FINAL TRANSCRIPT

MOEX – Moscow Exchange 9M 2013 IFRS Results Conference Call

Event Date: 19 November 2013

SUMMARY: Strong earnings were driven by growth across our highly diversified business, particularly by FX and money market products. EBITDA climbed 8.7% YoY to RUB 3.99 bln; EBITDA margin was 64.0%; Net profit increased 29.8% YoY to RUB 2.85 bln; earnings per share (EPS) increased 24% YoY to RUB 1.29. Q&A focus: fee and commission income, introduction of Euroclearability for corporate bonds and equities, OpEx guidance.

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OPERATOR

Thank you for standing by and welcome to the Moscow Exchange 9M 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 (operator instructions). I must advise you that today's conference is being recorded today, Tuesday, 19th November 2013. I would now like to hand the conference over to your first speaker for today, Sergey Klinkov. Over to you.

SERGEY KLINKOV *– Director of Investor Relations, Moscow Exchange*

Thank you. Good afternoon, everyone, and welcome to the Moscow Exchange 9M 2013 IFRS Results conference call. As usual, after prepared remarks, we'll open up the Q&A session. First, I would like to remind you that certain statements in this presentation and during the Q&A session may relate to future events and expectations and, as such, constitute forward-looking statements. Actual results may differ materially from those projections. 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 all should have received our press release containing the results for the quarter and also our management presentation is available on the Company website in the Investor Relations section.

With this, I'll hand over the call to Evgeny Fetisov, CFO of Moscow Exchange. Evgeny, please go ahead.

EVGENY FETISOV *– CFO, Moscow Exchange*

Thanks, Sergey. Good afternoon, everybody, and thank you for joining us today. We are very pleased to announce solid third quarter results. A number of important projects were launched in the second half of the year. What is noteworthy is we continue to execute our strategy and are making good progress towards the targets and objectives that we announced during and after our IPO. We continue to focus on modernizing our infrastructure, broadening our product range and increasing liquidity across our markets.

Now I would like to draw your attention to page three and to cover some of the most important points in more detail. Slide 3:

- T+2: As you may already know, we migrated fully to the new T+2 settlement cycle on 2nd September for all equities at least at the Moscow Exchange. Just to remind you, the plan to migrate to a T+2 settlement was first announced a year-and-a-half ago. Since then the Exchange and its members have adjusted their IT systems and set up their companies' procedures in preparation for the new settlement regime. The migration was gradual, having started on March 25th, when most liquid stocks started to trade in parallel with T+2 and T+0 settlement. The transition is now complete and I am happy to say the process went smoothly and definitely has a positive effect on trading volumes, which I will show you later during the presentation.

- DMA, our Direct Market Access: Following the transition, four global banks began to operate their clients' DMA to securities trading on Moscow Exchange. International listings are thus able to create equities through the new Exchange infrastructure, posting collateral for trading in Russian Rubles, US Dollars and Euros, as well as securities. We also expect two other global players, namely UBS and Goldman Sachs, to operate DMA to the Russian market by the end of the year.

- About the new issuers, our value proposition to issuers is also becoming more compelling, with new securities of issuers listed abroad being admitted to trading on Moscow Exchange in the second half of the year. These include Polymetal, Qiwi, and TMK. In addition, we were happy to have two successful placements in Moscow; SPO of Nomos Bank of USD 600 million and the high-profile IPO of Alrosa with the placement of USD 1.3 billion. Alrosa is a USD 8.8 billion market cap company and the largest diamond miner globally. Importantly that was part of the Federal Privatization programme, and we strongly appreciate the government's decision to conduct privatization of state assets in Moscow through a local exchange infrastructure, to develop Russian capital markets and strengthen Moscow's position as the international financial centre.

- On the new markets and products, expanding our client product offering, we have launched several new products and even new markets. OTC derivatives clearing with Central Counterparty is one of the major projects launched this year. It is part of Russia's G20 commitment to increase OTC market transparency and enhance the role of the Central Counterparty. The commodities market is a key part of modern exchange trading. The launch of the Poly market in Moscow Exchange in October meant that for the first time in the history of the exchange trading in Russia members can take a physical delivery of precious metal via metal [covenants]. The market offers banks reliable exchange infrastructure for trades, and brokers a clear opportunity to attract new clients. Producers and consumers can also hedge their risk and enjoy enhanced liquidity in metals trading.

- On post-trade services we continued to develop our vertically-integrated business model and enhanced post-trading infrastructure for the market participants and to see a solid capital base of RUB 27b, alongside its recently being awarded Qualified Central Counterparty status by the Central Bank, make it a reliable element of Russia's financial market infrastructure for both local and foreign clients and counterparts. Moreover, Qualified Central Counterparty status will allow banks to apply reduced fixed rates and keep lower provisions when dealing with the CCP than they do on their bilateral trades.

Now let's turn to page four, to discuss the current regulatory environment - key regulatory changes:

In the second half we saw further progress in changes of regulatory framework, which we believe will support the development of Russia's financial market. One of the most important topics on the demand side remains development of a long-term local investor base with pension system money being the cornerstone. At this point I would like to separate the themes of accumulation of pension money in investments by pension fund managers focusing mostly on the expected and adopted changes to the investment pool for the pension fund.

Firstly, along with the introduction of a pension insurance mechanism, the requirement for non-state pension funds to record positive annual returns on a mark-to-market basis is expected to be abolished, which will probably incentivise pension fund managers to allocate more assets to equities. Simultaneously, clients of non-state pension funds will be allowed to change their pension fund manager once every five years, instead of the current once per year.

This is also expected to increase pension fund managers' risk tolerance and allow them to invest more actively in equities. Pension funds have been allowed to participate in SPOs and IPOs since July 25th this year and the adoption of new Listing Rules which is expected in the first half of 2014 and the list of securities eligible for investments will be expanded.

Secondly, tax incentives aimed at boosting retail demand for securities are in the process of passing through the State Duma. The expected changes will allow our securities market to compete for retail investor money with alternative investment opportunities such as deposits and real estate, in terms of favourable taxation measures.

Thirdly, the obstacles facing international participants in processing their transactions with Russian corporate bonds through Euroclear and Clearstream will be removed. Proposed changes through tax legislation will remove existing barriers, preventing international custodians from servicing Russian corporate bond trades.

The NSD (Russian Central Depository), rather than international custodians, will play the role of tax agent. The latter will be allowed to aggregate information on investor resident status, rather than a full set of disclosure documentation for each individual entity. As such, a decision on appropriate tax rate application will be taken by the NSD based on the information provided.

Finally, a new legislation or listing came into effect in September and Moscow Exchange is to adopt new listing rules in the first half of 2014. The new rules will bring Russian Listing Standards in line with the international ones, while the whole listing infrastructure will become more transparent and clear, with three listing grades; standard, premium and [off-list], instead of the current six.

Now let's switch to the financials and take a look at page five, Financial Performance. Revenues in the third quarter increased 11% year-on-year, to RUB 6.3bn. Opex rose 14% year-on-year, to RUB 2.7bn, in line with expectations. Net profit was up 30% year-on-year, to RUB 2.9bn. Earnings per share for the quarter grew 24% year-on-year, to RUB 1.29, while the EBITDA margin was 64%.

Slide six: Operating income growth was driven by higher fees and commissions which were 51% of revenues and interest income of 49% of revenues, with the structure remaining similar to the last few quarters. Fees and commission income remained well diversified, with the largest share of income generated by the Money Market with 22%, followed by FX Market with 20% and Depository and Settlement is 17%. These three segments showed the highest year-on-year growth with 24% for the Money Market; 22% for Depository and Settlement and 19% for FX Market. Equities Market was the only market with a negative year-on-year trend.

I will now walk you through some highlights for each of our markets. Equities Market was quite an exception to all of the other markets that demonstrated double-digit fees and commission income growth. Equity trading volumes remained subdued in the third quarter, leading to 25% contraction of the fee and commission income from equity trading. However, trading volumes began to recover following the full migration to T+2.

Let's look at page 8. As I mentioned earlier, we have started to see the effect of migration to T+2 on trading volumes. The trading volumes in September and October were higher than the average volumes prior to the transition by a respective 24 and 17%. September had two days with yearly record trading volumes and the growth trend continues in November. The first signs of T+2 implementation are definitely encouraging. We believe the effects of the new settlement cycle should be assessed now earlier than at the end of the year.

Let's move to page 9. Trading volume grew 5% year-on-year in the third quarter, in the Fixed Income Market, driven mainly by the Primary Market 16% year-on-year growth in new bond placements. Very strong corporate activity resulted in 56% year-on-year growth in bond placements, which more than offset the reduction of new OFZ placements, due to the stabilization of trading volumes post Euroclear admission. As a result, fee and commission income grew 12% year-on-year. Slide 10.

Derivatives markets around the world faced global headwinds in the third quarter and the Moscow Exchange was no exception. Lower volatility brought a slowdown in trading volumes. However, open interest remained healthy and grew 19% year-on-year, and fees and commission income increased 14% year-on-year, due to the favourable change in the product mix.

Slide 11 – Money Market – the challenging economic environment and fairly tight liquidity situation supported inter-dealer and direct CBR repo transaction growth in the quarter, with the latter comprising around 60% of the total volumes. CCB or Central Counterparty repo retained healthy demand and continued its rapid expansion. We expect this trend to continue following NTC's receipt of Qualified Central Counterparty status. Money Market fees and commission income increased 24% year-on-year.

Slide 12 – FX Market trading volumes increased 38% year-on-year and the change in the product mix with an increasing share of FX-swaps which are used by banks to manage the liquidity positions, along with reduced share of FX spot trading due to the lower volatility led to 19% year-on-year growth in fees and commission income. I am also happy to say that the number of clients continued to grow, reaching 40,000 in the third quarter.

Slide 13 - Depository and Settlement Services – the volume of assets under custody and NSD increased by 66% year-on-year in this quarter, as a result of NSD functioning fully as a central securities depository. Fees and commission from Depository Services grew 22% year-on-year. Many of the assets newly transferred from registrars are kept in long-term safekeeping accounts. This means that until these assets start being traded they are subject to lower fees than tradable securities are.

Slide 14 – the Investment Portfolio grew 30% year-on-year and decreased around 3% quarter-on-quarter to RUB 348bn. This fall may be partially due to the transition to T+2 in equities. Interest income grew 14% year-on-year, while the effective yield was down from 4% to 3.6%, mainly due to the growing share of FX-denominated client balances which comprised around 60% of the total Investment Portfolio. We intend to retain our conservative investment policy in the future with liquidity and safety taking priority, basically speaking to the investment declaration...

Slide 15 – Other fees and commission income declined 21% year-on-year, mainly due to the 47% lower income from Information Services (market data) and 2% decline in sales of software in Technical Services.

Let's move to page 16 to cover the costs. OpEx grew 14% year-on-year, driven mainly by market makers fees and professional services, due to the launch of new markets and products, as well as third-party consultant audit I.T. information and telecom services. We also saw higher costs on the tax side but we can discuss this more during the Q&A session. Given all of this, we managed to retain strict control over our personnel costs, which grew 6% year-on-year, generally in line with CPI. Personnel costs comprised 54% of total OpEx, versus 58% a year ago, and headcount grew just 2% year-to-date.

Slide 17 – an important recent development has been the change in the Moscow Exchange shareholder structure. With the VTB and Unicredit sale in respectively 1.8% and 5.7% stakes, the estimated free-float grew from around 30% to almost 42%. This, as well as the inclusion of market shares in the MSCI Russia Index, meant a substantial increase in stock liquidity. I am happy to say that for the last few months the average daily trading volume has been growing steadily, reaching $8mn/day.

Slide 18 – Treasury shares cancellation – going through the process of future Treasury shares cancellations, as we have *[audio interference at 15h45]* in the IPO the 4.2% stake purchase prior to the deal and during the stabilization process is to be cancelled. These shares are currently for the Treasury and belong to the subsidiary of Moscow Exchange called MICEX Finance.

On 19th September the Supervisory Board approved the mechanism to cancel the shares via buyback, recommended putting this topic on the AGM agenda for voting, and specified the record date as 25th September. One question we have been asked frequently: why don't you just cancel the Treasury shares if they are already owned by your entity? According to Russian legislation, we first need to convert them from quasi-Treasury shares to Treasury shares and for this purpose we believe that the buyback mechanism will be more transparent and clear to the market than the related [audio].

The AGM was held on 14th November and 99.99% of the shareholders voted in favour of the decision. In November this year and up until February next year we will execute the buyback at RUB 55 per share and should the shareholder tender its stake, we will be happy to buy it back. In the event shareholders tender insufficient shares, the remainder will be bought from MICEX Finance and then cancelled.

Slide 19 – As I have alluded to previously, Moscow Exchange has been a key element of Russia's financial market infrastructure. It is focused on opportunities across various markets and we have recently made several noteworthy moves. We also have a clear vision of how we'll improve the market infrastructure further. In the coming years we plan to open new markets and services and a unified clearing pool, and to see positive results from Euroclear and Clearstream access to corporate bonds and equities.

Moscow Exchange will remain the single gateway to the Russian financial market, with the upcoming privatization of state assets and corporate IPOs and SPOs, as well as debt-raising to be placed for the local infrastructure. On a regulatory level we expect corporate governance and listing reforms which should help to protect minority shareholders' rights and increase transparency of the issuers.

Thank you for the time and we will now take questions.

MICHAEL SHLEMOV *– Analyst, UBS*

Good evening, Evgeny, and thank you very much for the presentation. I've got three questions. The first one is actually on the OpEx growth in Q3, in terms of the quarter-over-quarter trend. At the Q2 call you were guiding us actually approximately one billion of extra costs in the second half, so is it right to expect that we should see some lower costs in Q4, specifically in terms of the bonus accruals?

The second question is coming on the collateral side – the share of FX is obviously rising, actually pretty much fast, and weighting down your net interest income, so can you offer us any idea when and at what level the share of FX could be stabilizing in the medium term?

Last, but not least, the Euroclearability of equities – you have mentioned that for corporate bonds it's coming in the first quarter next year – what is the recent update on the Euroclearability of equities, because I think there has been some contradiction in news flow coming from regulators whenever it would happen, and also in Q1 next year or as of the regional schedule which is 1st July. Thank you very much.

EVGENY FETISOV *– CFO, Moscow Exchange*

Thank you for the questions. Starting with the costs, our guidance remains the same – there will be two items – I mean the only addition to what we have discussed previously; one is the taxes, namely VAT which will likely come higher at the year-end than we had thought, with the changes that came through in September this year, so we expect that we may get additional payments of VAT on the amount of roughly 120 million on top of what we have budgeted for. That will come into the other expenses and that is not something which we have envisaged. On the personnel side we plan to stay as we promised; we plan to stay flat year-on-year, although the share-based payments will likely be higher this year. This is not something which we had planned on the last call, and that may be on the scale of RUB 150 million year-on-year, since we are booking for the full year in 2013.

MICHAEL SHLEMOV *- Analyst, UBS*

So, just to clarify, essentially in addition to the one billion of extra in the second half we'll have 120 coming from the VAT and 150 in terms of the share-based payments – is that correct?

EVGENY FETISOV *– CFO, Moscow Exchange*

That is correct, yes. That will result in roughly a 3% increase of personnel costs, so zero-base cost plus this 150 of share-based payments, and the VAT will bring an additional 120, roughly.

MICHAEL SHOLEMOV *– Analyst, UBS*

In terms of VAT, I'd just like a little bit more granularity – what has actually changed in the legislation which has hit you?

EVGENY FETISOV *– CFO, Moscow Exchange*

There were some changes in terms of how financial transactions are taxed and, if you wish to go into more detail, we can do this off-line. I think the documented number of 671 was adopted by the government in September and it has a retroactive application, so it actually affects the old transactions during this year and certain transactions on I.T. Services which the Exchange provided to its clients are no longer subject to VAT.

MICHAEL SHLEMOV *- Analyst, UBS*

Thank you. Can we please move to the collateral and Euroclearability – whatever you prefer?

EVGENY FETISOV *– CFO, Moscow Exchange*

Yes, on the collateral side, similar to the trading volumes we can't really forecast the dynamics of the currencies that clients use to place with us. Normally with these collateral trading volumes on all the markets, the clients have the freedom to choose whether they place Rubles or Dollars with us. You may have a question about the T+2 effect on the collateral - what we have seen as of now is that the effect is about RUB 15 billion on the Equities Market, so we have seen RUB 15 billion less of collateral on the Equities Market for about the same trading volumes.

MICHAEL SHLEMOV *- Analyst, UBS*

So that's basically collateral which has shifted away, right?

EVGENY FETISOV *– CFO, Moscow Exchange*

That is correct, yes.

MICHAEL SHLEMOV - *UBS*

RUB 50 billion?

EVGENY FETISOV *– CFO, Moscow Exchange*

RUB 15 billion – it is 15, Michael.

MICHAEL SHLEMOV *- Analyst, UBS*

15 billion – okay that's great. And finally on the Euroclearability perhaps?

EVGENY FETISOV *– CFO, Moscow Exchange*

Yes, the information that we have from the regulator and which I think has been made public to the press is that Euroclear for equities will come on July 1st next year and the corporate bonds should be eligible, or actually they are eligible - should be technically eligible starting 1st January.

MICHAEL SHLEMOV *- Analyst, UBS*

That's very clear. Thank you very much, Evgeny.

ANDREW KEELEY *- Analyst, Sberbank*

Good afternoon. Thanks for the call, Evgeny. A couple of questions, first of all on your average fees in the third quarter – a couple of things stand out – the average fees on the equities side seemed to fall about 10% Q-on-Q and on the fixed income side they rose by about 16%. Can you explain what's happening there? That would be very helpful.

A second question is on your interest income. Why did the average investment yield actually increase in the third quarter, given that the average run rate fell? And, also, there is a difference in your presentation in terms of what you give for the investment portfolio compared to what you have in the press release, and I am just wondering whether you can clarify what the average investment portfolio was? Thank you.

EVGENY FETISOV *– CFO, Moscow Exchange*

Thank you, Andrew. Starting with the first question, the average fees for the Equities Market are lower because we have a marketing program to support the trading volume on T+2 with the migration starting on September 2nd, and this program is in place until the end of the year. It may be continued based on the Management Board decision, but as of now it is scheduled for the end of the year. On the fixed income side it is normally due to the change in the product mix, basically a higher share of the corporate bonds trading and a lower share of the OFZ trading.

As for the interest income, the yield is up due to the higher returns, or basically our Treasury being able to tap into the higher-yielding instruments and make use of the current higher rates in the environment and what they tell us is actually they see the rates higher in the first quarter than in the second quarter, especially at the beginning of the third quarter. On the average position, I would stick to the number that we have in the presentation – sorry, average investment portfolio, I would stick to the number of 348, since I don't have a press release in front of me but this seems like the correct number as the average for the quarter.

ANDREW KEELEY *- Analyst, Sberbank*

Thank you. Can you just elaborate whether, in terms of the kind of average fees on the equities and the fixed income side – I mean what can we maybe expect in the fourth quarter? Is the kind of hit that we've seen on equities – is that basically likely to have kind of been fully absorbed in the third quarter, so we can expect some kind of stable average fees there or will they probably continue to decline in the fourth quarter and, similarly, any sense you have for how things have changed on the fixed income side would be good as well.

EVGENY FETISOV *– CFO, Moscow Exchange*

Speaking about the average fees, I would expect the Q4 average fees for equities being the same as Q3, because we will have the same marketing program in place. On the fixed income side it will depend on the product mix. We have no plans to change the fees, so it will depend on whether we have a higher share of OFZs or a higher share, or a growing share of corporate bond trading.

ANDREW KEELEY *- Analyst, Sberbank*

Thank you.

ALEX KANTAROVICH *- Analyst, JPMorgan*

Thank you. I have a question regarding the [introduction] of Euroclear Clearstream that you indicated – thanks for that – after the dust settles, how do you see the effect on your price and volumes and consequently revenue? This is my first question.

EVGENY FETISOV *– CFO, Moscow Exchange*

Alex, thank you for the question. Our expectation is that similarly to what we have seen on the fixed income side, we will be having higher trading volumes in equities. When we spoke with our investors and fund managers, we were told that for some of them that would be the trigger for increasing their trading volumes, so starting trading in local equities. Our expectation is that we will have more fees and commission on the trading side. Unfortunately, we cannot give you any forecast, as this is a different market with different infrastructure and different players.

ALEX KANTAROVICH *- Analyst, JPMorgan*

Fair enough, but is it also true that part of your fees will be affected by Euroclear Clearstream – in other words it will be settled there so there would be a negative effect on prices?

EVGENY FETISOV *– CFO, Moscow Exchange*

I don't think that would be a right statement to make – we would not expect any effect on prices. The way we see that, the overall trading volume increase, as it happened again with OFS... it's almost doubled in some periods – we can expect some part of trading to make OTC and be settled in Euroclear, however this is not something we can prove or see. What we see is that we have increased trading volumes on our market and this is the expectation we have in place.

ALEX KANTAROVICH *- Analyst, JPMorgan*

Thanks for that. Also, on these quasi-Treasury shares, you will cancel that number that you indicated but do you still have some of those shares left after this cancellation?

EVGENY FETISOV *– CFO, Moscow Exchange*

Yes, we will cancel about 100 million shares which is 4.2% and we will have a small portion left which is allocated for the Stock Options Program.

ALEX KANTAROVICH *- Analyst, JPMorgan*

Okay, clear enough. Thank you very much.

SVETLANA ASLANOVA *– Analyst, VTB Capital*

Thank you very much for the presentation. I have some follow-up questions. Talking about the fee and commission income, we saw some significant drop in other fee and commission income; what is your guidance for the fourth quarter? Do you see any rebound in this kind of services and also, after we saw quite flattish trading volumes in October, do you expect any rebound in November sizes? Thank you.

EVGENY FETISOV *– CFO, Moscow Exchange*

Thank you for the question. On the other fees and commission income, the key drop comes from the decreased sale of information and that was due to the change in the structure of the contract we had with the service providers following the merger. We have come away from two contracts, for two exchanges to one contract. This drop has occurred in the second quarter this year. It was roughly 50% from the Q1 number, but now we are halfway back so the expectation is that we should come to the level – I mean, if we just speak about this particular line, the level of say RUB 60 to 70 million per quarter.

SVETLANA ASLANOVA *– Analyst, VTB Capital*

So it will be roughly flattish, just a small rebound...

EVGENY FETISOV *– CFO, Moscow Exchange*

... a small rebound, maybe a single digit or lower-teens rebound on this particular line. It is recurring revenue so it is something which we can think about...

SVETLANA ASLANOVA *– Analyst, VTB Capital*

Thank you.

ANIL SHARMA *– Analyst, Morgan Stanley*

Thank you for the call and presentation. Just a quick question – if I look at your Derivatives Market slide, you've mentioned you're expecting clearing of OTC Derivatives and I think you said in your prepared remarks that that's already started – I just wondered if you could perhaps quantify what sort of revenue impact that's had and what sort of revenue opportunity you see over the next 6 to 12 months from OTC clearing?

EVGENY FETISOV *– CFO, Moscow Exchange*

Thank you for the question, Anil. We have started to see the trading volumes growing – the market over the revenue side at this point I would not say is insignificant but relatively small, so this project has just started and we don't include it – I mean we cannot quantify that right now. This is something which we are testing with the market and we shall be in a position to speak about this particular project in about 3-6 months' time. We see the interest from the market participants. We already have the volumes going through for this market and we will report these volumes next month and then, again, we will be able to see the revenues from that as well.

ANIL SHARMA *– Analyst, Morgan Stanley*

Thank you. The other question I just wanted to ask was, in one of the comments on the slides it showed you should expect some of the clearing collateral to be sort of merged, if you like, between some of the asset classes and I just wondered if you could perhaps explain what impact you think that might have on the investment portfolio or, indeed, on the post-trade services?

EVGENY FETISOV *– CFO, Moscow Exchange*

My expectation on that would be that we will have a higher trading volume, so we expect that the clients will trade more using this same amount of collateral. In essence what we want to offer them is to use the one pool of collateral to trade across two or more markets. The initial expectations would be that the collateral will stay the same and the trading volumes will increase.

ANIL SHARMA *– Analyst, Morgan Stanley*

When you say stay the same that's post-accounting for any further possible attrition from T+2, or is that effectively in your opinion already factored in now?

EVGENY FETISOV *– CFO, Moscow Exchange*

It is a good question. We have indicated the number that we have seen right now and we need to see at the end of the year how the situation develops. So far, what we have seen is this RUB 15 billion decline on the collateral on T+2 and increased trading volumes.

ANIL SHARMA *– Analyst, Morgan Stanley*

Just to check – that RUB 15 billion – is that since the end of September?

EVGENY FETISOV *– CFO, Moscow Exchange*

That is since the beginning of September.

ANIL SHARMA *– Analyst, Morgan Stanley*

Thank you.

ALEXEI ZAROCHENTSEV *– Analyst, Goldman Sachs*

Good afternoon, and thank you for the presentation. I have two questions. My first question is related to your most recent OpEx guidance. Would you be so kind to provide us the guidance for this year in year-over-year growth terms, taking into account the one-off items which you mentioned, specifically – well, your added tax and also higher share-based payments because, as far as I remember, your previous guidance was like flattish growth in personnel costs and 5-6% growth in administrative costs. If possible, would you be so kind to provide us with the guidance for those two elements separately in year-over-year terms?

EVGENY FETISOV *– CFO, Moscow Exchange*

Thank you for the question. With these share-based payments we expect that personnel costs will increase 3% year-on-year and with additional VAT expense we expect that admin costs will grow up to 9% year-on-year, bringing the total cost growth to say 6-7% year-on-year.

ALEXI ZAROCHENTSEV *– Analyst, Goldman Sachs*

Understood, thanks. My second question is related to your other fee and commission line. You mentioned the situation with your Information Services. Would you please elaborate on sale of software and technical services; how should we look at this line going forward?

EVGENY FETISOV *– CFO, Moscow Exchange*

Our expectation would be that it should be like single-digit growth, I guess, but I will not be able to elaborate more on that.

ALEXEI ZAROCHENTSEV *– Analyst, Goldman Sachs*

Understood, thanks.

EVGENY FETISOV *– CFO, Moscow Exchange*

If there are no further questions we may finish the call. Thank you, everyone, for your participation.

OPERATOR

Thank you for participating and you may all disconnect.