 316	13 563	(1 606)	4 894
Other assets	4 927	5 721	(592)	10 621
Tax loss carried forward	33 548	47 716	21 554	19 687
Other liabilities	63 213	203 273	(151 327)	(18 659)
Total tax effect from deductible temporary differences	145 042	329 383	(202 103)	(2 251)
Tax effect from taxable temporary differences				
Cash and cash equivalents	(420)	(250)	(170)	-
Central counterparty financial assets	(385)	(3 176)	2 791	-
Investments in associates and assets available-for-sale	(140 199)	(46 584)	(93 615)	(19 243)
Financial assets at fair value through profit or loss	(10 554)	(7 290)	(3 264)	(72 061)
Financial assets held-to-maturity	(10)	(10)	-	(854)
Property and equipment and intangible assets	(3 965 052)	(4 049 137)	84 085	92 592
Other assets	(851)	(1 350)	499	2 624
Other liabilities	(1 750)	(3 192)	1 442	9 351
Total tax effect from taxable temporary differences	(4 119 221)	(4 110 989)	(8 232)	12 409
Deferred tax income			(210 335)	10 158
Deferred income tax assets	70 502	103 178		
Deferred income tax liabilities	(4 044 681)	(3 884 784)		

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

12. Income Tax (continued)

Reconciliation of income tax expense and accounting profit for the six-month period ended June 30, 2013 and 2012, are explained below:

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Profit before income tax	7 429 086	5 336 066
Tax at the statutory tax rate (20%)	1 485 817	1 067 213
Non-deductible expenses for tax purposes	131 517	199 347
Tax effect of income taxed at rates different from the prime rate	(58 880)	(116 155)
Deferred tax benefit from a previously unrecognised temporary difference of a prior period	7 060	(31 200)
Income tax expense	1 565 478	1 119 205
Current income tax expense	1 355 143	1 129 363
Deferred taxation movement due to origination and reversal of temporary differences	231 889	9 529
Deferred taxation movement due to tax losses carried forward	(21 554)	(19 687)
Income tax expense	1 565 478	1 119 205

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
As at January 1 – deferred tax assets	103 178	246 983
As at January 1 – deferred tax liabilities	(3 884 784)	(4 230 362)
Change in deferred income tax balances recognized in profit or loss	(210 335)	10 158
Deferred income tax transferred to assets of disposal group held for sale	(35 866)	-
Deferred income tax recognized directly in equity	11 267	-
Changes in deferred income tax balances recognized in other comprehensive income	42 059	22 490
Effect of movements in exchange rates	302	1 511
As at June 30 - deferred tax assets	70 502	176 025
As at June 30 - deferred tax liabilities	(4 044 681)	(4 125 245)

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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13. Cash and Cash Equivalents

	June 30, 2013 (unaudited)	December 31, 2012
Balances with the CBR	93 129 892	48 967 587
Correspondent accounts and overnight deposits with banks	121 430 332	144 382 167
Cash on hand	6 228	6 730
Total cash and cash equivalents	214 566 452	193 356 484
Cash and cash equivalents attributable to Assets of disposal group held for sale	1 381 713	-
Cash and cash equivalents for the purpose of Consolidated Interim Condensed Statement of Cash Flows	215 948 165	193 356 484

For the purpose of Consolidated Interim Condensed Statement of Cash Flows, cash and cash equivalents include as of June 30, 2013 cash and cash equivalents attributable to Assets of disposal group held for sale in amount of RUB 1 381 713 thousand (31 December, 2012: nil).

14. Financial Assets at Fair Value Through Profit or Loss

	June 30, 2013 (unaudited)	December 31, 2012
Bonds issued by Russian Federation	5 948 583	17 958 879
Derivative financial instruments at fair value through profit or loss	34 406	-
Shares issued by Russian companies	64 614	66 960
Total financial assets at fair value through profit or loss	6 047 603	18 025 839

15. Due from Financial Institutions

	June 30, 2013 (unaudited)	December 31, 2012
Interbank loans and term deposits	17 109 849	13 074 209
Short-term reverse repo receivable from financial institutions	316 169	582 886
Mandatory cash balances with the CBR (restricted)	999 621	69 604
Receivables on broker and clearing operations	203 140	168
Total due from financial institutions	18 628 779	13 726 867

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
(in thousands of Russian rubles, unless otherwise indicated)

16. Central Counterparty Financial Assets and Liabilities

	June 30, 2013 (unaudited)	December 31, 2012
Repo transactions	14 898 500	2 184 330
Currency transactions	1 112 262	639 114
Total central counterparty financial assets and liabilities	16 010 762	2 823 444

CCP financial assets are receivables under currency and repo transactions and CCP financial liabilities are payables under offsetting transactions, which the Group entered with market participants as a CCP.

As at June 30, 2013 and December 31, 2012, none of these assets were past due.

17. Investments Available-for-Sale

	June 30, 2013 (unaudited)	December 31, 2012
Bonds issued by Russian Federation	28 484 962	17 903 495
Bonds issued by Russian banks	15 701 087	16 123 514
Bonds issued by Russian companies	18 166 596	12 999 291
Bonds issued by foreign companies	9 886 305	8 172 658
Bonds issued by foreign banks	-	1 063 639
Bonds issued by Russian Federation subjects and Municipal bonds	641 135	244 012
Shares issued by Russian companies	102 008	101 704
Shares issued by foreign companies	45 946	66 209
Total investments available-for-sale	73 028 039	56 674 522

18. Investments Held-to-Maturity

	June 30, 2013 (unaudited)	December 31, 2012
Corporate bonds	60 279	529 842
Total investments held-to-maturity	60 279	529 842

19. Investments in Associates

	June 30, 2013 (unaudited)		December 31, 2012	
	Ownership interest	Carrying value	Ownership interest	Carrying value
CJSC Settlement Depository Company (SDC)	28,54%	587 508	28,54%	561 326
CJSC National Mercantile Exchange (NAMEX)	36,51%	47 907	36,51%	34 353
Open Joint-Stock Company "Ukrainian Exchange" (UEX)	43,08%	137 517	43,08%	132 975
Total investments in associates		772 932		728 654

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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20. Property and Equipment

	Land	Buildings and other real estate	Furniture and equipment	Total
December 31, 2011	127 512	4 965 469	3 273 193	8 366 174
Additions (unaudited)	94 287	452 151	18 691	565 129
Disposals (unaudited)	-	(16 931)	(153 315)	(170 246)
Effect of movements in exchange rates (unaudited)	835	433	347	1 615
June 30, 2012 (unaudited)	222 634	5 401 122	3 138 916	8 762 672
December 31, 2012	221 147	5 874 838	3 118 677	9 214 662
Additions (unaudited)	-	33 535	110 745	144 280
Disposals (unaudited)	-	-	(48 217)	(48 217)
Reclassification to assets held for sale (unaudited)	-	-	(1 277)	(1 277)
Effect of movements in exchange rates (unaudited)	849	5 176	1 138	7 163
June 30, 2013 (unaudited)	221 996	5 913 549	3 181 066	9 316 611
Accumulated depreciation				
December 31, 2011	-	764 793	1 878 636	2 643 429
Charge for the period (unaudited)	-	51 046	206 732	257 778
Disposals (unaudited)	-	(1 172)	(94 209)	(95 381)
Effect of movements in exchange rates (unaudited)	-	94	331	425
June 30, 2012 (unaudited)	-	814 761	1 991 490	2 806 251
December 31, 2012	-	871 952	1 987 477	2 859 429
Charge for the period (unaudited)	-	59 626	208 700	268 326
Disposals (unaudited)	-	-	(34 842)	(34 842)
Reclassification to assets held for sale (unaudited)	-	-	(364)	(364)
Effect of movements in exchange rates (unaudited)	-	292	448	740
June 30, 2013 (unaudited)	-	931 870	2 161 419	3 093 289
Net book value				
December 31, 2012	221 147	5 002 886	1 131 200	6 355 233
June 30, 2013 (unaudited)	221 996	4 981 679	1 019 647	6 223 322

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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21. Intangible Assets

	Software and licences	Client base	Total
December 31, 2011	1 230 297	19 503 594	20 733 891
Additions (unaudited)	186 958	-	186 958
Disposals (unaudited)	(58)	-	(58)
Effect of movements in exchange rates (unaudited)	2 039	-	2 039
June 30, 2012 (unaudited)	1 419 236	19 503 594	20 922 830
December 31, 2012	1 663 931	19 503 594	21 167 525
Additions (unaudited)	102 220	-	102 220
Disposals (unaudited)	(7 264)	-	(7 264)
Reclassification to assets held for sale (unaudited)	(4 831)	-	(4 831)
Effect of movements in exchange rates (unaudited)	8 800	-	8 800
June 30, 2013 (unaudited)	1 762 856	19 503 594	21 266 450
Accumulated depreciation			
December 31, 2011	351 353	412 257	763 610
Charge for the period (unaudited)	108 085	390 072	498 157
Disposals (unaudited)	(58)	-	(58)
Effect of movements in exchange rates (unaudited)	228	-	228
June 30, 2012 (unaudited)	459 608	802 329	1 261 937
December 31, 2012	511 348	1 192 401	1 703 749
Charge for the period (unaudited)	120 971	390 072	511 043
Disposals (unaudited)	(6 149)	-	(6 149)
Reclassification to assets held for sale (unaudited)	(2 025)	-	(2 025)
Effect of movements in exchange rates (unaudited)	677	-	677
June 30, 2013 (unaudited)	624 822	1 582 473	2 207 295
Net book value			
December 31, 2012	1 152 583	18 311 193	19 463 776
June 30, 2013 (unaudited)	1 138 034	17 921 121	19 059 155

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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22. Goodwill

	Six - month period ended June 30, 2013	Six - month period ended June 30, 2012
As at January 1	16 066 094	16 072 302
Effect of movements in exchange rates (unaudited)	6 338	1 429
As at June 30 (unaudited)	16 072 432	16 073 731

23. Other Assets

	June 30, 2013 (unaudited)	December 31, 2012
Other financial assets:		
Receivables on services rendered and other operations	890 813	443 355
Loans receivable from employees	713	1 215
Less allowance for impairment	(5 482)	(4 961)
Total other financial assets	886 044	439 609
Other non-financial assets:		
Prepaid expenses	228 834	182 290
Taxes receivable other than income tax	234 018	83 427
Other	12 575	9 804
Total other assets	1 361 471	715 130

24. Disposal Group Held for Sale

In 2012 SC RTS provided settlement services to trading participants. In the second half of 2012 this business was transferred to NSD. In March 2013 the Management Board decided to sell SC RTS and initiated a tender to locate a buyer. Management has the intention to find a buyer and sell SC RTS up to October 2013. The Group presented SC RTS as at 30 June 2013 as disposal group held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations".

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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24. Disposal Group Held for Sale (continued)

The major classes of assets and liabilities of SC RTS classified as held for sale as of the reporting date:

	June 30, 2013 (unaudited)
Assets of the disposal group held for sale	1 421 968
Cash and cash equivalents	1 381 713
Property and equipment	913
Intangible assets	2 806
Other assets	36 536
Liabilities of the disposal group held for sale	(271 075)
Current accounts	(267 100)
Other liabilities	(3 975)
Net assets directly associated with the disposal group	1 150 893

25. Balances of Market Participants

	June 30, 2013 (unaudited)	December 31, 2012
Current and settlement accounts of participants	214 097 400	210 858 198
Guarantee fund	51 939 972	34 258 124
Risk-covering funds	2 541 567	1 874 063
Total balances of market participants	268 578 939	246 990 385

The guarantee fund comprises contributions deposited by market participants (initial or maintenance margin). The purpose of this fund is to support clearing settlements on the market and to cover risks arising from open positions of market participants, including operations of market participants, where the Group acts as a central counterparty. If an initial margin requirement exceeds the contribution made by a market participant in the guarantee fund, the participant is required to cover the deficit by depositing additional maintenance margin for the unsettled trades or to reduce the open position to an appropriate level. The guarantee fund amount is payable to a market participant when it closes its positions. The Group places guarantee fund amounts on current accounts and deposits with reputable banks or short-term repo receivables (Notes 13, 15).

Market participants also pledge traded securities to the guarantee fund as collateral for their obligations. These securities are blocked at the participants' custody accounts in NSD and DCC. These securities are not assets of the Group and are not recognised in the Consolidated Statement of the Financial Position.

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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24. Balances of Market Participants (continued)

The risk-covering funds comprise contributions deposited by market participants. The purpose of these funds is to provide additional insurance to the market participants in respect of the ability of the Group to guarantee proper settlements of open positions in case of a market participant default. The minimum contribution amount per one participant is determined by the Group management and it is approved by the Derivatives Market Committee or the Currency Market Committee. Risk-covering funds amounts are only used to cover the deficit if a contribution to a guarantee fund made by a trading participant is not sufficient to cover its losses. The Group places cash received from the market participants in the risk-covering funds with top-rated banks (Notes 13, 15).

26. Other Liabilities

	June 30, 2013 (unaudited)	December 31, 2012
Other financial liabilities:		
Dividends payable	2 726 452	-
Payables to employees	525 477	1 195 461
Trade payables	434 340	384 173
Total other financial liabilities	3 686 269	1 579 634
Other non-financial liabilities:		
Taxes payable, other than income tax	367 856	631 891
Advances received	201 367	175 786
Other	111	5 881
Total other liabilities	4 255 603	2 393 192

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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27. Share Capital and Share Premium

The share capital of Moscow exchange comprises ordinary shares with a par value of RUB 1 each (December 31, 2012: RUB 1 each):

	Authorized shares (number of shares)	Ordinary shares issued and fully paid (number of shares)	Treasury shares (number of shares)
December 31, 2011	2 578 200 000	2 197 409 846	(191 561 153)
Issue of additional shares	-	-	165 650 445
Purchase of treasury shares	-	-	(32 225 118)
June 30, 2012	2 578 200 000	2 197 409 846	(58 135 826)
December 31, 2012	2 578 200 000	2 197 409 846	(58 135 826)
Issue of additional shares (unaudited)	-	181 079 307	(181 000 000)
Sale of treasury shares during IPO (unaudited)	-	-	109 090 910
Purchase of treasury shares (unaudited)	-	-	(27 943 570)
June 30, 2013 (unaudited)	2 578 200 000	2 378 489 153	(157 988 486)

Share premium represents an excess of contributions received over the nominal value of shares issued.

In January-February 2012 the Group repurchased from shareholders 32 225 118 own shares for RUB 1 805 040 thousand and sold 165 650 445 own shares to new shareholders for RUB 9 625 947 thousand.

In January-February 2013 the Group issued 181 079 307 shares, 181 000 000 of which were acquired by its subsidiary. The Group conducted an IPO on February 15, 2013 for total of RUB 15 000 000 thousand. In the course of the IPO the Group sold 109 090 910 treasury shares for the amount of RUB 6 000 000 thousand. The Group recognised 220 781 transaction costs related to the IPO.

Following the IPO a stabilizing agent purchased 27 943 570 own shares of the Group on the market. The shares were then sold to the Group for RUB 1 527 896 thousand.

28. Retained Earnings

During the six-month period ended June 30, 2013, the Group declared dividends for the year ended December 31, 2012, to the owners of the parent of RUB 2 726 452 thousand (June 30, 2012: RUB 663 175 thousand). The amount of dividends per share for the six-month period ended June 30, 2013, is RUB 1.23 per ordinary share (June 30, 2012: 0.31 per ordinary share).

The Group's distributable reserves are limited to the amount of reserves reported in the statutory financial statements of the Group members. Non-distributable reserves comprise a reserve fund, which is created according to the statutory regulations, to cover risks, including future losses and other unforeseen risks and contingencies.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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29. Earnings per Share

The calculation of earnings per share is based on the profit for the year attributable to shareholders of the Group and the weighted average number of ordinary outstanding during the year, calculated as shown below.

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Net profit attributable to ordinary equity holders of the parent	5 866 192	4 220 609
Weighted average number of shares	2 205 308 976	2 116 319 518
Effect of dilutive share options	3 595 284	-
Weighted average number of shares adjusted for the effect of dilution	2 208 904 259	2 116 319 518
Basic earnings per share, RUB	2,66	1,99
Diluted earnings per share, RUB	2,66	1,99

30. Transactions with Related Parties

Intragroup transactions have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(a) Control relationships

The entities controlled by the Russian Federation together hold more than 50% of voting shares of Moscow Exchange. Accordingly, the Russian Federation exercises control over Moscow Exchange.

(b) Transactions with key management

Key management personnel comprises members of the Executive Board and the Board of Directors. The total remuneration paid to key management personnel includes short-term benefits (salary, bonuses, payroll related taxes, insurance, health care, etc.) and share-based payment expense.

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Short-term employee benefits	119 460	279 928
Share-based payment expense	94 623	-
Total remuneration of key management personnel	214 083	279 928

(c) Transactions with related parties

The Group considers shareholders of Moscow Exchange with control or significant influence by the Russian Federation to be related parties.

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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30. Transactions with Related Parties (continued)

The Group considers government-related entities as related parties if Russian Federation has control, joint control or significant influence over the entity. In the ordinary course of business the Group provides stock exchange services to government-related entities, places funds with government-related banks and bonds issued by the Russian Federation and government-related entities.

Included in the Consolidated Interim Condensed Statement of Financial Position were the following amounts that arose on transactions with associates:

	June 30, 2013 (unaudited)	December 31, 2012
Investments in associates	772 932	728 654
Other assets	4 836	7 642
Balances of market participants	4 302	1 588
Loans payable	40 646	-
Other liabilities	7 491	3 938

Included in the Consolidated Interim Condensed Income Statement are the following amounts that arose due to transactions with associates:

	Six - month period ended June 30, 2013 (unaudited)	Six - month period ended June 30, 2012 (unaudited)
Share of profits of associates	41 330	25 350
Fee and commission income	32 112	19 388
Foreign currency difference	(358)	528
Interest expense	2 140	-
Administrative and other operating expenses	22 150	22 573

31. Fair Value of Financial Assets and Liabilities

The Group performs a fair value assessment of its financial assets and liabilities, as required by IFRS 7 Financial Instruments: Disclosures. Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable, willing parties in an arm's length transaction, other than in forced or liquidation sale.

Except as detailed below, Management of the Group considers that the fair value of financial assets and liabilities approximates their carrying value:

	June 30, 2013		December 31, 2012	
	Carrying value	Fair value	Carrying value	Fair value
Investments held-to-maturity	60 279	59 948	529 842	529 249
Written put option over own shares	-	-	23 318 767	646 055

The fair value of the put option is estimated using the Monte Carlo method. The model of stochastic processes for changes in Moscow Exchange shares prices, MICEX Index and FTSE Mondo Visione Exchanges Index is based on the following assumptions: the probability of IPO failure during the option life is 15% and the number of random simulation processes for prices and changes in the indices equals to 30 000 iterations.

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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31. Fair Value of Financial Assets and Liabilities (continued)

The Group measures fair values for financial assets recorded on the statement of financial position at fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).
- Level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The table below analyses financial assets and liabilities measured at fair value at June 30, 2013, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2013 (unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	5 948 583	34 406	64 614	6 047 603
Central counterparty financial assets (currency transactions)	1 112 262	-	-	1 112 262
Investments available-for-sale	70 448 987	2 431 098	147 954	73 028 039

Financial assets and liabilities measured at fair value at December 31, 2012, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	17 958 879	-	66 960	18 025 839
Central counterparty financial assets (currency transactions)	639 114	-	-	639 114
Investments available-for-sale	53 791 969	2 714 640	167 913	56 674 522

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Notes to the Consolidated Interim Condensed Financial Statements for the Six-Month Period Ended June 30, 2013 (continued)
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31. Fair Value of Financial Assets and Liabilities (continued)

The following table shows a reconciliation for the six-month period ended June 30, 2013 and June 30, 2012, for fair value measurements in Level 3 of the fair value hierarchy:

	Level 3
Balance at December 31, 2011	290 599
Level 3 securities sold (unaudited)	(21 275)
Foreign exchange gain (unaudited)	1 783
Loss recognized in net loss on financial assets at fair value through profit or loss (unaudited)	(769)
Balance at June 30, 2012 (unaudited)	270 338
Balance at December 31, 2012	234 873
Level 3 securities sold (unaudited)	(20 058)
Foreign exchange gain (unaudited)	99
Loss recognized in net loss on financial assets at fair value through profit or loss (unaudited)	(2 346)
Balance at June 30, 2013 (unaudited)	212 568

Valuation techniques

The foreign currency forward contracts are measured based on observable spot exchange rates and the yield curves of the respective currencies.

The fair value of the unquoted debt securities has been determined using a discounted cash flow model, by reference to quoted market prices for similar instruments.

The fair value of unquoted equity instruments has been determined based on market approach using price/net assets ratio for similar companies.

Transfers between level 1 and 2

The following financial assets were transferred from level 1 to level 2 as they ceased to be actively traded during the period:

	Transfers from Level 1 to Level 2	
	Six - month period ended June 30, 2013	Six - month period ended June 30, 2012
Investments available-for-sale	24 058	-