

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

**Consolidated Interim Condensed Financial Statements
For the Nine-Month Period Ended September 30, 2013**

MOSCOW EXCHANGE GROUP

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Report on review of consolidated interim condensed financial statements

To the Shareholders and Board of Directors of
Open Joint-Stock Company Moscow Exchange MICEX-RTS

Introduction

We have reviewed the accompanying consolidated interim condensed financial statements of Open Joint-Stock Company Moscow Exchange MICEX-RTS and its subsidiaries (together the "Group") as at 30 September 2013, comprising of the consolidated interim condensed statements of profit or loss and other comprehensive income for the three months and the nine months then ended, the consolidated interim condensed statement of financial position as at 30 September 2013, and the consolidated interim condensed statement of changes in equity and consolidated interim condensed statement of cash flows for the nine months then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these consolidated interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these consolidated interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

CJSC Ernst & Young Vneshaudit

5 December 2013

MOSCOW EXCHANGE GROUP

Consolidated Interim Condensed Statement of Profit or Loss for the Nine-Month Period Ended September 30, 2013

(in thousands of Russian rubles)

	Notes	Three-month period ended		Nine-month period ended	
		September 30, 2013 (unaudited)	September 30, 2012 (unaudited)	September 30, 2013 (unaudited)	September 30, 2012 (unaudited)
Fee and commission income	5	3 163 374	2 931 951	9 310 036	8 284 039
Interest and other finance income	6	2 738 891	2 743 277	8 050 255	7 682 491
Interest expense		(744)	(1 835)	(1 864)	(40 902)
Net loss on financial assets available-for-sale	7	(67 386)	(180 109)	(151 536)	(264 519)
Foreign exchange gains less losses	8	431 990	160 132	839 323	236 310
Other operating income	9	14 729	(5 045)	55 356	38 208
Operating Income		6 280 854	5 648 371	18 101 570	15 935 627
Administrative and other operating expenses	10	(1 245 533)	(997 012)	(3 408 865)	(3 410 200)
Personnel expenses	11	(1 465 834)	(1 379 419)	(3 535 776)	(3 195 136)
Operating Profit		3 569 487	3 271 940	11 156 929	9 330 291
Interest expense in respect of written put option over own shares		-	(387 632)	(199 686)	(1 135 267)
Share of profits of associates	19	21 017	12 973	62 347	38 323
Profit before Tax		3 590 504	2 897 281	11 019 590	8 233 347
Income tax expense	12	(736 486)	(698 626)	(2 301 964)	(1 817 831)
Net Profit		2 854 018	2 198 655	8 717 626	6 415 516
Attributable to:					
Equity holders of the parent		2 856 477	2 204 671	8 722 669	6 425 280
Non-controlling interest		(2 459)	(6 016)	(5 043)	(9 764)
Earnings per share					
Basic earnings per share, rubles	29	1,29	1,04	3,95	3,03
Diluted earnings per share, rubles	29	1,28	1,03	3,94	3,02


Chairman of the Executive Board
Afanasiev A.K.

November 18, 2013
Moscow


Chief Financial Officer
Fetisov E.E.

November 18, 2013
Moscow

The notes on pages 10-33 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

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

	Notes	Three-month period ended		Nine-month period ended	
		September 30, 2013 (unaudited)	September 30, 2012 (unaudited)	September 30, 2013 (unaudited)	September 30, 2012 (unaudited)
Net profit		2 854 018	2 198 655	8 717 626	6 415 516
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(11 354)	(61 635)	31 899	(49 564)
Net gain / (loss) resulting from revaluation of investments available-for-sale		(154 381)	49 433	(410 940)	(147 426)
Net loss on investments available-for sale reclassified to profit or loss	7	67 386	180 109	151 536	264 519
Income tax relating to items that may be reclassified to profit or loss	12	17 417	(45 909)	51 881	(23 419)
Other comprehensive income that may be reclassified subsequently to profit or loss		(80 932)	121 998	(175 624)	44 110
Total comprehensive income		2 773 086	2 320 653	8 542 002	6 459 626
Attributable to:					
Equity holders of the parent		2 781 678	2 349 701	8 531 508	6 488 435
Non-controlling interest		(8 592)	(29 048)	10 494	(28 809)
Total comprehensive income		2 773 086	2 320 653	8 542 002	6 459 626

The notes on pages 10-33 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

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

	Notes	September 30, 2013 (unaudited)	December 31, 2012
ASSETS			
Cash and cash equivalents	13	231 972 888	193 356 484
Financial assets at fair value through profit or loss	14	6 877 823	18 025 839
Due from financial institutions	15	25 119 941	13 726 867
Central counterparty financial assets	16	33 556 549	2 823 444
Assets of disposal group held for sale	24	8 971 203	-
Investments available-for-sale	17	76 205 268	56 674 522
Investments in associates	19	704 038	728 654
Investments held-to-maturity	18	3 908	529 842
Property and equipment	20	6 201 742	6 355 233
Intangible assets	21	19 025 244	19 463 776
Goodwill	22	16 071 009	16 066 094
Current tax prepayments		272 691	535 032
Deferred tax asset	12	103 686	103 178
Other assets	23	813 670	715 130
TOTAL ASSETS		425 899 660	329 104 095
LIABILITIES			
Balances of market participants	25	304 033 510	246 990 385
Written put option over own shares	4	-	23 318 767
Central counterparty financial liabilities	16	33 556 549	2 823 444
Distributions payable to holders of securities		2 899 251	4 436 856
Loans payable		50 561	20 243
Liabilities of disposal group held for sale	24	241 506	-
Deferred tax liability	12	3 912 078	3 884 784
Current tax payables		202 222	161 022
Other liabilities	26	2 125 111	2 393 192
TOTAL LIABILITIES		347 020 788	284 028 693
EQUITY:			
Share capital	27	2 597 997	2 416 918
Share premium	27	38 951 530	27 403 927
Treasury shares	27	(10 273 913)	(2 860 714)
Foreign currency translation reserve		6 041	(10 321)
Investments revaluation reserve		(209 474)	(1 951)
Share-based payments		331 659	179 166
Written put option over own shares	4	-	(21 054 656)
Retained earnings	28	47 134 947	38 674 893
Total equity attributable to owners of the parent		78 538 787	44 747 262
Non-controlling interest		340 085	328 140
TOTAL EQUITY		78 878 872	45 075 402
TOTAL LIABILITIES AND EQUITY		425 899 660	329 104 095

The notes on pages 10-33 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

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

	Notes	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:			
Profit before tax		11 019 590	8 233 347
Adjustments for:			
Depreciation and amortization charge	10	1 181 943	1 143 367
Interest expense on written put option on own shares		199 686	1 135 267
Fair value adjustment on financial assets at fair value through profit or loss		(128 596)	(254 564)
Revaluation of derivatives		(12 021)	(88 299)
Share-based payment expense		210 508	255 484
Unrealized loss/(gain) on foreign exchange operations		258 832	385 766
Share of profits of associates		(62 347)	(38 323)
Loss on disposal of investments available-for-sale	7	151 536	264 519
Net change in interest accruals		(373 805)	(407 629)
Net (gain) / loss on disposal of property and equipment and intangible assets	9, 10	(5 696)	59 049
Other provisions		29 417	48 520
Impairment of investments in associates	19	89 251	-
Changes in operating assets and liabilities:			
Due from financial institutions		(11 281 434)	(9 827 067)
Financial assets at fair value through profit or loss		11 139 735	665 799
Central counterparty financial assets		(30 733 105)	(293 741)
Other assets		(128 004)	626 352
Balances of market participants		43 996 117	(20 174 003)
Central counterparty financial liabilities		30 733 105	293 741
Distributions payable to holders of securities		(1 537 605)	(2 476 198)
Other liabilities		(306 801)	(144 561)
Cash flows from operating activities before taxation		54 440 306	(20 593 174)
Income tax paid		(1 902 916)	(2 077 491)
Cash flows from / (used in) operating activities		52 537 390	(22 670 665)

The notes on pages 10-33 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

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

	Notes	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:			
Purchase of investments available-for-sale		(37 054 491)	(41 727 456)
Proceeds from disposal of investments available-for-sale		18 146 973	30 236 262
Purchase of property and equipment and intangible assets		(599 481)	(1 190 114)
Proceeds from redemption of investments held-to-maturity		516 302	533 687
Proceeds from disposal of property and equipment and intangible assets		21 506	30 810
Purchase of investments in associates		-	(2 214)
Cash flows used in investing activities		(18 969 191)	(12 119 025)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:			
IPO proceeds, net of transaction costs paid		5 779 139	-
Acquisition of treasury shares		(1 527 896)	(4 543 355)
Loans (repaid) / received		30 045	(2 491 830)
Proceeds from issue of ordinary shares		5 822	-
Sale of treasury shares		323	9 625 947
Dividends paid		(2 726 444)	(682 856)
Acquisition of non-controlling interest in subsidiaries		(27)	(26 793)
Cash flows from financing activities		1 560 962	1 881 113
Effect of changes in foreign exchange rates on cash and cash equivalents		12 415 924	(3 158 137)
Net increase / (decrease) in cash and cash equivalents		47 545 080	(36 066 714)
Cash and cash equivalents, beginning of period	13	193 356 484	165 830 133
Cash and cash equivalents, end of period	13	240 901 564	129 763 419

Interest received by the Group during the nine-month period ended September 30, 2013, amounted to RUB 7 769 626 thousand (September 30, 2012: RUB 7 754 094 thousand).

Interest paid by the Group during the nine-month period ended September 30, 2013, amounted to RUB 1 591 thousand (September 30, 2012: RUB 40 902 thousand).

The notes on pages 10-33 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

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

	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)	-	-	-	-	-	-	-	6 425 280	6 425 280	(9 764)	6 415 516
Other comprehensive income (unaudited)	-	-	-	-	93 674	-	(30 519)	-	63 155	(19 045)	44 110
Total comprehensive income for the period	-	-	-	-	93 674	-	(30 519)	6 425 280	6 488 435	(28 809)	6 459 626
Transactions with owners											
Dividends declared (unaudited)	-	-	-	-	-	-	-	(682 856)	(682 856)	-	(682 856)
Sale of treasury shares (unaudited)	-	3 256 853	6 369 094	-	-	-	-	-	9 625 947	-	9 625 947
Repurchase of own shares (unaudited)	-	-	(1 805 040)	-	-	-	-	-	(1 805 040)	-	(1 805 040)
Share-based payments (unaudited)	-	-	-	-	-	255 484	-	-	255 484	-	255 484
Acquisition of non-controlling interest (unaudited)	-	-	-	-	-	-	-	279	279	(27 072)	(26 793)
Total transactions with owners	-	3 256 853	4 564 054	-	-	255 484	-	(682 577)	7 393 814	(27 072)	7 366 742
September 30, 2012	2 416 918	27 403 927	(2 860 714)	(21 054 656)	(270 705)	255 484	10 214	36 892 432	42 792 900	330 166	43 123 066
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)	-	-	-	-	-	-	-	8 722 669	8 722 669	(5 043)	8 717 626
Other comprehensive income (unaudited)	-	-	-	-	(207 523)	-	16 362	-	(191 161)	15 537	(175 624)
Total comprehensive income for the period	-	-	-	-	(207 523)	-	16 362	8 722 669	8 531 508	10 494	8 542 002
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)	-	-	-	-	-	-	-	(2 726 362)	(2 726 362)	(90)	(2 726 452)
Share-based payments (unaudited)	-	21 937	36 401	-	-	152 493	-	-	210 831	-	210 831
Acquisition of non-controlling interest (unaudited)	-	-	-	-	-	-	-	(17)	(17)	(10)	(27)
Disposal of non-controlling interest (unaudited)	-	-	-	-	-	-	-	(32)	(32)	1 551	1 519
Total transactions with owners	181 079	11 547 603	(7 413 199)	21 054 656	-	152 493	-	(262 615)	25 260 017	1 451	25 261 468
September 30, 2013	2 597 997	38 951 530	(10 273 913)	-	(209 474)	331 659	6 041	47 134 947	78 538 787	340 085	78 878 872

The notes on pages 10-33 form an integral part of these consolidated interim condensed financial statements.

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended September 30, 2013
(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	September 30, 2013	December 31,
		(unaudited) Voting rights, %	2012 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	60,82%	61,32%
LLC Technical Center RTS (TechCenter)	Technical support of exchange activities	-	100%
LLC MICEX Finance (MICEX Finance)	Financial activities	100%	100%
LLC MICEX Cyprus (MICEX Cyprus)	Financial activities	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%
LLC ME Technology (former LLC E-Stock)	Technical support of exchange activities, IT services	100,00%	100,00%

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

NSD is the central securities depository of the Russian Federation. NSD is the Russian 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).

MOSCOW EXCHANGE GROUP

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

1. Organization (continued)

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.

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.

LLC ME Technology provides technical support of exchange activities and IT services to Moscow Exchange clients. LLC ME Technology was established in September 2013 resulting from merger of TechCenter to LLC E-Stock.

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 1 681 employees as at September 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 Nine-Month Period Ended September 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 Nine-Month Period Ended September 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 reclassified to equity.

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.

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 Nine-Month Period Ended September 30, 2013 (continued)
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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.

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Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended September 30, 2013 (continued)
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5. Fee and Commission Income

	Nine-month period ended September 30,	
	2013 (unaudited)	2012 (unaudited)
Securities market	2 137 655	2 340 368
Money market	1 876 445	1 305 261
Foreign exchange	1 770 996	1 505 949
Depository and settlement services	1 605 799	1 399 515
Derivatives	1 208 802	946 864
Sale of software and technical services	369 325	371 703
Information services	227 886	302 019
Other	113 128	112 360
Total fee and commission income	9 310 036	8 284 039

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

	Nine-month period ended September 30,	
	2013 (unaudited)	2012 (unaudited)
Equities	1 055 455	1 520 126
Bonds	940 768	711 389
Listing and other service fees	141 432	108 853
Total income from securities market	2 137 655	2 340 368

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

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Income on securities at fair value through profit or loss		
Interest income	421 341	2 948 030
Net loss on securities at fair value through profit or loss	(93 449)	(466 968)
Total income on securities at fair value through profit or loss	327 892	2 481 062
Interest income on financial assets other than at fair value through profit or loss		
Interest on cash and cash equivalents and due from financial institutions	3 869 603	2 982 850
Interest income on investments available-for-sale	3 842 015	2 189 710
Interest on investments held-to-maturity	10 745	28 869
Total interest income on financial assets other than at fair value through profit or loss	7 722 363	5 201 429
Total interest and other finance income	8 050 255	7 682 491

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

In the nine-month period ended September 30, 2013 the Group recognized a net loss on financial assets available-for-sale of RUB 151 536 thousand (nine-month period ended September 30, 2012: loss of RUB 264 519 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

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Net gains arising from dealing in foreign currencies	1 098 155	697 171
Net foreign exchange translation loss	(258 832)	(460 861)
Total foreign exchange gains less losses	839 323	236 310

MOSCOW EXCHANGE GROUP

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

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Income from lease	20 110	25 262
Gain on disposal of property, equipment and intangible assets	5 696	-
Other income	29 550	12 946
Total other operating income	55 356	38 208

10. Administrative and Other Operating Expenses

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Amortisation of intangible assets	779 368	753 661
Professional services	620 338	600 784
Depreciation of property and equipment	402 575	389 706
Taxes, other than income tax	356 026	233 564
Market makers fees	309 158	304 150
Rent and office maintenance	279 768	394 604
Equipment and intangible assets maintenance	260 170	258 828
Advertising and marketing costs	159 342	187 723
Impairment of investments in associates	89 251	-
Business trip expenses	45 049	52 736
Security expenses	25 312	25 808
Charity	13 486	28 273
Loss on disposal of property, equipment and intangible assets	-	59 049
Other	69 022	121 314
Total administrative and other operating expenses	3 408 865	3 410 200

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

The Group recognised impairment of investments in associate Open Joint-Stock Company "Ukrainian Exchange" (refer to Note 19).

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Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended September 30, 2013 (continued)
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11. Personnel Expenses

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Staff expenses	2 878 564	2 503 129
Payroll related taxes	446 704	436 523
Share-based payment expense	210 508	255 484
Total personnel expenses	3 535 776	3 195 136

The Group grants equity-settled share options to senior management and some employees. The options give to holders a choice either to purchase the full number of shares at exercise price or to get for free shares in amount of fair value of the option at exercise date. 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 nine-month period ended September 30, 2013:

	Number	WAEP
Outstanding at 1 January	42 027 058	47,53
Granted	7 200 004	46,90
Exercised	(557 791)	49,40
Forfeited	(4 033 337)	46,90
Expired	(4 728 876)	49,40
Outstanding at 30 September	39 907 058	47,23

The weighted average share price for share options exercised in 2013 was RUB 55,16.

WAEP for exercised options in the table above is calculated based on the contractual exercise price.

The weighted average remaining contractual life for the share options outstanding as at September 30, 2013 was 0,96 years. The weighted average fair value of options granted during the nine-month period was RUB 14,07. Exercise prices for options outstanding as at September 30, 2013 were RUB 46,9 – RUB 51.

The following table lists the inputs to the models used:

Assumption	Value
Expected volatility	28,2%
Risk-free interest rate	6,7%
Weighted average share price, RUB	54,91
Dividend yield	4,4%

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

MOSCOW EXCHANGE GROUP

Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended September 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 interim condensed statement of financial position		Consolidated interim condensed income statement	
	September 30, 2013 (unaudited)	December 31, 2012	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Tax effect from deductible temporary differences				
Due from financial institutions	-	-	-	2 667
Financial assets at fair value through profit or loss	3 771	29 750	(25 979)	(71 227)
Investments in associates and assets available-for-sale	32 991	29 360	(52 700)	79 901
Financial assets held-to-maturity	-	-	-	4 635
Property and equipment and intangible assets	12 683	13 563	(1 239)	7 827
Other assets	10 086	5 721	5 484	6 076
Tax loss carried forward	17 129	47 716	5 135	27 861
Other liabilities	144 451	203 273	(69 606)	(26 346)
Total tax effect from deductible temporary differences	221 111	329 383	(138 905)	31 394
Tax effect from taxable temporary differences				
Cash and cash equivalents	(10 941)	(250)	(10 691)	-
Central counterparty financial assets	(8 922)	(3 176)	(5 746)	-
Investments in associates and assets available-for-sale	(81 193)	(46 584)	(34 609)	(21 627)
Financial assets at fair value through profit or loss	(7 159)	(7 290)	131	(20 983)
Financial assets held-to-maturity	(10)	(10)	-	-
Property and equipment and intangible assets	(3 918 101)	(4 049 137)	131 036	140 548
Other assets	(888)	(1 350)	462	3 034
Other liabilities	(2 289)	(3 192)	903	40 530
Total tax effect from taxable temporary differences	(4 029 503)	(4 110 989)	81 486	141 502
Deferred tax income			(57 419)	172 896
Deferred income tax assets	103 686	103 178		
Deferred income tax liabilities	(3 912 078)	(3 884 784)		

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Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended September 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 nine-month period ended September 30, 2013 and 2012, are explained below:

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Profit before income tax	11 019 590	8 233 347
Tax at the statutory tax rate (20%)	2 203 918	1 646 669
Non-deductible expenses for tax purposes	184 039	372 972
Tax effect of income taxed at rates different from the prime rate	(91 958)	(170 610)
Deferred tax benefit from a previously unrecognised temporary difference of a prior period	5 965	(31 200)
Income tax expense	2 301 964	1 817 831
Current income tax expense	2 244 545	1 990 727
Deferred taxation movement due to origination and reversal of temporary differences	62 554	(145 035)
Deferred taxation movement due to tax losses carried forward	(5 135)	(27 861)
Income tax expense	2 301 964	1 817 831

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 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	(57 419)	172 896
Deferred income tax transferred to assets of disposal group held for sale	(35 866)	-
Deferred income tax recognized directly in equity	10 783	-
Changes in deferred income tax balances recognized in other comprehensive income	56 331	(23 419)
Effect of movements in exchange rates	(615)	853
As at September 30 - deferred tax assets	103 686	223 279
As at September 30 - deferred tax liabilities	(3 912 078)	(4 056 328)

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

13. Cash and Cash Equivalents

	September 30, 2013 (unaudited)	December 31, 2012
Balances with the CBR	105 315 593	48 967 587
Correspondent accounts and overnight deposits with banks	126 651 113	144 382 167
Cash on hand	6 182	6 730
Total cash and cash equivalents	231 972 888	193 356 484
Cash and cash equivalents attributable to Assets of disposal group held for sale	8 928 676	-
Cash and cash equivalents for the purpose of Consolidated Interim Condensed Statement of Cash Flows	240 901 564	193 356 484

14. Financial Assets at Fair Value Through Profit or Loss

	September 30, 2013 (unaudited)	December 31, 2012
Bonds issued by the Russian Federation	6 801 341	17 958 879
Derivative financial instruments at fair value through profit or loss	12 763	-
Shares issued by Russian companies	63 719	66 960
Total financial assets at fair value through profit or loss	6 877 823	18 025 839

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Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended
September 30, 2013 (continued)
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15. Due from Financial Institutions

	September 30, 2013 (unaudited)	December 31, 2012
Interbank loans and term deposits	23 102 732	13 074 209
Mandatory cash balances with the CBR (restricted)	1 593 411	69 604
Short-term reverse repo receivable from financial institutions	310 821	582 886
Receivables on broker and clearing operations	112 977	168
Total due from financial institutions	25 119 941	13 726 867

16. Central Counterparty Financial Assets and Liabilities

	September 30, 2013 (unaudited)	December 31, 2012
Repo transactions	32 987 293	2 184 330
Currency transactions	569 256	639 114
Total central counterparty financial assets and liabilities	33 556 549	2 823 444

Central counterparty (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 September 30, 2013 and December 31, 2012, none of these assets were past due.

17. Investments Available-for-Sale

	September 30, 2013 (unaudited)	December 31, 2012
Bonds issued by the Russian Federation	32 472 164	17 903 495
Bonds issued by Russian banks	15 809 935	16 123 514
Bonds issued by Russian companies	17 048 861	12 999 291
Bonds issued by foreign companies	10 575 094	8 172 658
Bonds issued by foreign banks	-	1 063 639
Bonds issued by the Russian Federation subjects and Municipal bonds	151 351	244 012
Shares issued by Russian companies	101 889	101 704
Shares issued by foreign companies	45 974	66 209
Total investments available-for-sale	76 205 268	56 674 522

MOSCOW EXCHANGE GROUP

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

18. Investments Held-to-Maturity

	September 30, 2013 (unaudited)	December 31, 2012
Corporate bonds	3 908	529 842
Total investments held-to-maturity	3 908	529 842

19. Investments in Associates

	September 30, 2013 (unaudited)		December 31, 2012	
	Ownership interest	Carrying value	Ownership interest	Carrying value
CJSC Settlement Depository Company (SDC)	28,54%	610 490	28,54%	561 326
CJSC National Mercantile Exchange (NAMEX)	36,51%	47 679	36,51%	34 353
Open Joint-Stock Company "Ukrainian Exchange" (UEX)	43,08%	45 869	43,08%	132 975
Total investments in associates		704 038		728 654

The Group recognized impairment loss of RUB 89 251 thousand in respect of investments in UEX because the economic performance of UEX is worse than expected. The loss is recognized within Administrative and Other Operating Expenses.

MOSCOW EXCHANGE GROUP

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September 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)	94 061	478 845	327 097	900 003
Disposals (unaudited)	-	(20 825)	(195 607)	(216 432)
Effect of movements in exchange rates (unaudited)	(183)	(4 625)	(1 345)	(6 153)
September 30, 2012 (unaudited)	221 390	5 418 864	3 403 338	9 043 592
December 31, 2012	221 147	5 874 838	3 118 677	9 214 662
Additions (unaudited)	-	93 522	167 719	261 241
Disposals (unaudited)	-	-	(62 927)	(62 927)
Reclassification to assets held for sale (unaudited)	-	-	(1 595)	(1 595)
Effect of movements in exchange rates (unaudited)	518	3 178	726	4 422
September 30, 2013 (unaudited)	221 665	5 971 538	3 222 600	9 415 803
Accumulated depreciation				
December 31, 2011	-	764 793	1 878 636	2 643 429
Charge for the period (unaudited)	-	80 844	308 862	389 706
Disposals (unaudited)	-	(5 065)	(121 509)	(126 574)
Effect of movements in exchange rates (unaudited)	-	(92)	(573)	(665)
September 30, 2012 (unaudited)	-	840 480	2 065 416	2 905 896
December 31, 2012	-	871 952	1 987 477	2 859 429
Charge for the period (unaudited)	-	90 542	312 033	402 575
Disposals (unaudited)	-	-	(48 018)	(48 018)
Reclassification to assets held for sale (unaudited)	-	-	(364)	(364)
Effect of movements in exchange rates (unaudited)	-	159	280	439
September 30, 2013 (unaudited)	-	962 653	2 251 408	3 214 061
Net book value				
December 31, 2012	221 147	5 002 886	1 131 200	6 355 233
September 30, 2013 (unaudited)	221 665	5 008 885	971 192	6 201 742

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Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended
September 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)	290 111	-	290 111
Disposals (unaudited)	(55 901)	-	(55 901)
Effect of movements in exchange rates (unaudited)	(7 261)	-	(7 261)
September 30, 2012 (unaudited)	1 457 246	19 503 594	20 960 840
December 31, 2012	1 663 931	19 503 594	21 167 525
Additions (unaudited)	338 240	-	338 240
Disposals (unaudited)	(10 739)	-	(10 739)
Reclassification to assets held for sale (unaudited)	(4 854)	-	(4 854)
Effect of movements in exchange rates (unaudited)	6 806	-	6 806
September 30, 2013 (unaudited)	1 993 384	19 503 594	21 496 978
Accumulated depreciation			
December 31, 2011	351 353	412 257	763 610
Charge for the period (unaudited)	168 553	585 108	753 661
Disposals (unaudited)	(55 900)	-	(55 900)
Effect of movements in exchange rates (unaudited)	(210)	-	(210)
September 30, 2012 (unaudited)	463 796	997 365	1 461 161
December 31, 2012	511 348	1 192 401	1 703 749
Charge for the period (unaudited)	194 260	585 108	779 368
Disposals (unaudited)	(9 838)	-	(9 838)
Reclassification to assets held for sale (unaudited)	(2 025)	-	(2 025)
Effect of movements in exchange rates (unaudited)	480	-	480
September 30, 2013 (unaudited)	694 225	1 777 509	2 471 734
Net book value			
December 31, 2012	1 152 583	18 311 193	19 463 776
September 30, 2013 (unaudited)	1 299 159	17 726 085	19 025 244

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

	Nine - month period ended September 30, 2013	Nine - month period ended September 30, 2012
As at January 1	16 066 094	16 072 302
Effect of movements in exchange rates (unaudited)	4 915	(5 316)
As at September 30 (unaudited)	16 071 009	16 066 986

23. Other Assets

	September 30, 2013 (unaudited)	December 31, 2012
Other financial assets:		
Receivables on services rendered and other operations	375 915	443 355
Loans receivable from employees	-	1 215
Less allowance for impairment	(31 513)	(4 961)
Total other financial assets	344 402	439 609
Other non-financial assets:		
Taxes receivable other than income tax	248 594	83 427
Prepaid expenses	209 234	182 290
Other	11 440	9 804
Total other assets	813 670	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 in the nearest future. The Group presented SC RTS as at 30 September 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 Nine-Month Period Ended
September 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:

	September 30, 2013 (unaudited)
Assets of the disposal group held for sale	
Cash and cash equivalents	8 928 676
Property and equipment	1 231
Intangible assets	2 829
Other assets	38 467
Total assets of the disposal group held for sale	8 971 203
Liabilities of the disposal group held for sale	
Current accounts	226 810
Other liabilities	14 696
Total liabilities of the disposal group held for sale	241 506

25. Balances of Market Participants

	September 30, 2013 (unaudited)	December 31, 2012
Current and settlement accounts of participants	204 656 656	210 858 198
Guarantee fund	95 801 361	34 258 124
Risk-covering funds	3 575 493	1 874 063
Total balances of market participants	304 033 510	246 990 385

The guarantee fund comprises contributions deposited by market participants (initial 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 collateral posted by a market participant in the guarantee fund, the participant is required to cover the deficit by posting additional 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.

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 NCC Supervisory Board and it is approved by the Derivatives Market Committee, the Currency Market Committee, the Securities Market Committee and the Securities Lending & REPO Committee. Risk-covering funds amounts are only used to cover the deficit if a margin posted 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).

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Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended
September 30, 2013 (continued)
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26. Other Liabilities

	September 30, 2013 (unaudited)	December 31, 2012
Other financial liabilities:		
Payables to employees	999 188	1 195 461
Trade payables	569 691	384 173
Financial liabilities at fair value through profit or loss	742	-
Dividends payable	8	-
Total other financial liabilities	1 569 629	1 579 634
Other non-financial liabilities:		
Taxes payable, other than income tax	346 261	631 891
Advances received	209 131	175 786
Other	90	5 881
Total other liabilities	2 125 111	2 393 192

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 (unaudited)	-	-	165 650 445
Purchase of treasury shares (unaudited)	-	-	(32 225 118)
September 30, 2012 (unaudited)	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)
Exercised options (unaudited)	-	-	557 791
September 30, 2013 (unaudited)	2 578 200 000	2 378 489 153	(157 430 695)

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

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, including RUB 9 000 000 thousands of proceeds from sale of shares by existing shareholders of the Group. 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.

In July-September 2013 the Group distributed to employees 557 791 treasury shares under exercised share options (Note 11).

28. Retained Earnings

During the nine-month period ended September 30, 2013, the Group paid dividends for the year ended December 31, 2012, to the owners of the parent of RUB 2 726 362 thousand (September 30, 2012: RUB 682 856 thousand). The amount of dividends per share for the nine-month period ended September 30, 2013, is RUB 1,23 per ordinary share (September 30, 2012: 0,32 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.

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.

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Net profit attributable to ordinary equity holders of the parent	8 722 669	6 425 280
Weighted average number of shares	2 210 489 477	2 124 026 870
Effect of dilutive share options	4 547 966	2 879 209
Weighted average number of shares adjusted for the effect of dilution	2 215 037 443	2 126 906 079
Basic earnings per share, RUB	3,95	3,03
Diluted earnings per share, RUB	3,94	3,02

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Notes to the Consolidated Interim Condensed Financial Statements for the Nine-Month Period Ended September 30, 2013 (continued)
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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.

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Short-term employee benefits	200 231	370 740
Share-based payment expense	123 788	215 131
Total remuneration of key management personnel	324 019	585 871

(c) Transactions with other related parties

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

The Group considers government-related entities as related parties if the 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:

	September 30, 2013 (unaudited)	December 31, 2012
Investments in associates	704 038	728 654
Other assets	431	7 642
Balances of market participants	7 265	1 588
Loans payable	50 503	-
Other liabilities	596	3 938

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30. Transactions with Related Parties (continued)

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

	Nine - month period ended September 30, 2013 (unaudited)	Nine - month period ended September 30, 2012 (unaudited)
Share of profits of associates	62 347	38 323
Fee and commission income	34 289	19 433
Foreign currency difference	(446)	1 710
Interest expense	1 811	-
Administrative and other operating expenses	26 980	32 831

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 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:

	September 30, 2013 (unaudited)		December 31, 2012	
	Carrying value	Fair value	Carrying value	Fair value
Investments held-to-maturity	3 908	3 915	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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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 September 30, 2013, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	September 30, 2013 (unaudited)			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	6 801 341	12 763	63 719	6 877 823
Central counterparty financial assets (currency transactions)	569 256	-	-	569 256
Investments available-for-sale	73 658 223	2 399 182	147 863	76 205 268

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			Total
	Level 1	Level 2	Level 3	
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 Nine-Month Period Ended September 30, 2013 (continued)
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31. Fair Value of Financial Assets and Liabilities (continued)

The following table shows a reconciliation for the nine-month period ended September 30, 2013 and September 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 purchased (unaudited)	807
Level 3 securities sold (unaudited)	(21 275)
Foreign exchange gain (unaudited)	(1 126)
Loss recognized in net loss on financial assets at fair value through profit or loss (unaudited)	(319)
Balance at September 30, 2012 (unaudited)	268 686
Balance at December 31, 2012	234 873
Level 3 securities sold (unaudited)	(20 177)
Foreign exchange gain (unaudited)	127
Loss recognized in net loss on financial assets at fair value through profit or loss (unaudited)	(3 241)
Balance at September 30, 2013 (unaudited)	211 582

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.