



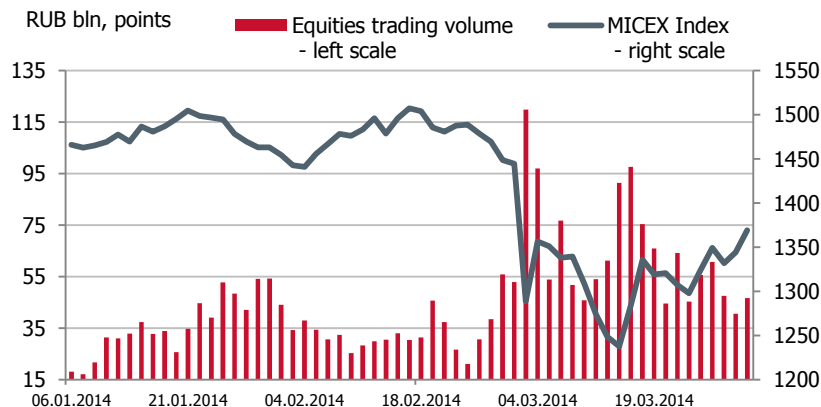
**MOSCOW  
EXCHANGE**

April 2014

**Non-deal road-show  
presentation**

# MOEX has successfully passed through the recent market turbulence

## Increased market volatility in March...



## ...led to trading volume surge

| ADTV, RUB bln                      | March 2013 | March 2014 | Change, % | Avg Jan-Feb 2014 | March 2014 | Change, % |
|------------------------------------|------------|------------|-----------|------------------|------------|-----------|
| Equities market                    | 34.6       | 66.2       | 91%       | 35.7             | 66.2       | 85%       |
| Bonds market <sup>1</sup>          | 56.8       | 47.8       | -16%      | 39.8             | 47.8       | 20%       |
| Derivatives market (mln contracts) | 5.2        | 6.6        | 27%       | 5.4              | 6.6        | 22%       |
| Money market                       | 706.6      | 785.1      | 11%       | 794.7            | 785.1      | -1%       |
| FX market                          | 503.2      | 1147.8     | 128%      | 791.4            | 1147.8     | 45%       |

## Comments

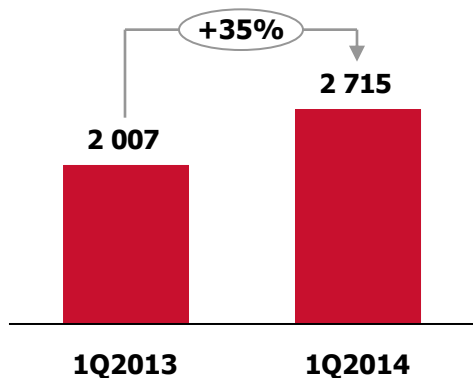
- Russian market faced **increased volatility** with MICEX index declining **7%** since the beginning of the year. On March 3rd the MICEX index declined **10.8%**
- MOEX is well prepared for such market moves:**
  - advanced risk management system
  - quick response: change of the initial margin
- All trades were settled, no trading halt:**
  - no single default or technical delivery failure
  - discrete auction mechanism
  - CCP worked in T+2 on equities market
- March 2014:**
  - Daily average trading volumes on **equities market** increased from RUB 34.6 bln in 2013 to RUB 66.2 bln. More than 11 000 of newly opened accounts
  - Daily average trading volumes on **FX market grew** from RUB 503 bln in 2013 to RUB 1.15 trn in March
  - Open positions on derivatives market reached **the record high of RUB 684 bln** as of March 13, 2014
  - Client funds** placed with us **exceeded RUB 500 bln in March** demonstrating the reliability of Moscow Exchange as the core of the Russian capital markets



# Moscow Exchange trading volumes in 1Q 2014

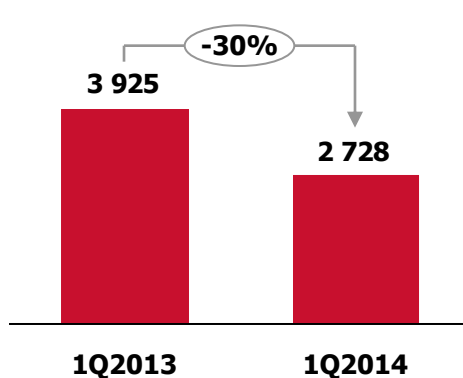
## Equities market

RUB bln



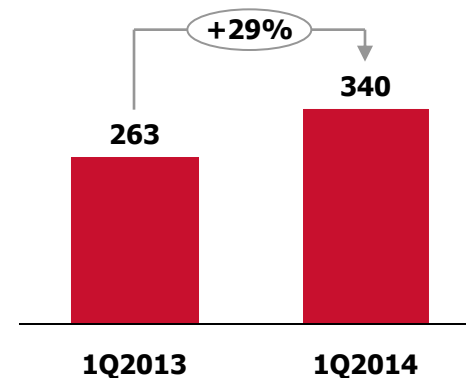
## Fixed income market

RUB bln



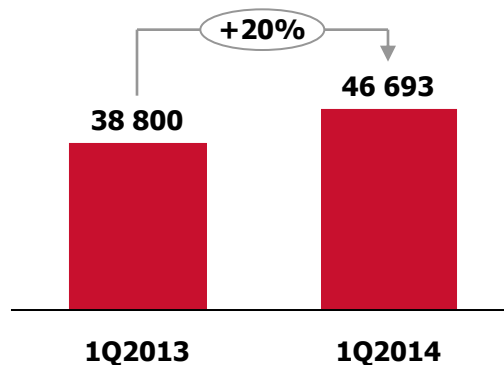
## Derivatives market

mln contracts



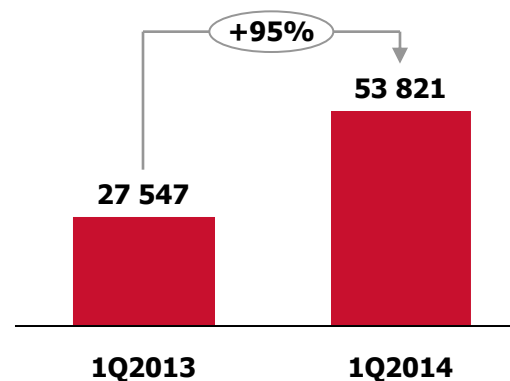
## Money market

RUB bln



## FX market

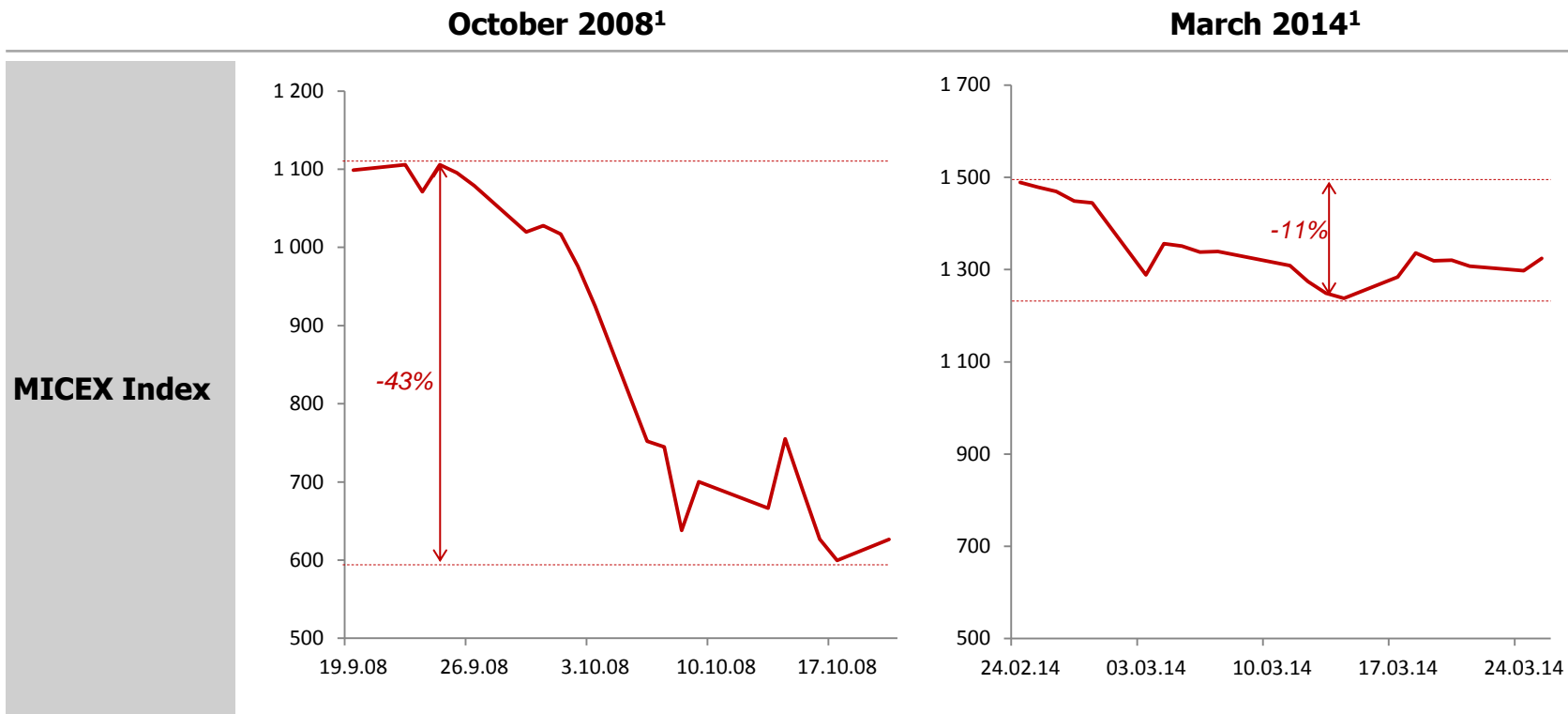
RUB bln



MOSCOW  
EXCHANGE

Source: Moscow Exchange

# Two different scenarios: **March 2014 vs. October 2008**



- In October 2008 **net-outflow** of international investors **was RUB 55 bln**

- In March 2014 **net-inflow** of international investors reached **RUB 8 bln**



Developments since IPO

**2**

Well-positioned attractive investment opportunity

**3**

Financial results



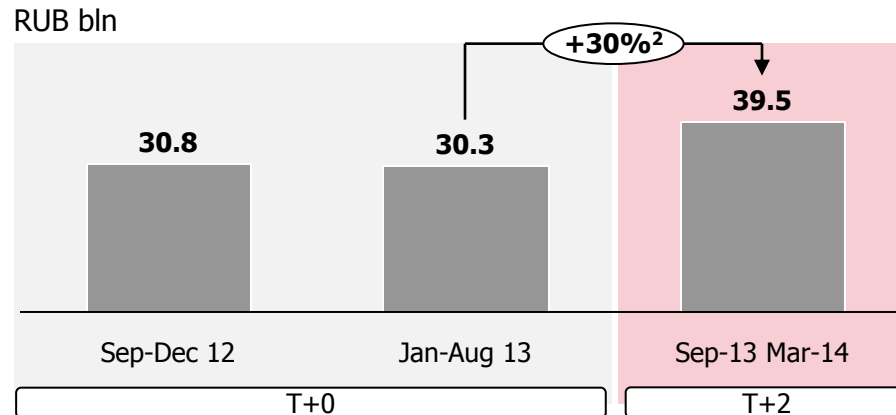
# MOEX has delivered on strategic goals announced at IPO

| Target   | Delivery stage  |
|--|---|
| <p><b>1</b> Upgrade infrastructure to international standards</p> <ul style="list-style-type: none"> <li>– Deliver T+2 settlement</li> <li>– Establish fully functioning CSD</li> <li>– Establish integrated CCP function</li> </ul> | <ul style="list-style-type: none"> <li>✓ T+2 launched in March 2013 and implemented fully in September 2013 in equities market</li> <li>✓ Launch of the CSD in November 2012 removed the key barrier for trading in Russian local shares for foreign investors:               <ul style="list-style-type: none"> <li>– Direct and simplified settlement</li> <li>– Lower costs</li> <li>– Direct participation in corporate actions</li> </ul> </li> <li>✓ National Clearing Centre (NCC) is the CCP for all MOEX markets; NCC has been additionally capitalized with RUB 9 bln in 2013, equity capital reached RUB 30.6 bln (as of March 1, 2014)</li> </ul> |
| <p><b>2</b> Opening up of MOEX to international investors</p>  | <ul style="list-style-type: none"> <li>✓ Euroclear and Clearstream offer settlement services for Russian sovereign and corporate bonds; equities are expected to follow on July 1, 2014</li> <li>✓ Six global banks (Citigroup, Credit Suisse, Merrill Lynch, Morgan Stanley, UBS and Deutsche Bank<sup>1</sup>) offer Direct Market Access (DMA) to securities trading on MOEX; three global banks are expected to follow by the end of 2014</li> </ul>  |
| <p><b>3</b> Attract liquidity to securities platform of MOEX</p>   | <ul style="list-style-type: none"> <li>✓ Re-attracted listings to MOEX</li> <li>✓ Modernisation to international standards of listing rules and disclosure requirements</li> <li>✓ Continued incentives to increase local demand and supply (tax incentives for retail, pension funds reform, privatisation)</li> <li>✓ Development of new products (foreign stocks and DRs, ETFs, ABS, CDO, MBS and others)</li> </ul>   |
| <p><b>4</b> Adapt world-class governance standards</p>   | <ul style="list-style-type: none"> <li>✓ 8 independent non-executive directors appointed to MOEX Board</li> <li>✓ New hires with vast international experience</li> <li>✓ IPO of MOEX opens up its investor base</li> <li>✓ Board decision to cancel treasury shares</li> </ul>   |
| <p><b>5</b> Establish regular investor interaction</p>   | <ul style="list-style-type: none"> <li>✓ Established world-class level of investor interaction with regular roadshows, conferences and investor meetings</li> </ul>   |



# Impact of T+2 launch on equities market

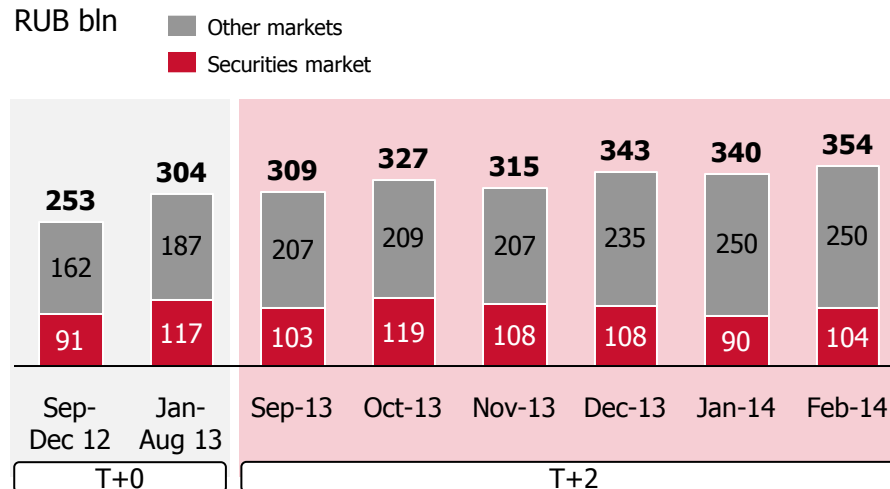
## Average daily trading volume on equities market<sup>1</sup>



Following the launch of T+2 settlement cycle:

- **Smooth and successful** customers **transition** to the new settlement cycle
- Average daily trading volume **up 30%**<sup>2</sup>
- Six global banks (Citigroup, Credit Suisse, Merrill Lynch, Morgan Stanley, UBS and Deutsche Bank) offer **Direct Market Access** (DMA) to securities trading on MOEX
- The share of **international investors** grew to **43%** of trading volumes

## Average daily client balances

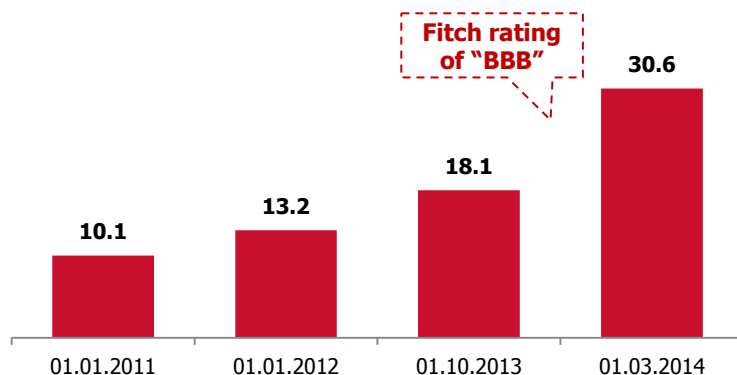


- Client balances on securities market declined in January 2014 but then recovered in February 2014
- Total amount of clients balances grew by 9% in September 2013 - February 2014 compared to the first 8 months of 2013

# Strongly capitalized CCP and fully established CSD

## National Clearing Centre (NCC) own funds (capital)<sup>1</sup>

RUB bln

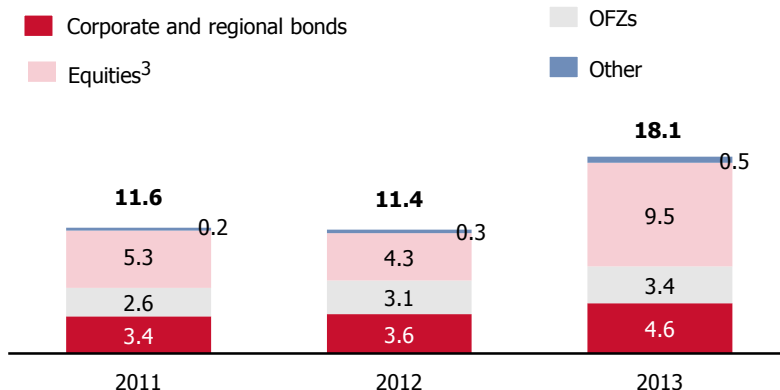


## Comments

- The NCC acts as **Central Counterparty** on all markets
- Qualified central counterparty status obtained from the Bank of Russia in October 2013
- **BBB financial stability rating** (Fitch) equals sovereign credit rating
- Up to 100% of collateral can be provided in foreign currency (USD)
- Significant equity capital injection in 2013

## National Settlement Depository assets in deposit<sup>2</sup>

RUB trn



## Comments

- Assets in deposit in the NSD increased as a result of the NSD functioning as **central securities depository**
  - Monthly average assets in deposits increased by 59% in 2013 compared to 2012
- Repository services launched in February 2013, reporting of OTC REPO deals and FX swaps became obligatory in November 2013
- The NSD is rated by **Thomas Murray<sup>4</sup> (AA-)**

Source: Moscow Exchange operational information

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

2 Monthly average assets in deposits based on Company' operational data

3 Corporate shares on deposit with the NSD and with the DCC (Depository Clearing Company)

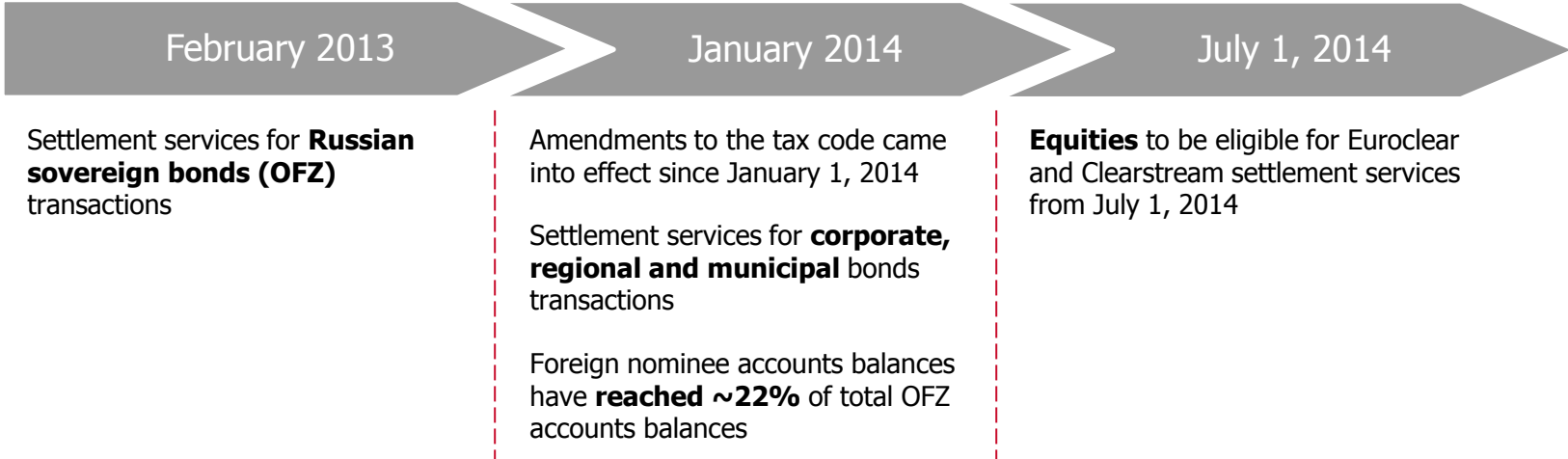
4 Thomas Murray – leading global agency for depository services



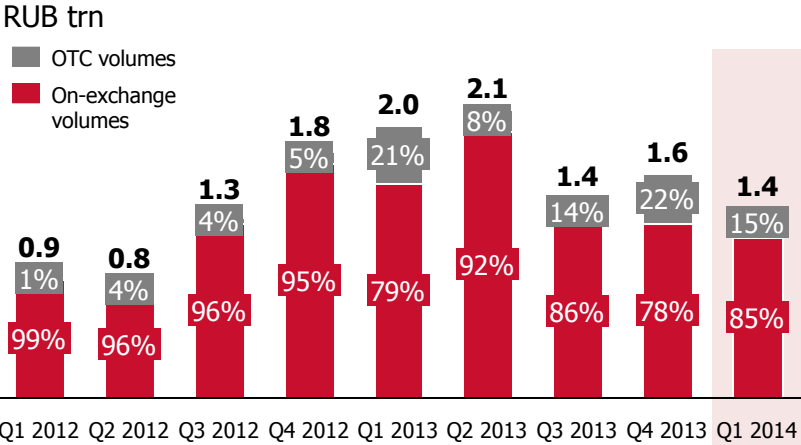
**MOSCOW  
EXCHANGE**



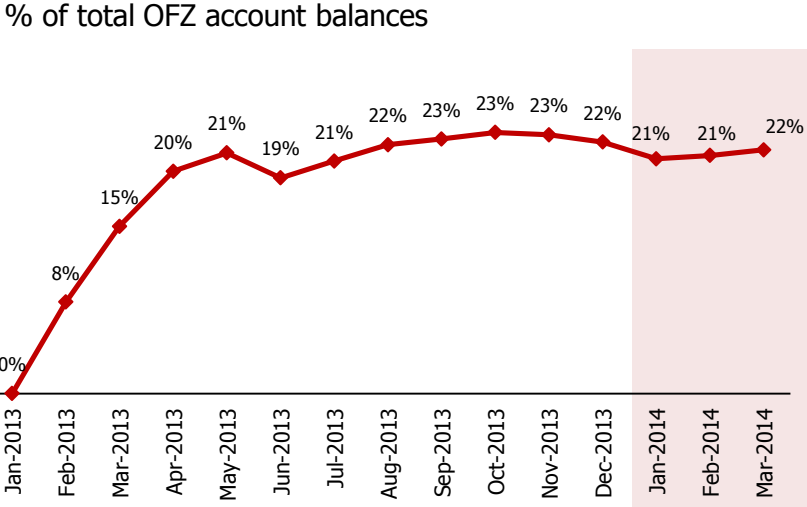
# Euroclear and Clearstream access to the Russian market



## Sovereign bonds (OFZ) trading volumes



## Foreign nominee account balances in NSD



# Liquidity center: placements held **exclusively on MOEX** prevail

## IPO/SPO on Moscow Exchange<sup>1</sup>




**MOSCOW EXCHANGE**

**IPO**  
RUB 15 bln  
(USD 462 mln)  
February 2013



**PHOSAGRO**

**SPO**  
RUB 14.7 bln<sup>2</sup>  
(USD 453 mln)  
April 2013



**VTB**

**SPO**  
RUB 102.5 bln  
(USD 3.2 bln)  
May 2013



**PIK GROUP**

**SPO**  
RUB 10.6 bln  
(USD 327 mln)  
June 2013



**BANK SAINT PETERSBURG**

**SPO**  
RUB 3.02 bln  
(USD 91 mln)  
August 2013




**QIWI**

**SPO<sup>3</sup>**  
RUB 9.2 bln  
(USD 286 mln)  
October 2013




**NOMOS BANK**  
15 years of partnership and success

**SPO**  
RUB 19.1 bln  
(USD 602 mln)  
October 2013



**ALROSA**


**IPO**  
RUB 41.3 bln  
(USD 1.3 bln)  
October 2013



**ЛЕНТА**

**IPO<sup>4</sup>**  
RUB 34.3 bln  
(USD 952 mln)  
February 2014

## IPO/SPO of Russian companies on LSE



**PHOSAGRO**

**SPO**  
RUB 14.7 bln<sup>2</sup>  
(USD 453 mln)  
April 2013



**Tinkoff Credit Systems**

**IPO**  
RUB 34.7 bln  
(USD 1.1 bln)  
October 2013



**ЛЕНТА**

**IPO<sup>4</sup>**  
RUB 34.3 bln  
(USD 952 mln)  
February 2014

## IPO/SPO of Russian companies on NASDAQ



**Yandex**

**SPO**  
RUB 18.6 bln  
(USD 607 mln)  
March 2013



**QIWI**

**IPO/SPO<sup>3</sup>**  
RUB 7.1 bln/9.2 bln  
(USD 229mln/286mln)  
May/October 2013

## IPO/SPO of Russian companies on NYSE











**LUXOFT**  
Engineering Business Performance

**IPO/SPO**  
RUB 2.6 bln/3.1 bln  
(USD 84mln/96mln)  
June/November 2013

- ✓ Polymetal re-listing in Moscow completed in 2013
- ✓ Additional mid-term supply: privatization placements to be held on MOEX

# Regulatory changes to stimulate local and international demand and attract liquidity to MOEX

|   |  |   |
|---|--|---|
| Domestic investors                            | <p>Pension laws adopted in December 2013:</p> <ul style="list-style-type: none"> <li>▪ Abolishment of the requirement for returns on pension savings accounts of individuals in non-state pension funds (NPFs) to be positive each year</li> <li>▪ Implementation of the pension savings insurance system</li> <li>▪ Possibility to change an NPF manager once in five years instead of once a year</li> </ul>   |    |
|   | Individual investment accounts for private investors (IIA)   |    |
|   | 0% tax rate on income (up to RUB 9 mln) from securities held for more than three years   |    |
| Listing and corporate governance              | <p>Change in regulation of securities admission to trading:</p> <ul style="list-style-type: none"> <li>▪ Simplification of the securities lists (three sections instead of six)</li> <li>▪ Availability of any section of the securities list for public offerings</li> <li>▪ Alignment of the Russian listing standards with international best practice</li> </ul>   |    |
|   | <p>Change to corporate governance legislation:</p> <ul style="list-style-type: none"> <li>▪ New rules for dividend payments (no backdated dividends, terms specification)</li> <li>▪ New Corporate Governance Code: <ul style="list-style-type: none"> <li>▪ Reasonability, good faith and the interest of the company as key indicators of directors actions</li> <li>▪ Integrated risk management and internal control system</li> <li>▪ Accountability, transparency and adequacy of remuneration system</li> <li>▪ Greater transparency through disclosure of major corporate actions</li> </ul> </li> </ul> |    |
| Opening up of MOEX to international investors | Amendments to the tax code removed the barriers for Euroclear and Clearstream access to the Russian corporate bonds and equities markets   |  |
| New instruments                               | Foreign ETF admission to organised trading   |  |
|   | <p>Change in legislation on securitisation:</p> <ul style="list-style-type: none"> <li>▪ Securities based on assets other than mortgage</li> <li>▪ Full-functioning SPVs in Russian jurisdiction</li> </ul>  |  |

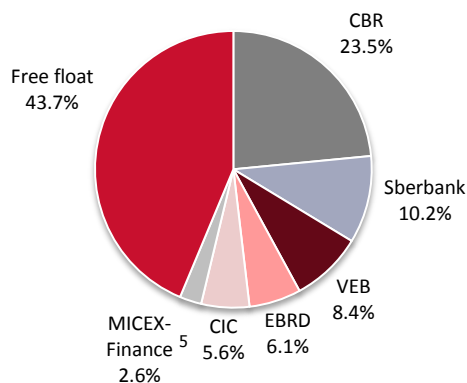


# Strong **corporate governance** standards and regular **IR activity**

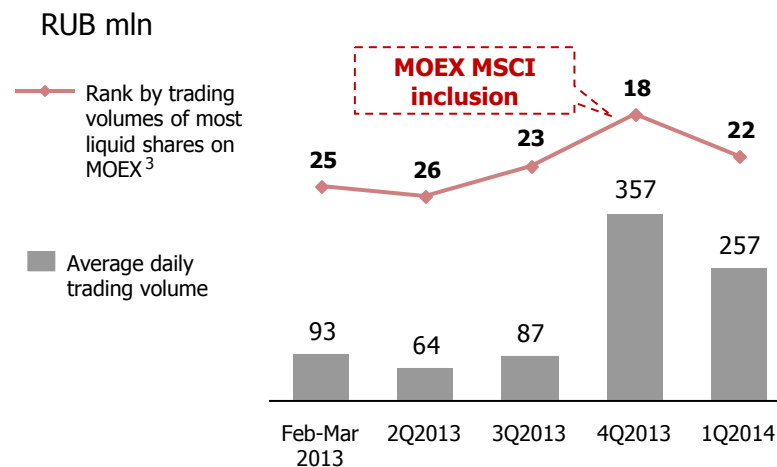
## Strong corporate governance

- **Eight of 19** members (42%) of Supervisory Board are Independent Directors<sup>1</sup>
- MOEX is a pioneer of new **Corporate Governance Code**
- Management and shareholder interests aligned through **3-year stock option programme**
- **Attractive dividend policy**: minimum pay-out ratio based on net profit under IFRS of 40% in 2014 (for 2013 results) and 50% in 2015 (for 2014 results) and onward
- Established **transparent** and frequent financial and operating **disclosure**

## Ownership structure as of April 1, 2014<sup>4</sup>



## MOEX shares average daily trading volume<sup>2</sup>



## Key takeaways

- Free-float grew to **44%** from 31% following changes in shareholder's structure and treasury shares cancellation
- Average daily trading volumes grew ~3 times since IPO and reached **~USD 7 mln**
- In 2013, the management team held **3 non-deal road-shows**, participated in **8 conferences**, held **3 Moscow Exchange conferences**, had more than **150 investor meetings** in the HQ in Moscow
- More than **180** international and domestic **institutional investors** and more than **1,000 retail investors** are among MOEX shareholders



# Key growth areas **2014**

## Developments of FX, money market and equities

- REPO with pool of securities
- On exchange REPO with collateral management
- Access to FX-market through SPECTRA (derivatives trading system)
- Listing modernization
- Securitization, ETFs development

## Clearing and risk-management system modernization

- Integration of clearing and risk-management system between different markets
- Segregation of clearing participant accounts
- Client accounts portability
- Cross-defaults technology (ability to utilize participant collateral across different markets in case of default)
- Unified risk-management and collateral pool in derivatives and FX-market



**1**

Developments since IPO



Well-positioned attractive investment opportunity

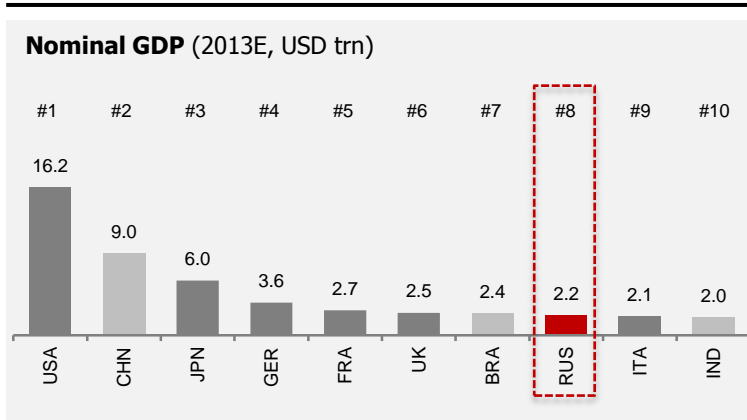
**3**

Financial results

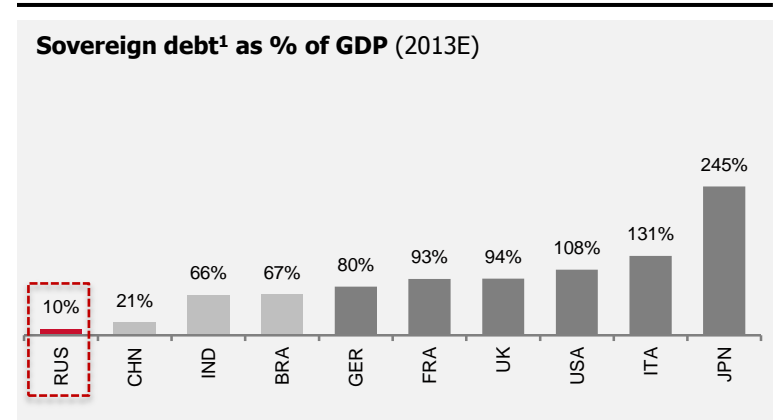


# Russian capital market has **significant growth potential**

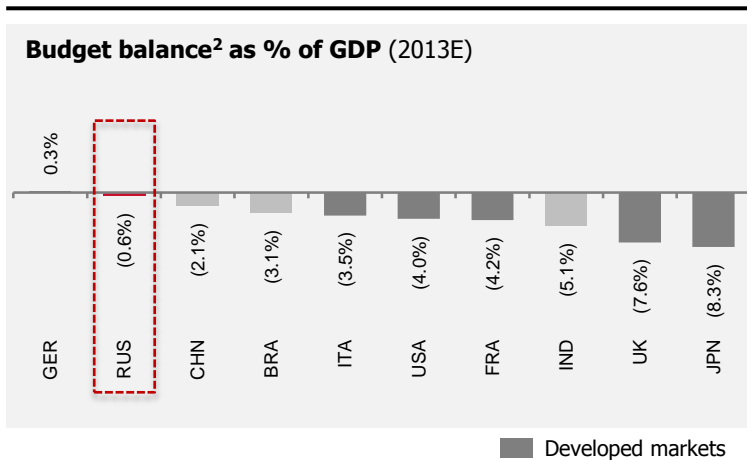
## Large economy (#8 globally)...



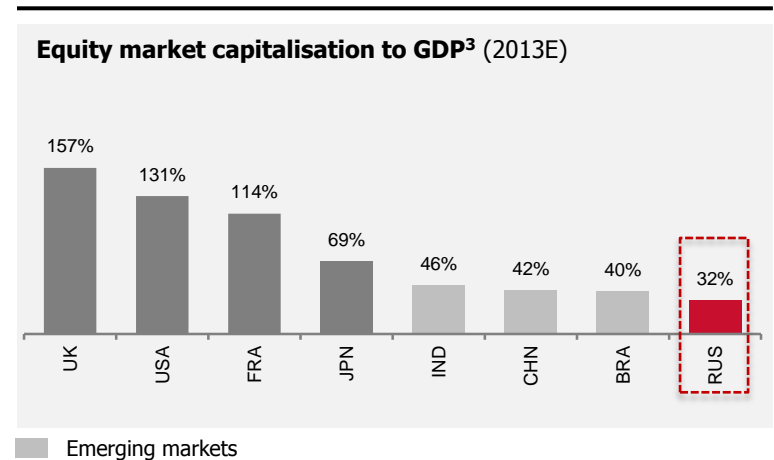
## ...with low government leverage...



## ...strong fiscal policy...



## ... and strong growth potential for the capital market



Source: Nominal GDP, Sovereign debt as % of GDP – IMF; Budget balance – Economist Intelligence Unit; Equity market capitalisation to GDP – WFE, IMF  
 1 Total gross debt (both local and foreign currency) owed by government to domestic residents, foreign nationals and multilateral institutions such as the IMF, expressed as a percentage of GDP  
 2 Central government receipts minus central government outlays, as a percentage of GDP  
 3 Market capitalisation for the USA is the sum of NASDAQ and NYSE market capitalisations, for China – the sum of Shanghai and Shenzhen market capitalisations, for India – BSE market capitalisation, for Brazil – BM&FBovespa market capitalisation, for Russia – Moscow Exchange market capitalisation, for France – NYSE Euronext Europe market capitalisation, for UK – LSE market capitalisation (including Borsa Italiana market capitalisation)

# Moscow Exchange is the major exchange in Russia and a leading exchange globally

## One of the largest in fixed income (Jan – Dec 2013)<sup>1</sup>

| Rank     | Exchange               | Country       | Trading vol. (USD bn) | Incl. REPOs |
|----------|------------------------|---------------|-----------------------|-------------|
| 1        | BME Spanish Exchanges  | Spain         | 8 499                 | ✓           |
| <b>2</b> | <b>Moscow Exchange</b> | <b>Russia</b> | <b>5 707</b>          | <b>✓</b>    |
| 3        | LSE                    | UK            | 3 953                 | ✓           |
| 4        | NASDAQ OMX             | USA (Europe)  | 2 537                 | ✓           |
| 5        | Johannesburg SE        | South Africa  | 2 123                 | ✓           |
| 6        | Korea Exchange         | Korea         | 1 208                 | ×           |
| 7        | Colombia SE            | Colombia      | 936                   | ×           |
| 8        | Oslo Børs              | Norway        | 675                   | ✓           |
| 9        | Borsa Istanbul         | Turkey        | 521                   | ✓           |
| 10       | Tel Aviv SE            | Israel        | 282                   | ✓           |

## Top 8 in derivatives (Jan – Dec 2013) – FIA ranking

| Rank     | Exchange                             | Country       | Contracts traded (mln) |
|----------|--------------------------------------|---------------|------------------------|
| 1        | CME Group                            | USA           | 3 161                  |
| 2        | ICE incl. NYSE Euronext <sup>3</sup> | USA           | 2 808                  |
| 3        | EUREX                                | Germany       | 2 191                  |
| 4        | NSE                                  | India         | 2 136                  |
| 5        | BM&FBOVESPA                          | Brazil        | 1 604                  |
| 6        | CBOE Holdings                        | USA           | 1 188                  |
| 7        | NASDAQ OMX <sup>3</sup>              | USA           | 1 143                  |
| <b>8</b> | <b>Moscow Exchange</b>               | <b>Russia</b> | <b>1 134</b>           |
| 9        | Korea Exchange                       | Korea         | 821                    |
| 10       | Multi Commodity Exchange             | India         | 794                    |

## Top 19 in equities (Jan – Dec 2013)<sup>2</sup>

| Rank      | Exchange                    | Country       | Mkt Cap (USD bn) | Securities listed | Trading vol. (USD bn) |
|-----------|-----------------------------|---------------|------------------|-------------------|-----------------------|
| 1         | NYSE Euronext <sup>3</sup>  | USA           | 21 534           | 3 433             | 15 362                |
| 2         | NASDAQ OMX <sup>3</sup>     | USA           | 7 354            | 3 392             | 10 211                |
| 3         | Japan Exchange <sup>4</sup> | Japan         | 4 543            | 3 419             | 6 305                 |
| 4         | London SE Group             | UK            | 4 429            | 2 736             | 2 233                 |
| 5         | Hong Kong Exchanges         | Hong Kong     | 3 101            | 1643              | 1 323                 |
| 6         | Shanghai SE                 | China         | 2 497            | 953               | 3 731                 |
| 7         | TMX Group                   | Canada        | 2 114            | 3 886             | 1 371                 |
| 8         | Deutsche Börse              | Germany       | 1 936            | 720               | 1 335                 |
| 9         | SIX Swiss Exchange          | Switzerland   | 1 541            | 272               | 677                   |
| 10        | Shenzhen SE                 | China         | 1 452            | 1 536             | 3 859                 |
| ...       | ...                         | ...           | ...              | ...               | ...                   |
| <b>19</b> | <b>Moscow Exchange</b>      | <b>Russia</b> | <b>771</b>       | <b>262</b>        | <b>242</b>            |

## Top 12 public exchanges by market capitalization<sup>5</sup>

| Rank      | Exchange               | Country       | Mkt Cap (USD bn) |
|-----------|------------------------|---------------|------------------|
| 1         | CME                    | USA           | 25.3             |
| 2         | ICE – NYSE             | USA           | 24.3             |
| 3         | HKEx                   | Hong Kong     | 19.1             |
| 4         | Deutsche Börse         | Germany       | 16.0             |
| 5         | BM&FBovespa            | Brazil        | 8.7              |
| 6         | LSE Group              | UK            | 8.1              |
| 7         | Japan Exchange         | Japan         | 7.4              |
| 8         | NASDAQ OMX             | USA           | 6.6              |
| 9         | ASX                    | Australia     | 6.2              |
| 10        | SGX                    | Singapore     | 6.0              |
| 11        | DubaiFinancial         | Dubai         | 5.5              |
| <b>12</b> | <b>Moscow Exchange</b> | <b>Russia</b> | <b>4.6</b>       |

Source: Moscow Exchange, WFE, Bloomberg, FIA

1 Due to different methodologies applied, data on fixed income trading may not be directly comparable among exchanges

2 Top equity trading exchanges are ranked by market capitalisation of public companies traded on the exchange

3 Includes both US and European market volumes and capitalization for equities market; both US and European market volumes for derivatives market

4 Includes both Tokyo and Osaka exchanges trading volumes, capitalization reflects Tokyo exchange only

5 Market capitalization of public exchanges based on Bloomberg data as of January 15, 2014

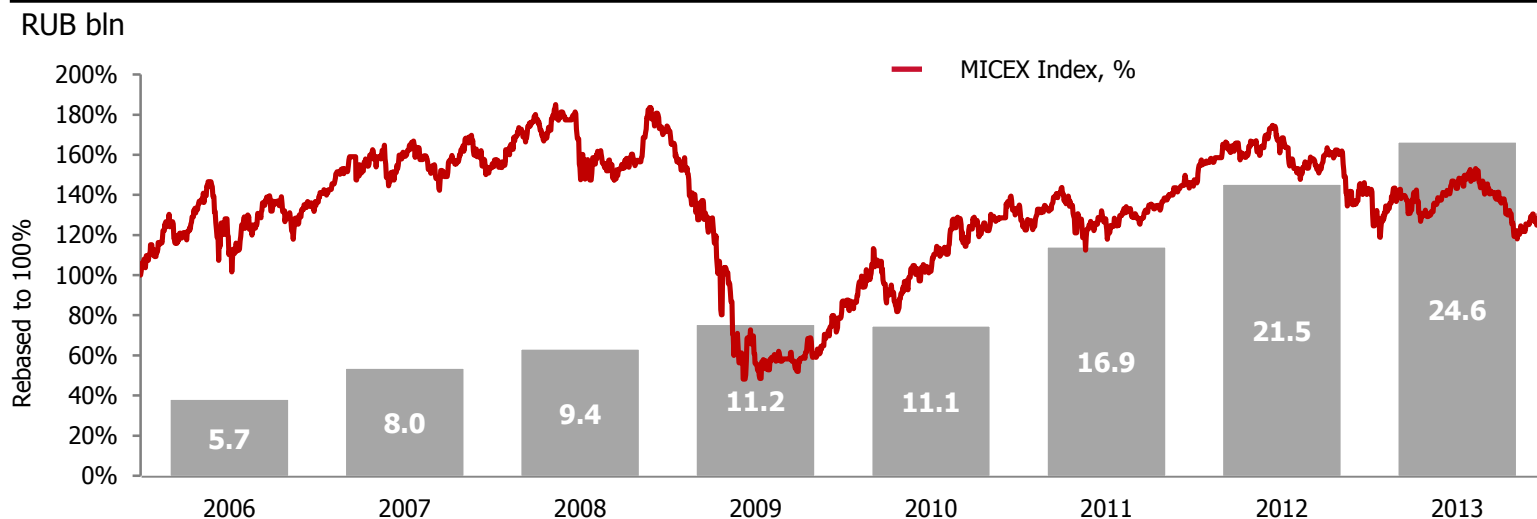


**MOSCOW  
EXCHANGE**

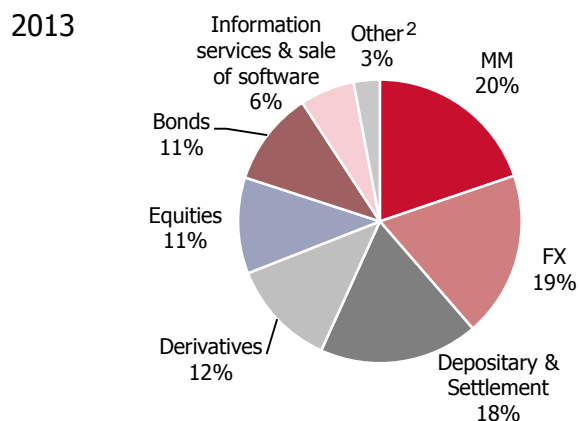


# Moscow Exchange has a proven and **cycle-protected** business model

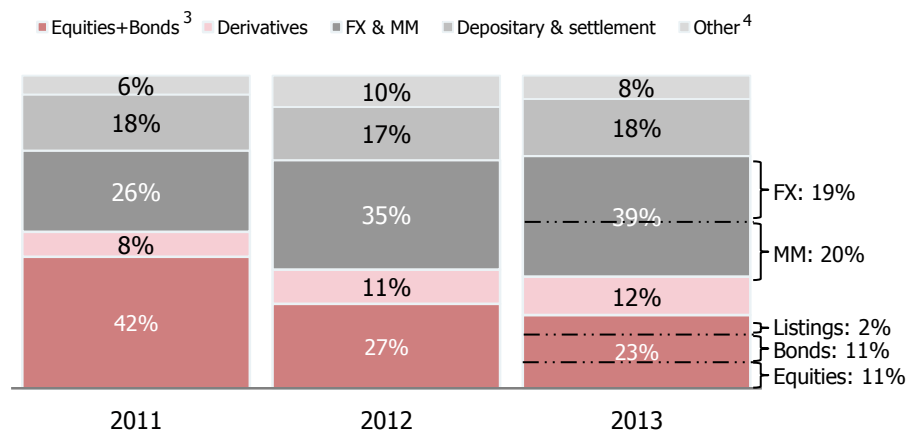
## Operating income<sup>1</sup>



## Diversified fee & commission income distribution



## Fee & commission income evolution<sup>1</sup>



According to Moscow Exchange IFRS financial statement

<sup>1</sup> RTS data is consolidated from June 29, 2011

<sup>2</sup> Include other income related to securities market

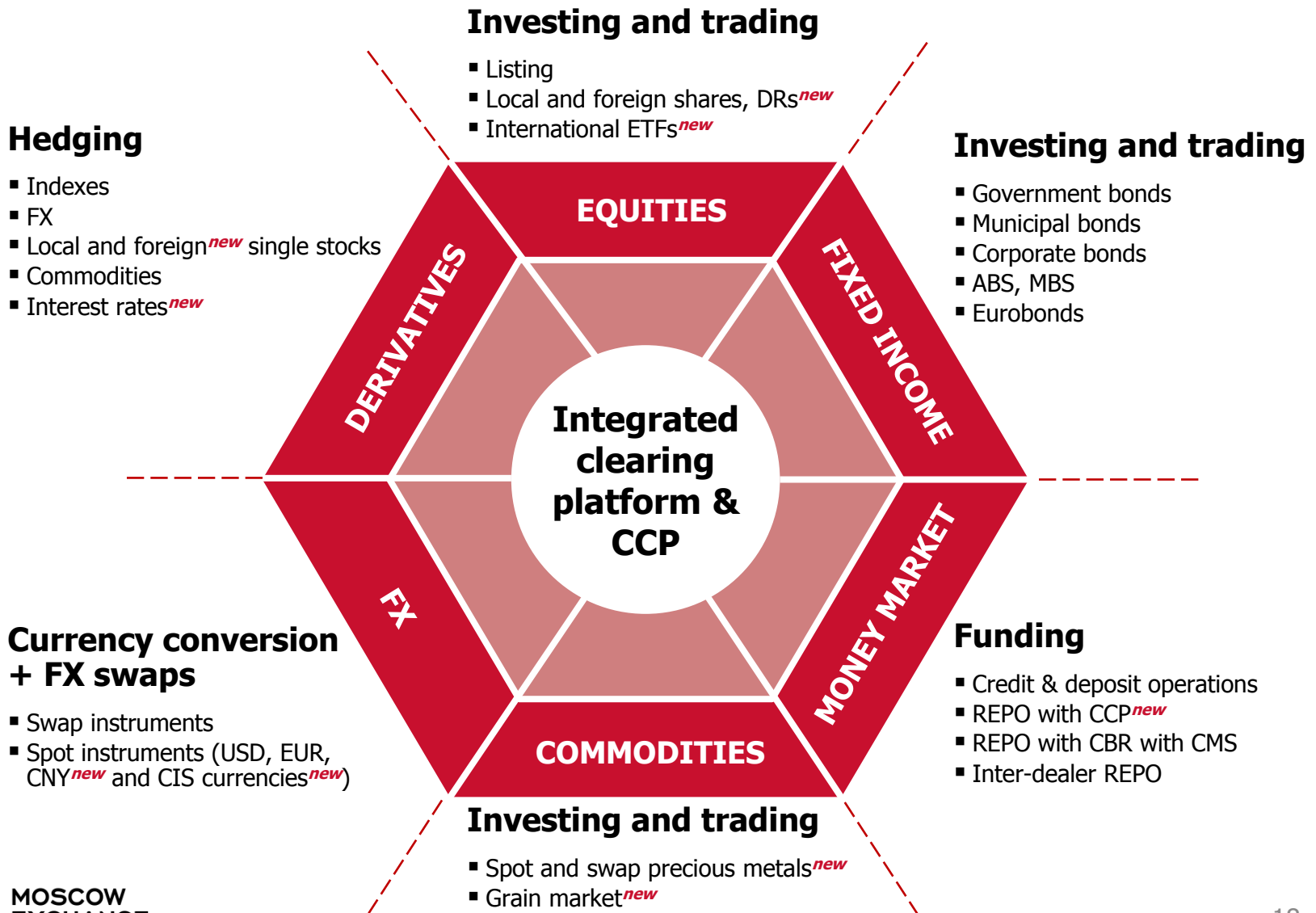
<sup>3</sup> Include other income related to securities market in 2011-2012

<sup>4</sup> Include income from Information services & sale of software in 2011-2012, include income from Information services & sale of software and other income related to securities market in 2013



**MOSCOW  
EXCHANGE**

# Moscow Exchange is the **heart of Russia's financial market infrastructure**



**1**

Developments since IPO

**2**

Well-positioned attractive investment opportunity



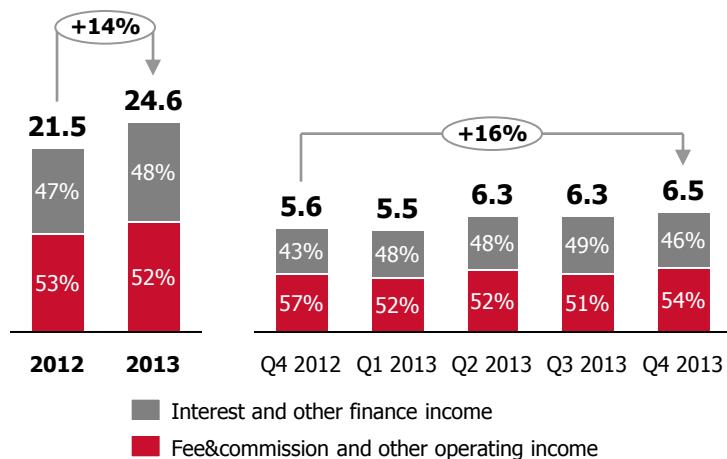
Financial results



# Financial Performance: Strong **double digit** EPS growth

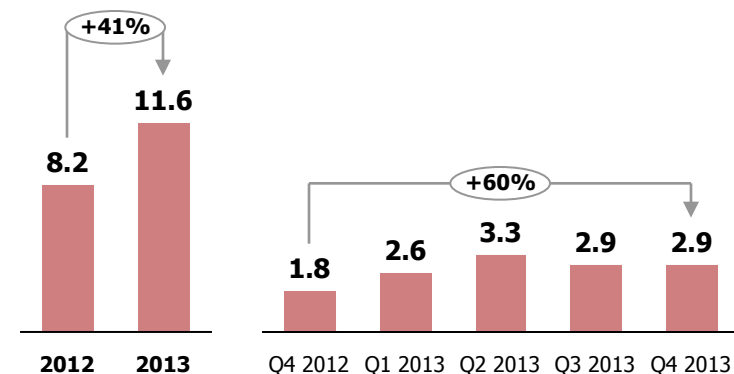
## Operating income

RUB bln



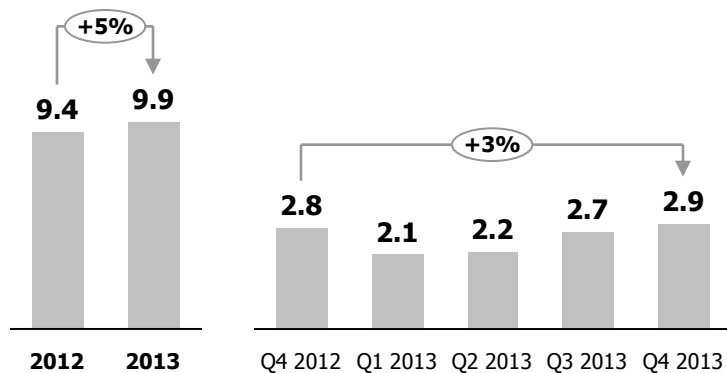
## Net Profit

RUB bln



## Operating expenses

RUB bln



## EPS and key financial ratios

|                        | 2012 | 2013 |
|------------------------|------|------|
| <b>Basic EPS, RUB</b>  | 3.86 | 5.23 |
| <b>EBITDA, RUB bln</b> | 13.7 | 16.4 |
| <b>EBITDA margin</b>   | 64%  | 67%  |



**MOSCOW  
EXCHANGE**

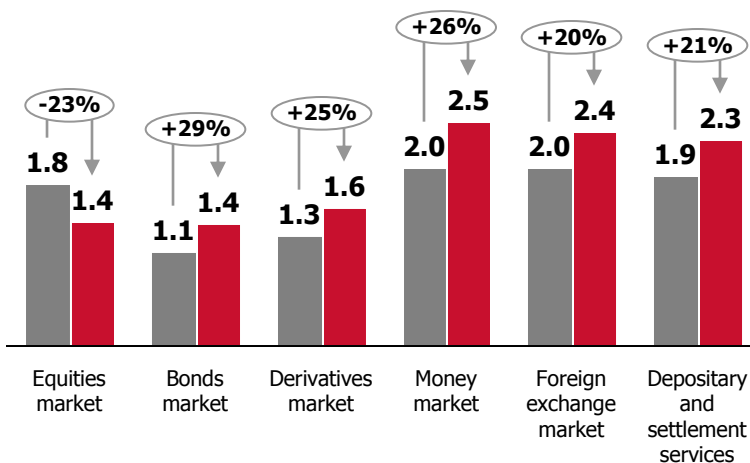
Source: Consolidated Financial Statements

# Diversified fee & commission income

## Fee & commission income trends

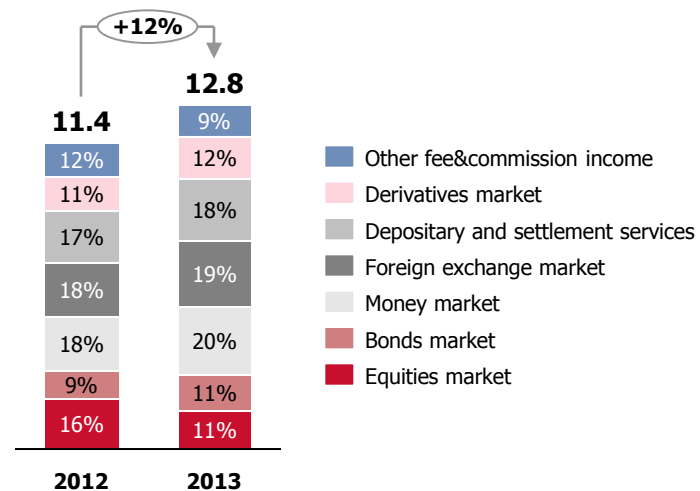
RUB bln

■ 2012 ■ 2013



## Fee & commission income breakdown

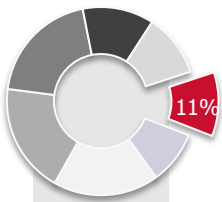
RUB bln



## Comments

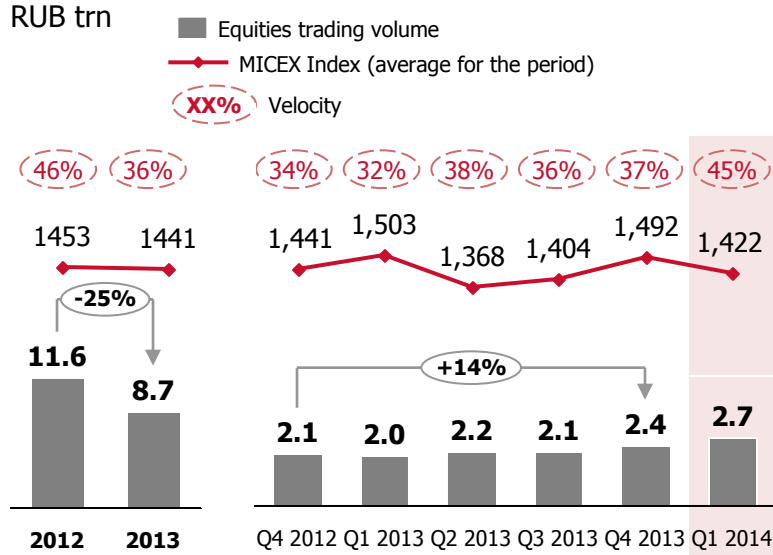
- In 2013 investors continued to prefer fixed income instruments versus equities
- Fee & commission income grew by 12% in 2013 compared to 2012. Lower income from equities (off 23% YoY) was more than offset by strong performance across all other markets



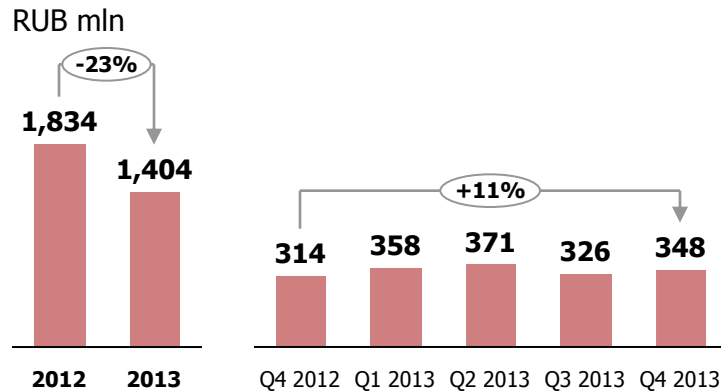


# Equities Market: Strong performance in Q4 2013 and Q1 2014

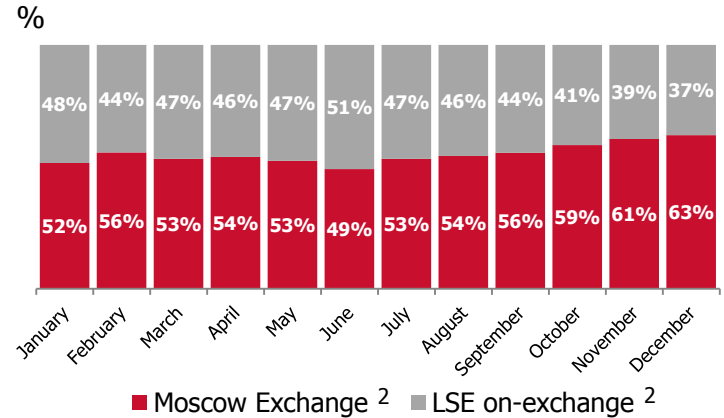
## Trading volumes



## Fee & commission income



## Russian equities trading volume in 2013<sup>1</sup>, Moscow Exchange vs LSE



## Comments

- Implemented in 2013:
  - Transfer to T+2 settlement
  - DMA from global banks to MOEX securities market
  - Closing auction
  - New placements, including placements of foreign issuers
- Key future drivers of growth:
  - Potential for repatriation of liquidity
  - International demand increase on the back of ICSD access and DMA offering by international banks
  - Domestic demand increase driven by prospective/announced and completed reforms
  - New listings

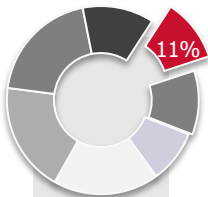


**MOSCOW EXCHANGE**

Source: Moscow Exchange operational information and Consolidated Financial Statements, equities and bonds market fee&commission income for Q1-Q2 2013 were not reported in IFRS interim statements – management accounts data are used for the purposes of presentation

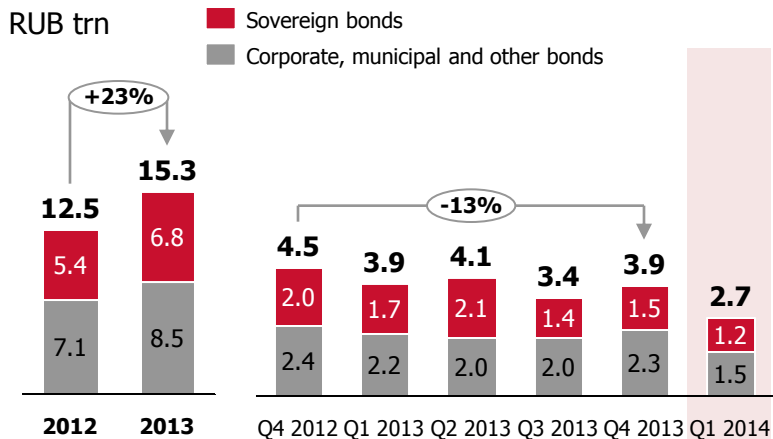
<sup>1</sup> Moscow Exchange and London Stock Exchange data for Russian dual-listed companies

<sup>2</sup> Only electronic order book deals

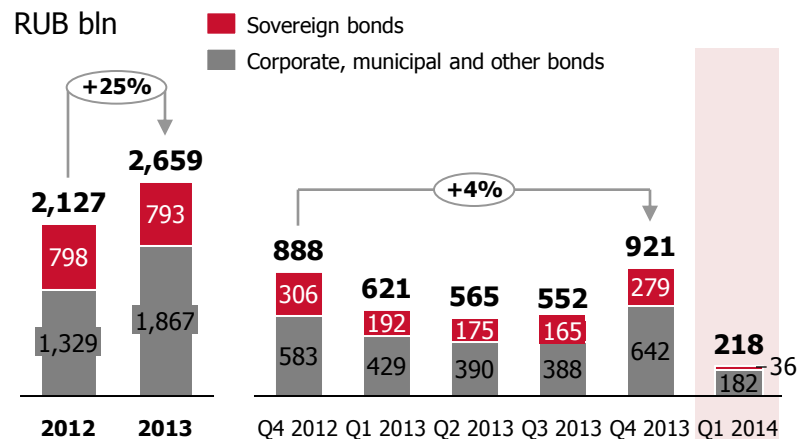


# Fixed Income Market: Solid growth YoY

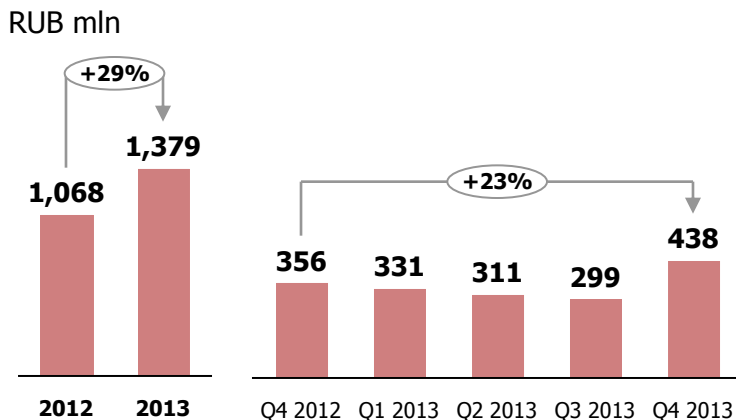
## Trading volumes (secondary and primary)



## Primary market volumes

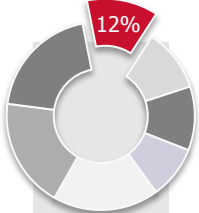


## Fee & commission income



## Comments

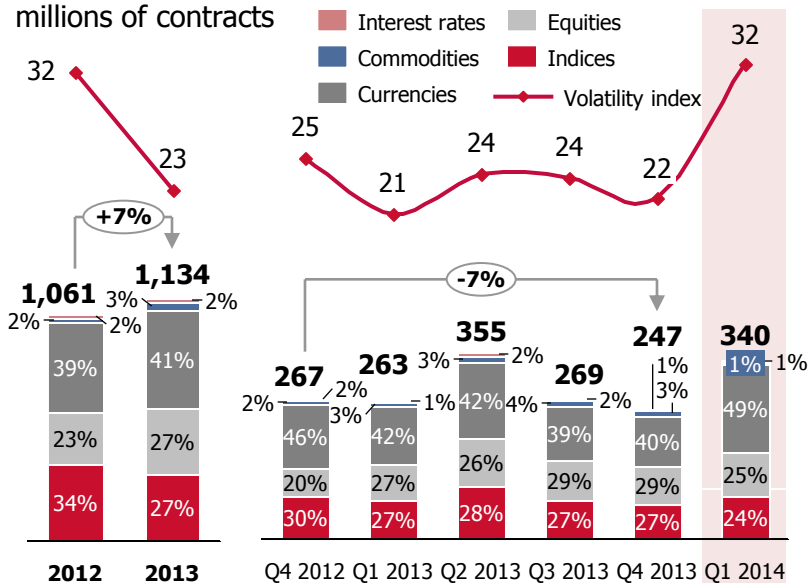
- Implemented in 2013:
  - Five foreign issuers placements
  - Eurobonds ETFs launched
- Key future drivers of growth:
  - New listings as an alternative to bank lending and international capital markets
  - ICSD access to corporate bonds
  - Further development of anonymous trading modes
  - New products: new ETFs, ABSs, MBSs, CDOs and commercial papers



# Derivatives Market: Continued open interest growth

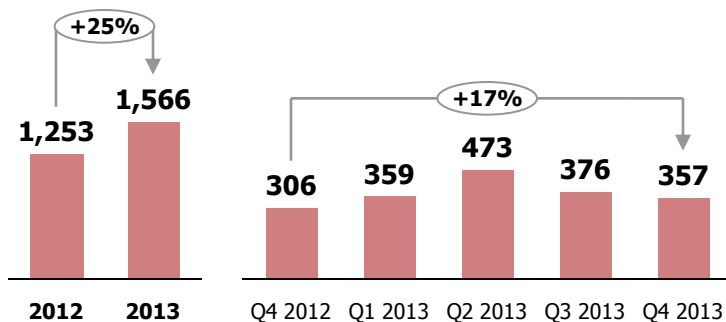
## Trading volumes

millions of contracts



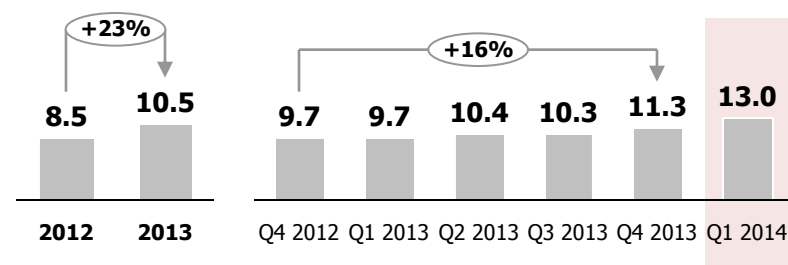
## Fee & commission income

RUB mln



## Open interest

millions of contracts, average for period



## Comments

- Implemented in 2013:
  - OTC derivatives clearing
  - Collateral in foreign currency
  - New instruments (futures on USD/CHF, USD/JPY, USD/UAH; futures on foreign shares: Deutsche Bank, Siemens, BMW, Volkswagen and Daimler)
- Key future drivers of growth:
  - Interest rate derivatives and deliverable options
  - OTC derivatives clearing and product standardisation
  - Cross-margining with spot markets

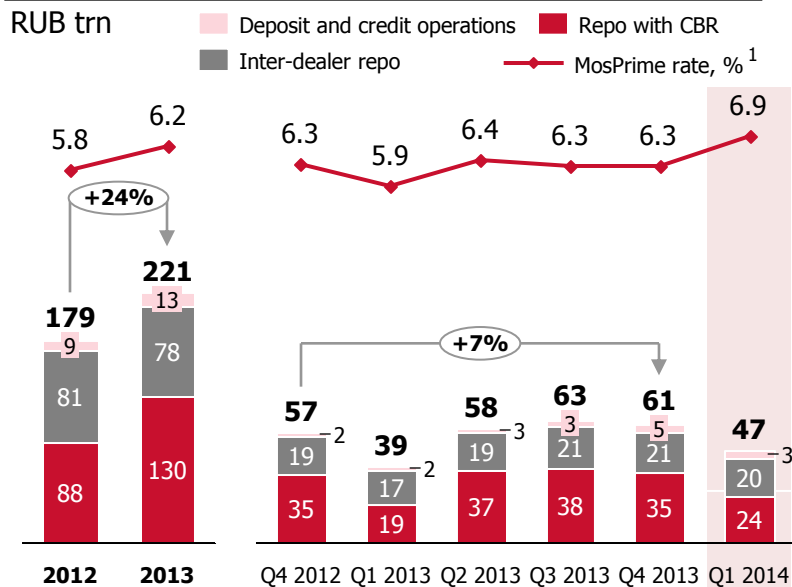


MOSCOW EXCHANGE

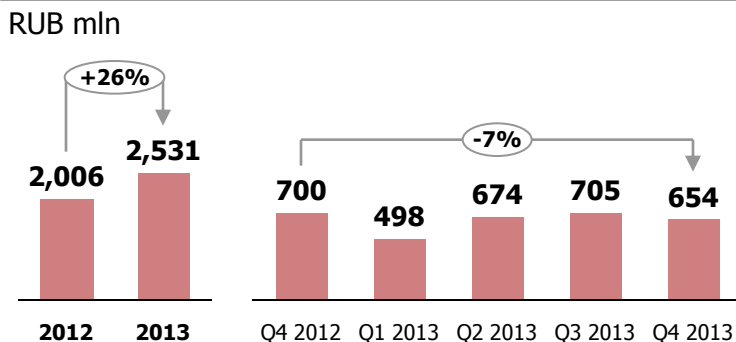


# Money Market: Expansion of REPO with CCP

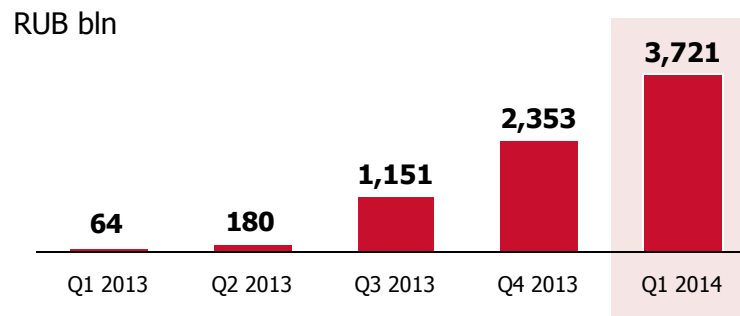
## Trading volumes (incl. repo with CBR)



## Fee & commission income



## REPO with CCP volumes



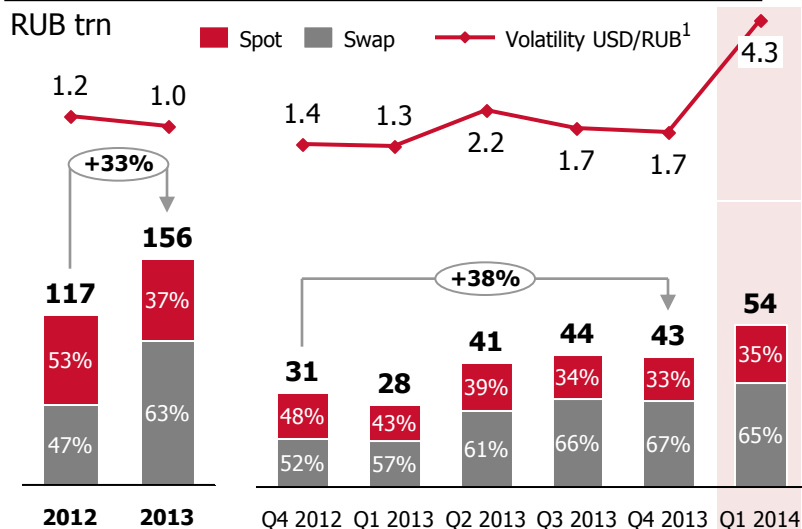
## Comments

- Implemented in 2013:
  - REPO with CCP (3% of money market revenues in Q4 2013, 4% - in January 2014)
  - Russian State Pension Fund's deposit operations
- Key future drivers of growth:
  - Penetration of inter-bank lending market with REPO with pool of securities
  - Expansion of collateral management system to cover all REPO transactions
  - Expansion of collateral base (corporate bond placements to increase, eurobonds and Russian DRs to become eligible for collateral)

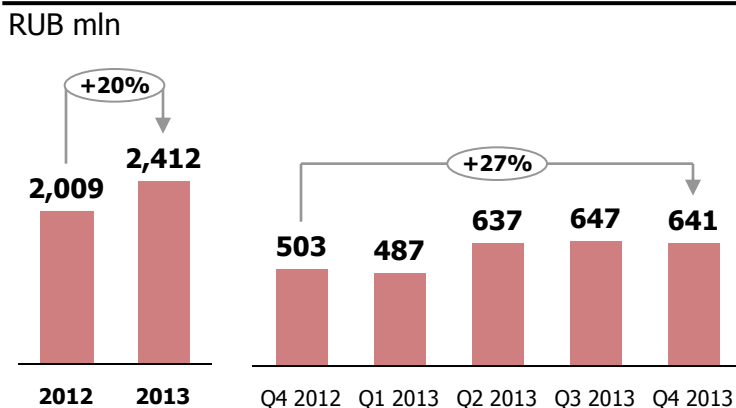


# FX Market: Favourable environment supports growth

## Trading volumes



## Fee & commission income

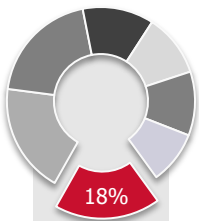


## Comments

- Implemented in 2013:
  - Non-banking organisations admitted to trading since Jan 2013
  - Partial pre-funding for CNY/RUB, launch on up to 6m swaps on CNY/RUB – similar terms as for other major currency pairs
- Key future drivers of growth:
  - Organic growth due to increase in volatility following switch of CBR from FX corridor targeting to inflation targeting
  - Unified collateral and clearing pool with derivatives market
  - Attraction of international investors to the market
  - Differentiation of clearing and trading membership

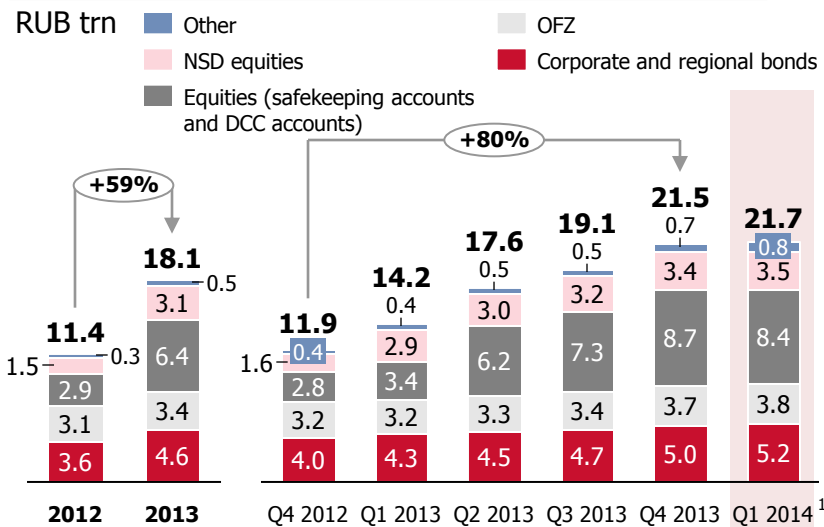


**MOSCOW  
EXCHANGE**

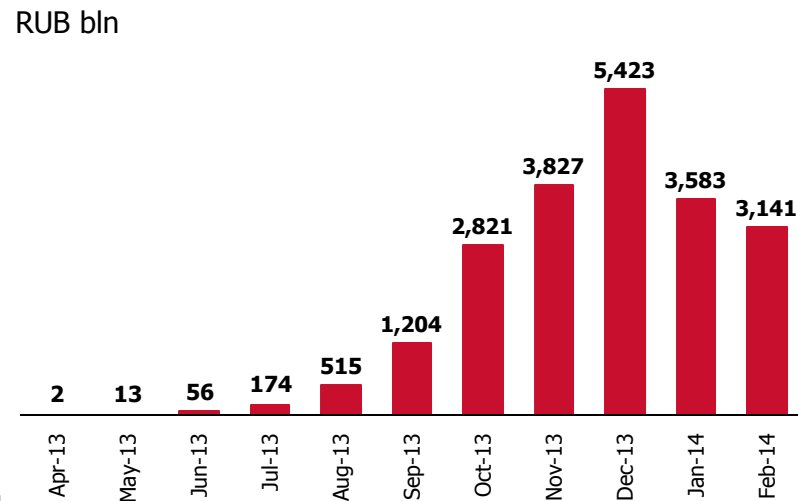


# Depository and Settlement: Development of new services

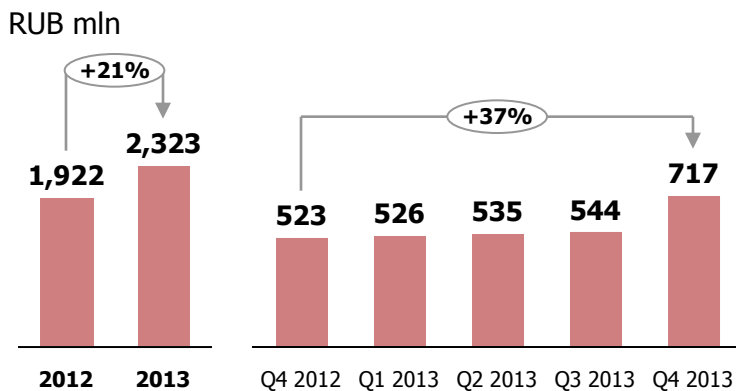
## Assets in deposit (average for period)



## Collateral management system – deals volume



## Fee & commission income



## Comments

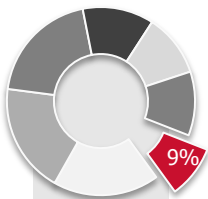
- Implemented in 2013:
  - Fully functioning central securities depository
  - Trading data repository
  - Collateral management system
- Key future drivers of growth:
  - Additional trading data repository services development
  - Launch of the corporate information centre and price information centre
  - Tri-party and collateral management services



MOSCOW  
EXCHANGE

Source: Moscow Exchange operational information and Consolidated Financial Statements

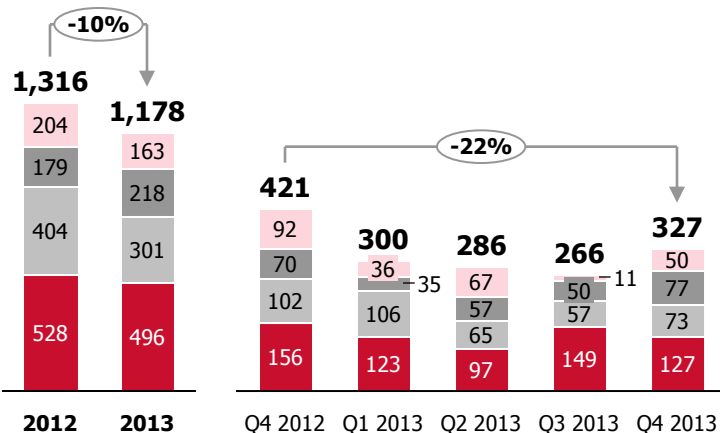
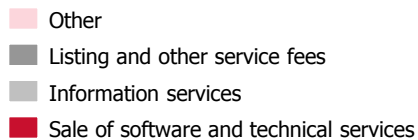
<sup>1</sup> Data for Q1 2014 from January 1 to February 28, 2014



# Other Fee & Commission Income

## Other fee&commission income

RUB mln



## Comments

- Decrease in information services income (off 25% YoY) was due to the new fee structure for information services in 2013: separate fees for MICEX and RTS markets information were replaced with one fee
- Income from sale of software and technical service decreased by 6% YoY
- Listing fees increased by 22% in 2013 compared to 2012 due to new placements of equities and bonds. Number of placements grew by 32%

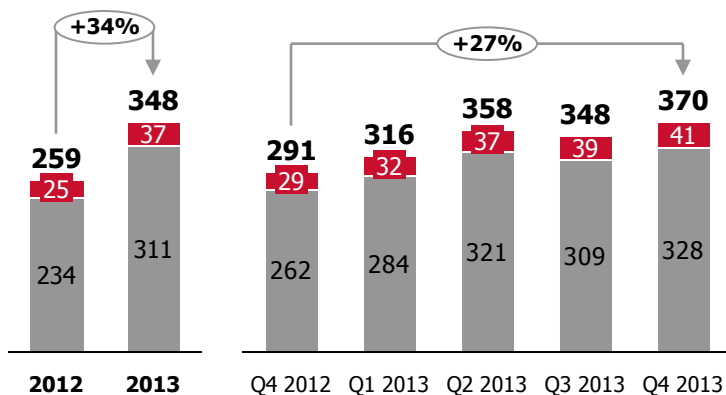
# Investment Portfolio: Stable revenue source

## Investment portfolio<sup>1</sup> (average daily volume)

RUB bln

■ Moscow Exchange own funds

■ Client funds



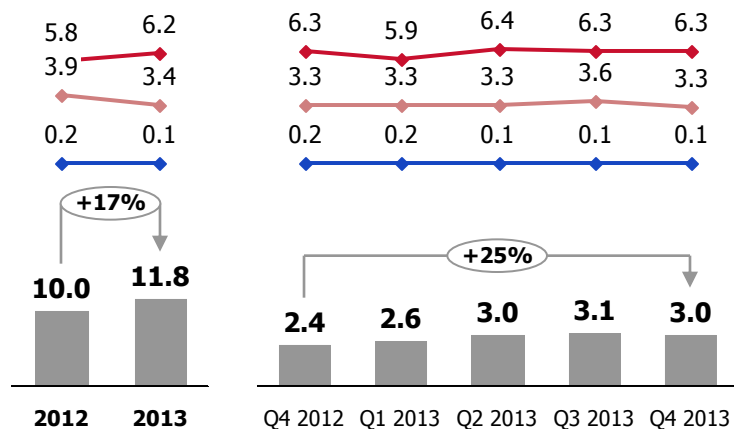
## Interest income

RUB bln

■ Interest and other finance income

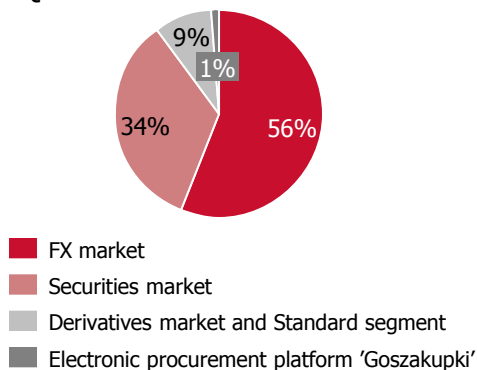
◆ MosPrime rate, %<sup>2</sup> ◆ Effective yield, %

◆ LIBOR rate, %<sup>2</sup>



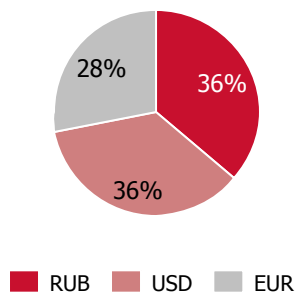
## Clients funds by source

Q4 2013



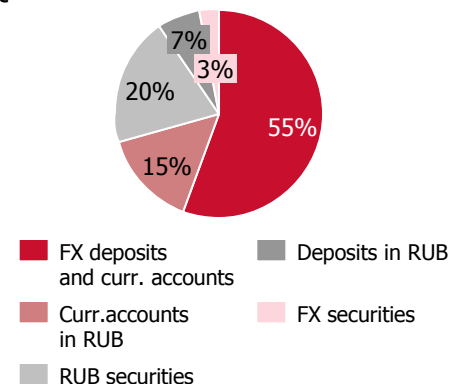
## Clients funds by currency

Q4 2013



## Investment portfolio by type of asset

Q4 2013



**MOSCOW EXCHANGE**

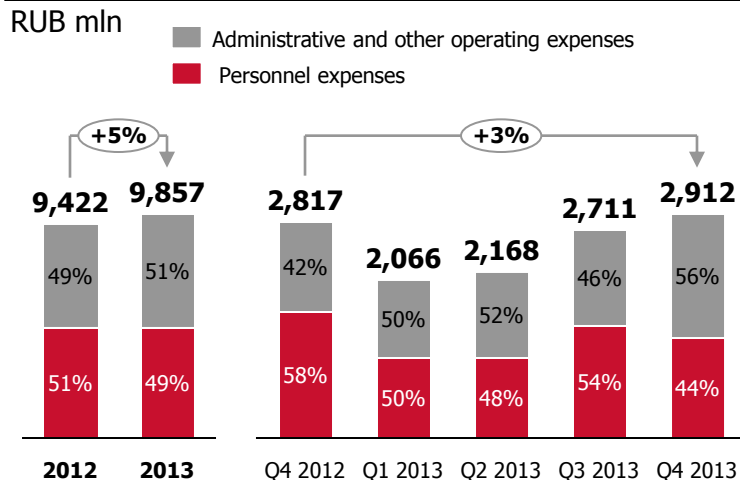
Source: NFEA, Bloomberg, Moscow Exchange operational information and Consolidated Financial Statements

<sup>1</sup> Based on average daily investment portfolio according to management accounts

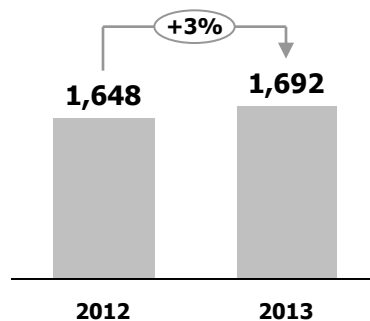
<sup>2</sup> Average daily rate for the quarter

# Strong control over personnel costs and solid efficiency

## Operating expenses structure



## Headcount as of period end



## Major expense items

| RUB mln   | 2013         | 2012         | Change YoY |
|---|--------------|--------------|------------|
| <b>Personnel expenses</b>                                     | 4,827        | 4,840        | 0%         |
| <b>Administrative and other operating expenses, including</b> | 5,030        | 4,582        | 10%        |
| Amortisation of intangible assets                             | 1,040        | 1,016        | 2%         |
| Professional services   | 899          | 826          | 9%         |
| Market makers fees  | 557          | 362          | 54%        |
| Depreciation of property and equipment                        | 530          | 519          | 2%         |
| Taxes other than income tax                                   | 505          | 337          | 50%        |
| Rent and office maintenance                                   | 382          | 492          | -22%       |
| Advertising and marketing costs                               | 257          | 273          | -6%        |
| <b>Total</b>  | <b>9,857</b> | <b>9,422</b> | <b>5%</b>  |
| <b>Cost income ratio</b>                                      | <b>40.1%</b> | <b>43.7%</b> |            |

## Comments

- Personnel expenses – a major expense item – were flat in 2013
- Compared to 2012 savings came from rent and office maintenance and advertising and marketing costs
- Market makers fees growth was due to loyalty program launch to support T+2 migration
- Taxes other than income tax grew by 50% due to regulatory changes in VAT taxation
- Increase in expenses was partly due to one-off impairment of investment in associated companies (~RUB 110 mln) – in Ukrainian Exchange



# Conclusion

- MOEX has delivered on strategic goals announced at IPO and created value for shareholders
  
- MOEX has successfully upgraded its infrastructure to international standards, which creates further upside potential
  - MOEX is now focused on organic growth built on the further development of its post-trade infrastructure
  - MOEX's diversified sources of revenue and integrated business model is resilient to the economic cycle
  - MOEX plans to expand into new assets classes, products and markets
  
- MOEX is a leading exchange globally and provides the comprehensive infrastructure for the Russian financial market

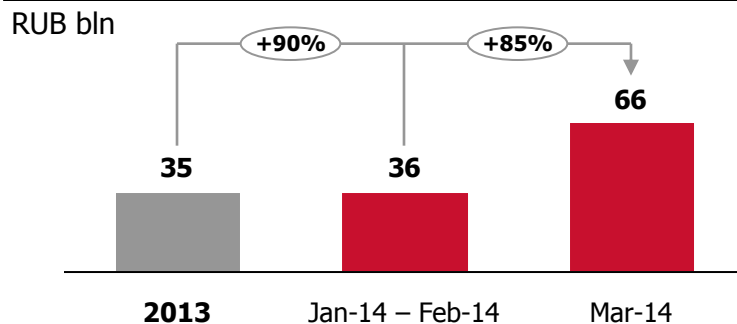
# Appendix





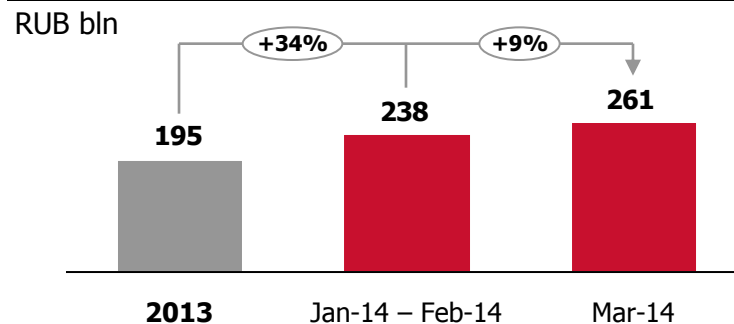
# Increased volatility led to **trading volume growth**

## Equities: average daily trading volumes



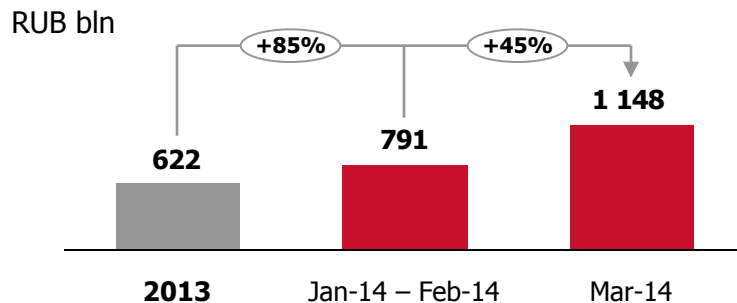
- In March non-residents and individual investors were buyers, dealers were sellers
- In March more than **11 000 of newly** opened accounts

## Derivatives: average daily trading volumes



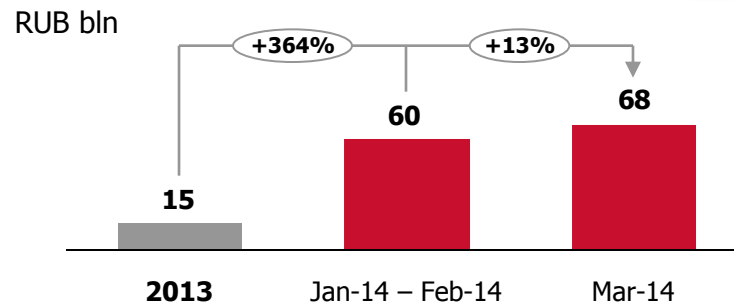
- Share of non-residents grew **to 44%** in March

## FX market: average daily trading volumes



- Record high trading volumes on FX market on 3 March 2014 – **USD 47 bln**

## REPO with CCP: average daily trading volumes



- Record high trading volume on REPO with CCP on 3 March 2014 – **RUB 93 bln**



# MOEX Management Team successfully transformed and focused on delivering results



Chairman of the Executive Board and CEO  
**Alexander Afanasiev**

## Executive Board



Deputy CEO  
**Andrey Shemetov**

- Appointed Deputy Chairman of the Moscow Exchange Executive Board in 2012



Chief Financial Officer  
**Evgeny Fetisov**

- Appointed Chief Financial Officer (CFO) and confirmed as a member of the Executive Board of Moscow Exchange in February 2013



Chief Operating Officer  
**Dmitry Shcheglov**

- In 2013 was appointed Executive Director of Operations at the Moscow Exchange
- Deputy Head of the Project Center for the Integration since April 2011



Chief Information Officer  
**Sergei Poliakov**

- Joined Moscow Exchange in 2013
- Previously worked for Morgan Stanley, NatWest Securities and Deutsche Bank

## Senior Management



Managing Director of Securities Market  
**Anna Kuznetsova**

- Joined RTS in 2001 and served as Head of New Markets Development



Managing Director of Money Market  
**Igor Marich**

- Joined MICEX in 2000
- Previously worked for Elbim Bank as Head of the Securities Division



Managing Director of Derivatives Market  
**Roman Sulzhik**

- Previously headed Derivatives Trading Division in DB Moscow and was a Derivatives trader at J.P. Morgan



Managing Director of Risk and Clearing  
**Luis Vicente**

- Joined NCC as Chief Risk Officer in 2013
- Previously, Risk Systems Director and Risk Management Director in Brazil's BM&F BOVESPA



# Moscow Exchange **Supervisory Board**

| Supervisory Board              | Title   |
|--------------------------------|---|
| <b>Sergey Shvetsov</b>         | <i>(Chairman of the Supervisory Board) First Deputy Chairman, Head of Financial Market Service, CBR</i> |
| <b>Sergey Lykov</b>            | <i>(Deputy Chairman of the Supervisory Board) Member of the Executive Board, Deputy Chairman, VEB</i>   |
| <b>Andrey Golikov</b>          | <i>(Deputy Chairman of the Supervisory Board) Director for Investments and Commerce, Strana Detei</i>   |
| <b>Alexander Afanasiev</b>     | <i>CEO, Chairman of the Executive Board, Moscow Exchange</i>  |
| <b>Mikhail Bratanov</b>        | <i>Head of SG Securities Services - Russia &amp; CIS, ROSBANK</i>                                       |
| <b>Alexander Buzuev</b>        | <i>Advisor for the Board of Management, UniCreditBank</i>   |
| <b>Nadezhda Ivanova</b>        | <i>Deputy Chairman, Director of the Consolidated Economic Department, Bank of Russia</i>                |
| <b>Kirill Shershun</b>         | <i>First Deputy Chairman of the Executive Board, CentroCredit</i>                                       |
| <b>Andrey Yumatov</b>          | <i>Member of the Management Board, Bank of Moscow</i>   |
| <b>Bella Zlatkis</b>           | <i>Deputy Chairman of the Management Board, Sberbank</i>  |
| <b>Nicola Jane Beattie</b>     | <i>Senior Executive Director, Market Structure Partners</i>   |
| <b>Sean Glodek</b>             | <i>Director, Member of the Executive Board, Russian Direct Investment Fund</i>                          |
| <b>Oleg Jelezko</b>            | <i>CEO, Da Vinci Capital</i>  |
| <b>Martin Paul Graham</b>      | <i>Chairman of the Board of Directors, Secondcap Limited (LSE)</i>                                      |
| <b>Yuriy Denisov</b>           | <i>Member of Supervisory Board, NCC; Co-Chairman of the Board, NFEA</i>                                 |
| <b>Jacque Der Megredichyan</b> | <i>Member of the Board of Directors, Russian National Association of securities market participants</i> |
| <b>Anatoly Karachinsky</b>     | <i>Chairman of the Board, IBS Group</i>   |
| <b>Li Qingyuan</b>             | <i>Senior Advisor, Fountainvest Partners</i>  |
| <b>Rainer Riess</b>            | <i>Independent Advisor to exchanges and financial services companies</i>                                |

## Supervisory Board Committees

|  |                            |
|--|----------------------------|
| Strategy Planning Committee                | Audit Committee            |
| Remuneration and Human Resources Committee | Budget Committee           |
| Risk Committee                             | Technical Policy Committee |



# Consolidated Statement of **Financial Position**

| <i>In thousand rubles</i>                    | <i>Year ended<br/>December 31,<br/>2013</i> | <i>Year ended<br/>December 31,<br/>2012</i> | <i>% chg.<br/>December 31,<br/>2013/<br/>December 31,<br/>2012</i> |
|--|---|---|--|
| <b>Assets:</b>                               |   |   |  |
| Cash and cash equivalents                    | 255 041 610                                 | 193 356 484                                 | 32%  |
| Financial assets <sup>1</sup>                | 169 207 383                                 | 92 509 168                                  | 83%  |
| Property and equipment and intangible assets | 25 044 955                                  | 25 819 009                                  | -3%  |
| Goodwill                                     | 16 071 458                                  | 16 066 094                                  | 0%   |
| Other assets <sup>2</sup>                    | 1 099 215                                   | 1 353 340                                   | -19%   |
| <b>Total Assets</b>                          | <b>466 464 621</b>                          | <b>329 104 095</b>                          | <b>42%</b>   |

| <i>In thousand rubles</i>                      | <i>Year ended<br/>December 31,<br/>2013</i> | <i>Year ended<br/>December 31,<br/>2012</i> | <i>% chg.<br/>December 31,<br/>2013/<br/>December 31,<br/>2012</i> |
|--|---|---|--|
| <b>Liabilities:</b>                            |   |   |  |
| Balances of market participants                | 322 192 809                                 | 246 990 385                                 | 30%  |
| Written put options over own shares            | -   | 23 318 767                                  | -  |
| Liabilities to repurchase own shares           | -   | -   | -  |
| Distributions payable to holders of securities | 3 670 761                                   | 4 436 856                                   | -17%   |
| Other liabilities <sup>3</sup>                 | 58 806 900                                  | 9 282 685                                   | 534%   |
| <b>Total Liabilities</b>                       | <b>384 670 470</b>                          | <b>284 028 693</b>                          | <b>35%</b>   |
| <b>Total Equity</b>                            | <b>81 794 151</b>                           | <b>45 075 402</b>                           | <b>81%</b>   |
| <b>Total Liabilities and Equity</b>            | <b>466 464 621</b>                          | <b>329 104 095</b>                          | <b>42%</b>   |

Source: Moscow Exchange, Consolidated Interim Financial Statements

- 1 Financial assets at fair value through profit or loss, Due from financial institutions, Central counterparty financial assets, Assets of disposal group held for sale, Investments available-for-sale, Investments in associates, Investments held-to-maturity
- 2 Current tax prepayments, Deferred tax asset, Other assets
- 3 Central counterparty financial liabilities, Loans payable, Liabilities of disposal group held for sale, Deferred tax liability, Current tax payables, Other liabilities



**MOSCOW  
EXCHANGE**

# Consolidated Statement of **Comprehensive Income**

| <i>In thousand rubles</i>   | <i>Year ended<br/>December 31, 2013</i> | <i>Year ended<br/>December 31, 2012</i> | <i>% chg. 2013/2012</i> |
|---|---|---|-------------------------|
| Fee and commission income   | 12 792 116                              | 11 406 816                              | 12%                     |
| Interest and other finance income <sup>1</sup>                    | 11 754 948                              | 10 033 260                              | 17%                     |
| Other operating income  | 58 909                                  | 106 893                                 | -45%                    |
| <b>Operating Income</b>   | <b>24 605 973</b>                       | <b>21 546 969</b>                       | <b>14%</b>              |
| Administrative and other operating expenses                       | -5 029 989                              | -4 582 420                              | 10%                     |
| Personnel expenses  | -4 827 004                              | -4 839 982                              | 0%                      |
| <b>Operating Expense</b>  | <b>-9 856 993</b>                       | <b>-9 422 402</b>                       | <b>5%</b>               |
| <b>Operating Profit</b>   | <b>14 748 980</b>                       | <b>12 124 567</b>                       | <b>22%</b>              |
| Interest expense in respect of written put option over own shares | -199 686                                | -1 529 566                              | -87%                    |
| Share of profits of associates and dividends received             | 74 605                                  | 59 179                                  | 26%                     |
| <b>Profit before Tax</b>  | <b>14 623 899</b>                       | <b>10 654 180</b>                       | <b>37%</b>              |
| Income tax expense  | -3 042 205                              | -2 453 851                              | 24%                     |
| <b>Net Profit</b>   | <b>11 581 694</b>                       | <b>8 200 329</b>                        | <b>41%</b>              |
| <b>Earnings per share</b>   |   |   |                         |
| Basic earnings per share, rubles                                  | 5,23                                    | 3,86                                    | 36%                     |
| Diluted earnings per share, rubles                                | 5,22                                    | 3,85                                    | 36%                     |



# Disclaimer

NOT FOR RELEASE OR DISTRIBUTION OR PUBLICATION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

• This presentation has been prepared and issued by Open Joint Stock Company "Moscow Exchange MICEX-RTS" (the "Company"). Unless otherwise stated, the Company is the source for all data contained in this document. Such data is provided as at the date of this document and is subject to change without notice. Certain industry, market and competitive position data contained in this document come from official or third party sources believed to be reliable but the Company does not guarantee its accuracy or completeness. The Company does not intend to have any duty or obligation to update or to keep current any information contained in this presentation.

• Neither the presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions as defined in Regulation S under the US Securities Act 1933, as amended (the "Securities Act"), except to "qualified institutional buyers" as defined in Rule 144A under the Securities Act. Any failure to comply with this restriction may constitute a violation of United States securities laws. The presentation is not an offer or sale of securities in the United States. Moscow Exchange Group has not registered and does not intend to register any securities in the United States or to conduct a public offering of any securities in the United States.

• This presentation does not constitute an advertisement or a public offer of securities in any jurisdiction. It is not intended to be publicly distributed in any jurisdiction. This document is only being made available to interested parties on the basis that: (A) if they are UK persons, they are persons falling within Articles 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (B) they are outside the United Kingdom and are eligible under local law to receive this document. Recipients of this document in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements.

This presentation is not a prospectus for purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in any relevant Member State and any relevant implementing measure in the relevant Member State) (the "Prospectus Directive"). In any EEA Member State that has implemented the Prospectus Directive, this presentation is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

• This document does not constitute or form part of, and should not be construed as, an offer or invitation for the sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision, nor does it constitute a recommendation regarding the securities of the Company.

• The information in this document has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or opinions contained herein. None of the Company, or any of its subsidiaries or affiliates or any of such person's directors, officers or employees, advisers or other representatives, accepts any liability whatsoever (whether in negligence or otherwise) arising, directly or indirectly, from the use of this document or otherwise arising in connection therewith.

• This presentation includes forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding MOEX financial position, business strategy, management plans and objectives for future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, achievements or industry results to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance, achievements or industry results to differ materially from those in the forward-looking statements include, among other factors:

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

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

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

– competition increase from new players on the Russian market;

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

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

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

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

• Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding such future performance.

