FINAL TRANSCRIPT

MOEX – Moscow Exchange Q2 2013 IFRS Results Conference Call

Event Date: 29 August 2013

SUMMARY: Strong earnings were driven by growth across our highly diversified business, particularly by derivatives and money market products. EBITDA was up 32.2% YoY to RUB 4.54 bln; EBITDA margin increased to 72.1% from 66.0%. Net profit increased by 57.1% YoY to RUB 3.30 bln. Q&A focus: 2H 2013 costs, tariffs outlook, T+2, Supervisory Board to act on quasi-treasury shares.

Investor Relations contacts

Sergey Klinkov, Director of Investor Relations – Tel. +7 495 363 3232 – Email ir@moex.com

OPERATOR

Good afternoon ladies and gentlemen. Thank you for standing by and welcome to the Moscow Exchange Second Quarter 2013 IFRS Results Conference Call.

At this time all participants are in a listen-only mode, there will be a presentation followed by a question and answer session, at which time if you wish to ask a question you will need to press Star 1 on your telephone. Today we are only taking questions from analysts or investors but not from the media. I must advise you this conference is being recorded today, Thursday the 29th of August 2013.

I would now like to hand the conference over to your first speaker today Andrey Braginsky. Please go ahead, sir.

ANDREY BRAGINSKY – *MD of Communications, Moscow Exchange*

Thank you. Good afternoon everyone and, welcome to Moscow Exchange's half- year 2013 earnings results conference call. Some of the statements made during today's conference call may contain projections or other forward- looking statements regarding future events, or the future financial performance of the Company.

The Company wishes to warn you that these statements are only predictions, and that actual events or results may differ materially. The Company does not intend to update these statements to reflect events occurring after the date of the call prior to the next conference call.

By now you should have received our press release containing the results for the quarter. And our management presentation is available on the company's Website in the Investor Relations section. Before we start, I'm happy to introduce to you Sergey Klinkov who has joined Moscow Exchange as the new Director of Investor Relations. I hope you will enjoy your relationship with Sergey and join me in welcoming him aboard.

With this, I will give the floor to Evgeny Fetisov, Chief Financial Officer of Moscow Exchange. Evgeny.

EVGENY FETISOV – *CFO, Moscow Exchange*

Thank you for joining us to discuss Moscow Exchange's Second Quarter results. Our operating and financial performances were both strong despite unimpressive macro and financial market indicators. These indicators have had a mixed influence on our markets, stimulating growth in some segments while depressing others. All of the Exchange's market divisions except equities saw a year on year volume and income growth.

These results combined with increased interest income led to double digit operating income and net profit growth. All financial indicators in the presentation are IFRS. Due to the seasonality of the Exchange's business we compare Q2 2013 to both Q2 2012 and Q1 2013.

From this quarter we are presenting fee & commission income for equities and bonds separately as well as total securities market income. We believe that the new presentation of the items provides a better view of the group's financial performance and provides greater transparency.

Going on to the presentation, on page four we see the group's financial results for the second quarter relative to the second quarter of 2012 and the first quarter of the current year. In the second quarter of this year operating income grew 21% year on year and 14% quarter on quarter.

Expenses decreased slightly, by 0.4%, compared with Q2 2012 and increased 5% versus Q1 2013. Net profit grew significantly, by 57%, year on year and 29% quarter on quarter.

Moving to page five we see that the operating income structure remains stable with fee and commission income totalling 52%. Fee and commission income increased 18% year on year despite a 20% decrease in equity market income.

Lower income from equities was more than offset by strong results from other markets. Income from depository and settlement services grew 10%, from the FX market by 23%, from the Derivatives and Money markets by 38%, while the Bond Market saw the most significant growth of 94%.

The following slides contain detailed information on fees & commissions and trading volumes in the market segments. On the next page equity trading volumes decreased 31% year on year due partially to RTS Standard ceasing operations and lower trading velocity and increased 9% quarter on quarter.

Fees & commissions from equity trading decreased 20% year on year and grew 4% quarter on quarter in Q2 2013. The effective fee rate in Q2 2013 increased by 8% to 10% compared to 2012 due to the changes in the fee structure and abolishment of VAT on financial transactions. The effective fee rate decreased about 5% quarter on quarter as more market participants chose tariff plans with lower variable fee rates.

Our fixed income market grew significantly over the recent quarters and this momentum continued in Q2 2013. With trading volumes increasing 87% year on year and 5% quarter on quarter. Fees and commissions from bonds were up 94% year on year and decreased 6% quarter on quarter. The quarter on quarter decrease was due to the fee structure. There is a cap for each transaction and the average transaction size has grown.

Page eight shows the details of the T + 2 timeline. The next – and very important – stage of the project is scheduled for September 2nd when T0 will be phased out completely for equities. The closing auction and the new algorithm for closing price calculation will also be implemented from this date. Market participants will be able to choose accounts for fee payments.

T+2 volumes are clearly growing and total volumes exceeded 12% in the second quarter as market participants prepared for the full switch to T + 2.

I would like now to turn to other key developments and plans for the Equity and Fixed Income Markets. In Q2 2013 we launched Russia's first ETF, FinEx Tradable Russian Corporate Bonds UCITS ETF, as well as mortgage-backed participation certificates on Moscow Exchange.

We listed Polymetal International shares and Phosagro, VTB and PIK Group executed SPOs on Moscow Exchange. In addition we implemented the facility to begin secondary trading of exchange bonds on the day of the placement.

Going to page ten I would like to highlight that most new placements by Russian companies in the first half of 2013 were executed on Moscow Exchange. We believe that the recent liberalization of equity issuing rules will further stimulate new listings on the Exchange.

The Derivatives market continued to perform strongly. Trading volumes increased 22% year on year and 35% quarter on quarter in Q2 2013. While fee and commission income from derivatives increased 38% year on year and 32% quarter on quarter.

The shares of currency and index derivatives in total trading volume changed slightly, the share of currency derivatives grew from 35% in Q2 2012 to 42% in Q2 2013 while the share of index derivatives fell from 35% to 28%.

In the second quarter we launched derivatives products on new currency pairs. Japanese Yen-US Dollar, Swiss Franc-US Dollar, and Ukrainian Hryvnia-US Dollar. Future contracts on the 15 year OFZ basket and interest rate futures on RUONIA – Russian Overnight Index Average. And new option contracts on the MICEX Index and VTB stock.

We also introduced calendar spreads trading in RTS Index futures, Dollar-Rouble futures and gold futures. Developing new instruments will remain our key priority in the second half. We plan to launch centralized clearing for interest rates and currency OTCs swaps.

On money markets, interest rates remained high in Q2 2013 and the Central Bank of Russia was active on Moscow Exchange's Repo market. The CBR share of Repo has fluctuated around 60% since the second quarter 2012, in contrast to around 20% in Q1 2012. Money market fee and commission income grew 38% year on year and 35% quarter on quarter in Q2 2013.

FX market trading volumes increased 44% year on year and 50% quarter on quarter, bringing FX market income up 23% year on year and 31% quarter on quarter. Spot trading volumes remained practically flat year on year due to lower exchange rate volatility while FX swap trading volumes increased substantially, growing 96% on the back of higher demand for interest rate products. Participants use FX swaps to manage liquidity.

FX market income grew more slowly than the trading volumes due to the swap transaction fees being lower than spot transaction fees.

The Money market and FX market are both launching products to facilitate development of these markets. On the

Money market we are focusing on developing Repo with CCP (Central Counterparty). This project will remain a key priority in the second half of this year.

We are also planning to launch on-exchange Repo with the Central Bank with collateral management by the National Securities Depository and Repo with a pool of securities. And to develop deposit and trade operations further.

On the FX market in the second quarter of 2013, we launched new instruments in Chinese Yuan-Rouble currency pair and partial pre-funding for this pair, as well as launching a new swap trades and the rouble fixing our new FX market indicator.

Starting from the second quarter participants have the option to choose the base exchange rate while executing order book swap trades, simplifying the submission of off-exchange transaction for NCC clearing.

We plan to launch access to the FX market through the derivatives market trading system. Unified clearing of spot FX transactions and FX derivatives, and new options for non-resident clients access.

Assets under NSD custody continued to grow: in Q2 2013 by 61% year on year and 24% quarter on quarter, due to the transfer of assets for safekeeping from registrars to the NSD. Fees and commissions from depository services increased 10% year on year and 2% quarter on quarter in Q2 2013.

Newly deposited assets are put in long-term safe keeping accounts and are therefore subject to lower fees, until they begin to be traded and are moved to the regular trading accounts.

The NSD is planning to develop trading repository services this year expanding the list of derivatives transactions in the depository.

Other areas of development are the new collateral management services, launching a corporate information center and FX conversion services.

Slide 17 shows the first results of Euroclear and Clearstream providing settlement services for OFZ transactions. Its share has stabilized at 20% of total OFZ transactions since April 2013. The second diagram shows that OFZ trading bonds started to increase in the middle of 2012 on expectations of Euroclear and Clearstream's access to the market.

Meanwhile Moscow Exchange’s share of OFZ trading volume strongly exceeds that, at 90%, with the remaining 10% being OTC trades.

Group interest income: interest income grew by 24% year on year and was driven by a significant 53% year on year increase in the investment portfolio, as well as increase of the rouble interest rates rising from 5.9% in Q2 2012 to 6.4% in Q2 2013.

The rise in the rouble benchmark rates wasn't fully reflected in the interest income due to the change in the structure of client balances. The share of US Dollar and Euro balances increased from 37% to 48%. The return on the combined investment portfolio in Q2 2013 was 3.3%.

The next slide shows extensive details of client funds and the investment portfolio. As you see, 50% and 40% of funds come from FX market and Securities market funds. And half of the client's funds are deposited in roubles, while dollar and the euro account for 25% each.

Our cautious investment policy means that most of client funds and our own funds are invested in corresponding accounts as well as rouble and FX deposits.

Other income fell by 21% year on year and 13% quarter on quarter in Q2 2013. Its key components, namely information sales and technology services sales, fell a respective 51% and 11%. The new fee structure for information services implemented in Q2 2013 actually meant that additional growth of revenues is expected in Q3 and Q4, actually reaching the levels of the beginning of the year.

Group operational expenses: they decreased by 0.4% year on year and grew 5% quarter on quarter in Q2 2013. Personnel expenses were the main cost item, growing 6% year on year and about 1% quarter on quarter in line, or even below the inflation level.

Professional services and rent and office maintenance expenses fell respective 29% and 27% year on year. And the quarter on quarter cost increase was due to a seasonal increase in administrative expenses, professional services by 33 million roubles, advertising and marketing costs by 20 million roubles, taxes – which we started to pay more due to the change in VAT – by 32 million roubles. And market makers fees were high by 43 million roubles.

And speaking about future project implementation this is the summary of our future projects. On the last page we have listed some of our markets, with our market division's results, we emphasize that much remains to be done and we are committed to continuing our infrastructure modernization in line with the evolving, competitive global environment.

Thank you all for your interest. I welcome any questions that you may have.

OPERATOR
Thank you, sir, and just a reminder if you wish to ask a question please press Star 1 on your telephone keypad and wait for your name to be announced. So that's Star 1 if you wish to ask a question and wait for your name to be announced.

Now from Sberbank our first question comes from Andrew Keeley. Please ask your question sir.

ANDREW KEELEY – ***Analyst, Sberbank CIB***
Good afternoon Evgeny and Sergey, thank you for the call. I've a couple of questions, first of all I mean it's been a very good first half and I guess you're already a couple of months through into the second half. And I'm just kind of wondering whether you can give us any sense of kind of how you're feeling about the likely second half performance relative to the first half.

I mean, do you expect that basically in terms of the kind of earnings numbers we should be looking at kind of similar level in the second half to the first half or are there any potential kind of negative surprises? I suppose on one thing, you know, your cost performance has been fantastic so far. You're well below your kind of guidance for the year and I'm just wondering whether there's going to be much seasonality there. I mean last year we saw quite a pickup in costs in the second half of the year and, you know, can we expect the same thing from this year? Thank you.

EVGENY FETISOV – *CFO, Moscow Exchange*
Thank you for the question, Andrew. Starting with the cost guidance, there is some seasonality on the costs. We expect that the total costs will be higher by about one billion roubles over the second half of this year, and that will comprise mostly of bonus provisions, which will be about 800 million roubles and be distributed over the two quarters

And we will likely spend about 200 million more on market maker spheres. And the rest of the base will be the same as or similar to what we had in the first half of the year.

And as we mentioned before we target that the personnel costs will be in line with the last year number or will go lower single digit, whereas the other costs will be growing in line with inflation.

On the revenue side, we will… you are getting the trading volume numbers on a monthly basis so you can build your projections. It looks like August will be softer in terms of trading volumes. We will need to see how the Fall and the beginning of the Winter do, obviously. I mean this is something we don't usually give guidance for.

And on the interest income we can say that we have seen record client balances in Q2. They will most likely be somewhat less than this number going forward, but again it's something that we cannot exactly predict.

ANDREW KEELEY – *Analyst, Sberbank CIB*
Thanks, Evgeny. A couple of follow-ups. In terms of your kind of average fees and tariffs, I mean you mentioned in your presentation that there's been some kind of softening of the average tariffs in say the equities market and fixed income, due to things like kind of caps on transactions and the growth and kind of average transaction size.

Can you just give us any kind of sense of whether you think there's likely to be kind of further softening in these kind of average tariffs over the next couple of quarters? Or do you kind of feel you've now reached a kind of a reasonable kind of run rate in terms of what they're likely to be like? Thank you.

EVGENY FETISOV – *CFO, Moscow Exchange*
Andrew, as a matter of fact there is no softening in the tariffs per se. We don't, we didn't change any tariffs. The result of the change in the average fee on the market is the change of combinations of the products traded on these markets.

Say in FX there has been changes in the ratio of FX spot versus FX swaps. The latter is less expensive in terms of fees. And say in the Derivatives market we actually see an increase of the effective fee given the higher proportion of more highly priced products such as Options.

So the only market where we have caps is the Fixed Income market and with the increase of the trading bonds and the average deal size, indeed, we would be seeing the lesser effective fee rate; although that doesn't mean that we're changing anything. So that will depend on the market conditions going forward and whether there is more demand for money market products or for products which are associated with the growth of economy, such as equities or derivatives. I hope I have answered your question.

ANDREW KEELEY ***– Analyst, Sberbank CIB***
OK, that makes good sense. Thank you. A final quick question on your thoughts on the impact and timing of the move to T+2 which is starting from next week.

What's your sense of the timing? When do you think that's going to start having a positive impact on trading volumes? And do you have any sense of how much [of an impact] that can be and what kind of growth you would be looking at in terms of trading volumes expectations for this year? Given what you're factoring in with regards to the impact of T+2.

EVGENY FETISOV ***– CFO, Moscow Exchange***
Right, thank you for the question. As I should be, I will be conservative when I look at the T+2 trading volumes. So we wouldn't expect any major changes in the first month for sure. Clients will have to get themselves connected and get their clients connected. So we probably will see the effect of T+2 in two to three months' time.

I would also be very cautious in forecasting the increase in volumes. That will depend on market conditions and the speed with which clients get connected.

ANDREW KEELY ***– Analyst, Sberbank CIB***
OK. Thanks very much Evgeny.

OPERATOR
Thank you very much sir. Now from Goldman Sachs your next question comes from Dmitry Trembovolsky. Please ask your question sir.

DMITRY TREMBOVOLSKY ***– Analyst, Goldman Sachs***
Hi Evgeny. Thanks for the call. I have a couple of questions. One will be on depository and settlement services. Could you just give us a bit more color on the DCC and reduced tariffs accounts that are in grey on your page 16?

And could you also describe whether they are the reason for fee and commission income from this segment just drawing 2%

Q-o-Q while securities and custody went up 24%? How should we think about that in the future? I will follow up with a second question.

EVGENY FETISOV – *CFO, Moscow Exchange*
Thank you Dmitry. I'll start answering this question and then I will ask my colleague Dmitry But from the NSD to add if he has anything if he has any additional information.

The long-term safe-keeping segments in the NSD are designed for shares which were transferred to the NSD as a central securities depository starting April 1st. It is intended for shares which are not traded by their respective shareholders, such as the majority shareholder of a public company who doesn't trade his shares; their shares will be kept in this long-term segment with very low fees. But as soon as the share trades or becomes tradable or is traded once it will be moved into the trading segment.

This is how it's developed. So we expect going forward that as the shares go into circulation they will be moving into regular accounts and they will be charged regular fees.

DMITRY TREMBOVOLSKY – *Analyst, Goldman Sachs*
I see. And this increase from 14.2 to 17.6, is this a one-off, or are you going to continue getting the inflows of these safe-keeping shares?

EVGENY FETISOV – *CFO, Moscow Exchange*
I would say the majority of the shares are already there. So any increases [will be] associated either with new shares or bond issues or with the growth of an index, if any. There might be some additions, but this is basically a one-off event which was associated with the status of the NSD as a central securities depository, and with that all coming into the force.

DMITRY TREMBOVOLSKY – *Analyst, Goldman Sachs*
Understood. But they're generating almost no income and only will generate income once they start being traded, right?

EVGENY FETISOV – *CFO, Moscow Exchange*
They do generate some income, although it is lower than the regular safe-keeping income that other assets generate.

DMITRY TREMBOVOLSKY – *Analyst, Goldman Sachs*
Okay, understood. Can I also ask you – on page 18 you have, again, quite a bit of a spread between MosPrime and your effective yield. MosPrime went up around 50 basis points but your effective yield stayed flat. I realize there is a bit of a change in your currency mix, but this change is relatively small, from 52to 48. Is there anything else which could explain such a substantial discrepancy between the

MosPrime performance and your effective yield?

EVGENY FETISOV – ***CFO, Moscow Exchange***
Thank you for the question. This is related to our more conservative view of our investment policy. Basically, as we gain extensive client funds, we just trying to be more cautious in the way we manage our liquidity. So we are getting lower yield on our portfolio.

DMITRY TREMBOVOLSKY – ***Analyst, Goldman Sachs***
Am I then right to assume that, even if MosPrime continues to go higher – or say it's going to be 7% or whatever – you will still try to keep your net interest margin around 3.3? Or is there going to be some sensitivity at some point?

EVGENY FETISOV – ***CFO, Moscow Exchange***
There's going to be some sensitivity, definitely. It's just that, as the portfolio goes higher than we expected, we take a more conservative stance on how we work with this liquidity. So we don't target the interest rate, but we're trying to deliver the investment or stick to the investment declaration that we have in place.

DMITRY TREMBOVOLSKY – ***Analyst, Goldman Sachs***
So then, the other route, if MosPrime starts for example going down, you will not increase the risk of your portfolio to make sure the yield is staying where it is, right? It will naturally decrease.

EVGENY FETISOV – ***CFO, Moscow Exchange***
That's correct. I wouldn't be guessing the correlation that we will have going forward. It's just that the priority fix is the safe-keeping of client funds and being conservative, and definitely trying to make a reasonable yield from the portfolio that we have.

DMITRY TREMBOVOLSKY – ***Analyst, Goldman Sachs***
Understood. Okay, that's it from me. Thank you very much.

OPERATOR
Thank you very much sir. Now from VTB Capital your next question comes from Svetlana Aslanova. Please ask your question.

SVETLANA ASLANOVA – ***Analyst, VTB Capital***
Hello. I have some minor questions. First of all I would like to ask – as I understood, starting from next Monday T+2 will be introduced for equities. Do you plan to introduce the same trading for bonds by the end of this year?

EVGENY FETISOV – *CFO, Moscow Exchange*
Government bonds will be traded on T+2. For corporate bonds there won't be any T+2 at this moment, and we will be looking at the development of the market to see when it will be feasible.

SVETLANA ASLANOVA – *Analyst, VTB Capital*
Okay, thank you very much. And my next question is about the treasury shares. As far as I remember there was a decision that you will repurchase and cancel those shares. And that the timing will be provided some time in the third quarter. Could you please give some more information on this?

EVGENY FETISOV – *CFO, Moscow Exchange*
Yes, we expect the final decision by the board will be taken this September. And when the board has decided, there will be more specific terms regarding the timeline for the cancelation. So I would say in the fairly near future.

SVETLANA ASLANOVA – *Analyst, VTB Capital*
Okay, thank you very much.

OPERATOR
Thank you very much indeed. Now from Morgan Stanley you have a question from Anil Sharma. Please ask your question.

ANIL SHARMA – *Analyst, Morgan Stanley*
Hello. Afternoon everyone. Just a quick question. Given the introduction of the new clearing rules, where you're now accepting up to 100% of the collateral in US dollars, what does that actually mean in terms of the split of the investment portfolio currency mix? Presumably that trend you've seen to more US dollars is going to continue, and consequently does that mean that the overall yield on the portfolio should continue to go down further than what we expect? Or at least not the yield for the spread between MosPrime – is that likely to increase?

And my second question was could you give us an update on the T+2 implications for the investment portfolio? What sort of percentage impact do you think that could have? I know you've given us some indications in the past, but if you could update. And the final [question] was, you've mentioned that you were looking to give greater efficiencies for clients. So as trading volumes increase they wouldn't have to post as much client funds.

So I just want to know, even if volumes are high double digits, should we not expect mid-single digit growth in client funds as a consequence because you're giving these greater efficiencies? Thanks.

EVGENY FETISOV – *CFO, Moscow Exchange*
Thank you for your questions, Anil. Starting with the first one. We have actually offered the ability to deposit US dollars as collateral

for some time now, and we believe that the current currency split of client deposits has been more or less stable for the last two quarters. So it is unlikely to change substantially. So we need to see how our clients react going forward. But I mean this mix is likely to stay more or less the same. It will depend on which markets bring more of one or another currency. So we definitely get more FX balances from the FX market and less from other markets.

On the interest income, this is a question we definitely get very often and we like. So far we haven't seen any impact of T+2 on client balances. Quite to the contrary, you may see that we have actually seen very high client balances in Q2 this year. So we will need to see the impact of T+2 on both client balances and on the trading of bonds in the next few coming months.

Again, as I said, we wouldn't expect substantial changes in the first month, whereas in the second and third month, or towards the end of the year, we will probably have a clearer picture of the impact of this new trading regime.

On the third question, I will ask you to repeat it, I don't think the line was very good.

ANIL SHARMA – *Analyst, Morgan Stanley*
think you mentioned that you were trying to deliver greater efficiencies to clients, so that as they increased their trading volume they don't need to post as much client funds. And I want to check if that is the case, and does that mean the actual growth in client funds is unlikely to be as material as it has been in say the last 12 months or two years?

EVGENY FETISOV – *CFO, Moscow Exchange*
This is not exactly the case. The amount of client funds posted with us is not directly linked to trading volumes. From market to market it's linked more with exposure or the risk that our clients take or we take on this client.

So there could be a situation where the trading balance will grow substantially, whereas client deposits will not grow as much; or there could be a situation over the market where the client, the trading volumes stay the same but the amount of open positions increases substantially, and thus the initial margin that is placed with us will increase.

ANIL SHARMA – *Analyst, Morgan Stanley*
Okay, got you. Thanks.

OPERATOR
Thank you. Once again, if you wish to ask a question please press *1 on your telephone keypad and wait for your name to be announced. We now have a question from Alex Kantarovich of JP Morgan. Please go ahead and ask your question.

ALEX KANTAROVICH – *Analyst, JP Morgan*
Hi, yes, thank you. My question concerns

the emergence of the alternative trading system. We've seen an article in Vedomosti that the launch of the system by various brokers has been postponed. And given that we may expect this launch to take place in the second half, my question is, what sort of impact do you expect on your trading volumes, specifically in the equities segment?

EVGENY FETISOV – *CFO, Moscow Exchange*
Thank you for the question, Alex. It is difficult to give a precise answer, given that we haven't seen the launch of this trading system yet. We also saw the article. What we believe is that there will always be an OTC market in one way or another. And the way we look at that is that we provide on-exchange trading with integrated clearing and settlement services, and as far as we're aware this is the core and the strength of the offering that we have. And if there is additional trading volume that may come through our infrastructure, we can only welcome that as it would drive additional commissions for us.

ALEX KANTAROVICH – *Analyst, JP Morgan*
Right. Could we perhaps imagine that over time you would buy them out somehow?

EVGENY FETISOV – *CFO, Moscow Exchange*
I cannot really comment on that. It's difficult for me to talk about this now, but again it's not clear what we're speaking about yet. We have said that we are not in an active M&A phase right now. We are focusing more on developing new products and growing organically.

ALEX KANTAROVICH – *Analyst, JP Morgan*
Yes, clear on that. You mentioned that costs will be higher by one billion, and I'd like to know if this is for the second half, half on half, or for the full year, year on year.

EVGENY FETISOV – *CFO, Moscow Exchange*

The additional one billion will be in the second half. Year on year, as I said, we expect personnel costs will stay flat or will grow by low single digits. And other costs will grow by up to the level of inflation

---

ALEX KANTAROVICH – *Analyst, JP Morgan*
My last question is concerning headcount, because your staff expenses went up by 6% year on year. How does your head count compare in Q2 versus the same period last year?

EVGENY FETISOV – *CFO, Moscow Exchange*

It almost didn't grow. Let me just pull up this page. I think we had zero growth in head count in percentage terms.

ALEX KANTAROVICH – *Analyst, JP Morgan*
I'm just curious because you were cutting headcount, my understanding is by 10%, and I would like to find that 10% in your numbers somehow.

EVGENY FETISOV – *CFO, Moscow Exchange*
Let us get back to you on the Q2 2012 number because this is not something that we have handy. But the 6% growth comes from salary indexation, which we have planned in the budget. So this is something we put in place some time ago, and this was something we expected.

ALEX KANTAROVICH – *Analyst, JP Morgan*
Yes. I'm just reading from your statement, the major cost item was personnel, which grew 6% year on year. This related to costs not to head count, correct?

EVGENY FETISOV – *CFO, Moscow Exchange*
That's correct.

ALEX KANTAROVICH – *Analyst, JP Morgan*
Okay, great. Thank you very much. Good result.

EVGENY FETISOV – *CFO, Moscow Exchange*
Thank you.

OPERATOR
Thank you very much sir. As there are no further questions at this time I now pass the floor back to you for closing remarks.

ANDREY BRAGINSKY – *MD of Communications, Moscow Exchange*
If there are no further questions let me conclude this conference call. If there are any follow up questions please email us at ir@moex.com. Thank you very much and have a great evening.

OPERATOR
And with many thanks to all our speakers today that does conclude the conference. Thank you all for participating. You may now all disconnect.