

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

**Consolidated Interim Condensed Financial Statements  
For the Three-Month Period Ended March 31, 2014**

# MOSCOW EXCHANGE GROUP

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## MOSCOW EXCHANGE GROUP

### Consolidated Interim Condensed Statement of Profit or Loss for the Three-Month Period Ended March 31, 2014 (in thousands of Russian rubles)

	Notes	Three - month period ended March 31, 2014 (unaudited)	Three - month period ended March 31, 2013 (unaudited)
Fee and commission income	6	3 517 024	2 858 754
Interest and other finance income	7	2 381 848	2 478 119
Interest expense		(69 449)	(395)
Net loss on financial assets available-for-sale	8	(134 699)	(17 981)
Foreign exchange gains less losses	9	428 654	179 156
Other operating income	10	387 058	19 840
<b>Operating Income</b>		<b>6 510 436</b>	<b>5 517 493</b>
Administrative and other operating expenses	11	(1 228 986)	(1 037 839)
Personnel expenses	12	(1 334 910)	(1 027 897)
<b>Operating Profit</b>		<b>3 946 540</b>	<b>3 451 757</b>
Interest expense in respect of written put option over own shares		-	(199 686)
Share of profits of associates		9 356	21 692
<b>Profit before Tax</b>		<b>3 955 896</b>	<b>3 273 763</b>
Income tax expense	13	(785 744)	(711 363)
<b>Net Profit</b>		<b>3 170 152</b>	<b>2 562 400</b>
<b>Attributable to:</b>			
Equity holders of the parent		3 221 978	2 564 052
Non-controlling interest		(51 826)	(1 652)
<b>Earnings per share</b>			
Basic earnings per share, rubles	28	1,45	1,17
Diluted earnings per share, rubles	28	1,44	1,17

Chairman of the Executive Board  
Afanasiev A.K.

May 27, 2014  
Moscow

Chief Financial Officer  
Fetisov E.E.

May 27, 2014  
Moscow

The notes on pages 9-27 form an integral part of these consolidated interim condensed financial statements.

## MOSCOW EXCHANGE GROUP

### Consolidated Interim Condensed Statement of Other Comprehensive Income for the Three-Month Period Ended March 31, 2014

(in thousands of Russian rubles)

	Notes	Three - month period ended March 31, 2014 (unaudited)	Three - month period ended March 31, 2013 (unaudited)
<b>Net profit</b>		<b>3 170 152</b>	<b>2 562 400</b>
<b>Other comprehensive income that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations		(116 205)	10 406
Net loss resulting from revaluation of investments available-for-sale		(786 849)	61 412
Net loss on investments available-for sale reclassified to profit or loss	8	134 699	17 981
Income tax relating to items that may be reclassified		130 430	(15 879)
<b>Other comprehensive income that may be reclassified subsequently to profit or loss</b>		<b>(637 925)</b>	<b>73 920</b>
<b>Total comprehensive income</b>		<b>2 532 227</b>	<b>2 636 320</b>
<b>Attributable to:</b>			
Equity holders of the parent		2 635 119	2 632 690
Non-controlling interest		(102 892)	3 630
<b>Total comprehensive income</b>		<b>2 532 227</b>	<b>2 636 320</b>

The notes on pages 9-27 form an integral part of these consolidated interim condensed financial statements.

# MOSCOW EXCHANGE GROUP

## Consolidated Interim Condensed Statement of Financial Position as at March 31, 2014

(in thousands of Russian rubles)

	Notes	March 31, 2014 (unaudited)	December 31, 2013
<b>ASSETS</b>			
Cash and cash equivalents	14	479 373 786	255 041 610
Financial assets at fair value through profit or loss	15	13 415 729	16 199 725
Due from financial institutions	16	14 044 948	28 930 254
Central counterparty financial assets	17	73 861 697	47 008 536
Assets held for sale		-	2 723 667
Investments available-for-sale	18	67 935 500	74 252 052
Investments in associates	19	44 733	93 149
Property and equipment	20	6 155 965	6 262 365
Intangible assets	21	18 525 856	18 782 590
Goodwill	22	15 971 420	16 071 458
Current tax prepayments		439 630	210 547
Deferred tax asset	13	138 844	186 564
Other assets	23	1 288 648	702 104
<b>TOTAL ASSETS</b>		<b>691 196 756</b>	<b>466 464 621</b>
<b>LIABILITIES</b>			
Balances of market participants	24	524 445 118	322 192 809
Central counterparty financial liabilities	17	73 861 697	47 008 536
Distributions payable to holders of securities		1 734 826	3 670 761
Loans payable		516 029	50 858
Liabilities related to assets held for sale		-	5 864 695
Deferred tax liability	13	3 858 828	3 824 032
Current tax payables		12 617	76 305
Other liabilities	25	2 168 095	1 982 474
<b>TOTAL LIABILITIES</b>		<b>606 597 210</b>	<b>384 670 470</b>
<b>EQUITY:</b>			
Share capital	26	2 498 144	2 597 997
Share premium	26	32 534 359	38 953 810
Treasury shares	26	(3 476 678)	(10 194 083)
Foreign currency translation reserve		(57 660)	7 479
Investments revaluation reserve		(802 402)	(280 682)
Share-based payments		351 713	367 972
Retained earnings	27	53 221 026	49 999 048
<b>Total equity attributable to owners of the parent</b>		<b>84 268 502</b>	<b>81 451 541</b>
Non-controlling interest		331 044	342 610
<b>TOTAL EQUITY</b>		<b>84 599 546</b>	<b>81 794 151</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>691 196 756</b>	<b>466 464 621</b>

The notes on pages 9-27 form an integral part of these consolidated interim condensed financial statements.

## MOSCOW EXCHANGE GROUP

### Consolidated Interim Condensed Statement of Cash Flows for the Three-Month Period Ended March 31, 2014 (in thousands of Russian rubles)

	Notes	Three - month period ended March 31, 2014 (unaudited)	Three - month period ended March 31, 2013 (unaudited)
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:</b>			
Profit before tax		3 955 896	3 273 763
Adjustments for:			
Depreciation and amortization charge	11	402 019	390 882
Interest expense on written put option on own shares		-	199 686
Fair value adjustment on financial assets at fair value through profit or loss		397 963	(178 431)
Revaluation of derivatives		(134 362)	177 869
Share-based payment expense		64 593	87 895
Unrealized loss on foreign exchange operations		14 399	(55 362)
Share of profits of associates		(9 356)	(21 692)
Loss on disposal of investments available-for-sale	8	134 699	17 981
Net change in interest accruals		(63 425)	(319 536)
Net loss on disposal of property and equipment and intangible assets	11	1 401	7 960
Gain from revaluation of previously held equity interest in the acquiree	5	(38 664)	-
Impairment of goodwill and other intangible assets	11	180 970	-
Impairment (recovery) of other assets		(903)	3 474
Bargain gain	5	(18 596)	-
Gain on disposal of non-current assets held for sale	10	(314 809)	-
<b>Changes in operating assets and liabilities:</b>			
Due from financial institutions		15 174 484	(41 897 063)
Financial assets at fair value through profit or loss		3 552 059	12 848 234
Central counterparty financial assets		(26 853 161)	(1 311 274)
Other assets		(569 339)	(104 815)
Balances of market participants		178 311 731	72 460 384
Central counterparty financial liabilities		26 853 161	1 311 274
Distributions payable to holders of securities		(1 935 935)	(4 256 236)
Other liabilities		105 393	(566 815)
Cash flows from operating activities before taxation		199 210 218	42 068 178
Income tax paid		(886 676)	(802 914)
<b>Cash flows from operating activities</b>		<b>198 323 542</b>	<b>41 265 264</b>

The notes on pages 9-27 form an integral part of these consolidated interim condensed financial statements.

## MOSCOW EXCHANGE GROUP

### Consolidated Interim Condensed Statement of Cash Flows for the Three-Month Period Ended March 31, 2014

(continued)

(in thousands of Russian rubles)

	Notes	(unaudited)	(unaudited)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:</b>			
Purchase of investments available-for-sale		(7 833 900)	(12 011 843)
Proceeds from disposal of investments available-for-sale		14 616 356	3 494 063
Purchase of property and equipment and intangible assets		(68 617)	(154 536)
Proceeds from redemption of investments held-to-maturity		-	87 201
Proceeds from disposal of property and equipment and intangible assets		303	5 113
Proceeds from sale of investments in associates		593 890	-
Acquisition of subsidiaries, net of cash acquired	5	5 857	-
Disposal of subsidiaries, net of cash disposed		440 000	-
<b>Cash flows from (used in) investing activities</b>		<b>7 753 889</b>	<b>(8 580 002)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:</b>			
IPO proceeds, net of transaction costs paid		-	5 838 060
Acquisition of treasury shares		-	(1 527 896)
Loans received		457 935	15 011
Proceeds from issue of ordinary shares		-	5 822
Sale of treasury shares		117 249	-
<b>Cash flows from financing activities</b>		<b>575 184</b>	<b>4 330 997</b>
Effect of changes in foreign exchange rates on cash and cash equivalents		15 660 684	607 782
<b>Net increase in cash and cash equivalents</b>		<b>222 313 299</b>	<b>37 624 041</b>
<b>Cash and cash equivalents, beginning of period</b>	14	<b>257 060 487</b>	<b>193 356 484</b>
<b>Cash and cash equivalents, end of period</b>	14	<b>479 373 786</b>	<b>230 980 525</b>

Interest received by the Group during the three-month period ended March 31, amounted to RUB 2 528 284 thousand (March 31, 2013: RUB 2 194 782 thousand).

Interest paid by the Group during the three-month period ended March 31, amounted to RUB 62 213 thousand (March 31, 2013: RUB 312 thousand).

The notes on pages 9-27 form an integral part of these consolidated interim condensed financial statements.

## MOSCOW EXCHANGE GROUP

### Consolidated Interim Condensed Statement of Changes in Equity for the Three-Month Period Ended March 31, 2014

(in thousands of Russian rubles)

	Share capital	Share premium	Treasury shares	Written put option over own shares	Investments revaluation reserve	Share-based payments	Foreign currency translation reserve	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
<b>December 31, 2012</b>	<b>2 416 918</b>	<b>27 403 927</b>	<b>(2 860 714)</b>	<b>(21 054 656)</b>	<b>(1 951)</b>	<b>179 166</b>	<b>(10 321)</b>	<b>38 674 893</b>	<b>44 747 262</b>	<b>328 140</b>	<b>45 075 402</b>
Net profit (unaudited)	-	-	-	-	-	-	-	2 564 052	2 564 052	(1 652)	2 562 400
Other comprehensive income (unaudited)	-	-	-	-	63 514	-	5 124	-	68 638	5 282	73 920
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63 514</b>	<b>-</b>	<b>5 124</b>	<b>2 564 052</b>	<b>2 632 690</b>	<b>3 630</b>	<b>2 636 320</b>
<b>Transactions with owners</b>											
Issue of shares	181 079	13 113 763	(13 289 020)	-	-	-	-	-	5 822	-	5 822
Sale of treasury shares in IPO	-	(1 588 097)	7 367 316	-	-	-	-	-	5 779 219	-	5 779 219
Expiration of IPO-related written put option	-	-	-	21 054 656	-	-	-	2 463 796	23 518 452	-	23 518 452
Repurchase of treasury shares	-	-	(1 527 896)	-	-	-	-	-	(1 527 896)	-	(1 527 896)
Share-based payments (unaudited)	-	-	-	-	-	87 895	-	-	87 895	-	87 895
<b>Total transactions with owners</b>	<b>181 079</b>	<b>11 525 666</b>	<b>(7 449 600)</b>	<b>21 054 656</b>	<b>-</b>	<b>87 895</b>	<b>-</b>	<b>2 463 796</b>	<b>27 863 492</b>	<b>-</b>	<b>27 863 492</b>
<b>March 31, 2013</b>	<b>2 597 997</b>	<b>38 929 593</b>	<b>(10 310 314)</b>	<b>-</b>	<b>61 563</b>	<b>267 061</b>	<b>(5 197)</b>	<b>43 702 741</b>	<b>75 243 444</b>	<b>331 770</b>	<b>75 575 214</b>
<b>December 31, 2013</b>	<b>2 597 997</b>	<b>38 953 810</b>	<b>(10 194 083)</b>	<b>-</b>	<b>(280 682)</b>	<b>367 972</b>	<b>7 479</b>	<b>49 999 048</b>	<b>81 451 541</b>	<b>342 610</b>	<b>81 794 151</b>
Net profit (unaudited)	-	-	-	-	-	-	-	3 221 978	3 221 978	(51 826)	3 170 152
Other comprehensive income (unaudited)	-	-	-	-	(521 720)	-	(65 139)	-	(586 859)	(51 066)	(637 925)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(521 720)</b>	<b>-</b>	<b>(65 139)</b>	<b>3 221 978</b>	<b>2 635 119</b>	<b>(102 892)</b>	<b>2 532 227</b>
<b>Transactions with owners</b>											
Cancellation of treasury shares (unaudited)	(99 853)	(6 416 523)	6 516 376	-	-	-	-	-	-	-	-
Share-based payments (unaudited)	-	(2 928)	201 029	-	-	(16 259)	-	-	181 842	-	181 842
Acquisition of subsidiary (unaudited)	-	-	-	-	-	-	-	-	-	91 326	91 326
<b>Total transactions with owners</b>	<b>(99 853)</b>	<b>(6 419 451)</b>	<b>6 717 405</b>	<b>-</b>	<b>-</b>	<b>(16 259)</b>	<b>-</b>	<b>-</b>	<b>181 842</b>	<b>91 326</b>	<b>273 168</b>
<b>March 31, 2014</b>	<b>2 498 144</b>	<b>32 534 359</b>	<b>(3 476 678)</b>	<b>-</b>	<b>(802 402)</b>	<b>351 713</b>	<b>(57 660)</b>	<b>53 221 026</b>	<b>84 268 502</b>	<b>331 044</b>	<b>84 599 546</b>

The notes on pages 9-27 form an integral part of these consolidated interim condensed financial statements.



# MOSCOW EXCHANGE GROUP

## Notes to the Consolidated Interim Condensed Financial Statements for the Three-Month Period Ended March 31, 2014

(in thousands of Russian rubles, unless otherwise indicated)

### 1. Organization

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

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

Moscow Exchange Group (“the Group”) is an integrated exchange structure that provides financial market participants with a full set of competitive trading, clearing, settlement, depository and information services. The Group operates on the following markets: foreign currencies exchange market, government securities and money market, market of derivative financial instruments, equities market, corporate and regional bonds market, commodities market, government and municipal procurement market.

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

Name	Principal activities	March 31, 2014	December 31, 2013
		Voting rights, %	Voting rights, %
CJSC MICEX Stock Exchange (MICEX SE)	Stock exchange operations	100%	100%
NCO CJSC National Settlement Depository (NSD)	Depository, clearing and settlement services	99,997%	99,997%
CJSC National Clearing Center (NCC)	Banking and clearing operations	100%	100%
CJSC Clearing Center RTS (CC RTS)	Financial activities	100%	100%
Non-banking Credit Organisation Settlement Chamber RTS CJSC (SC RTS)	Settlement services	100%	100%
CJSC Depository Clearing Company (DCC)	Depository services	99,995%	99,995%
Open Joint-Stock Company “Evraziyskaia Trading System” Commodity Exchange (ETS)	Commodity exchange operations	60,82%	60,82%
LLC MICEX Finance (MICEX Finance)	Financial activities	100%	100%
LLC MICEX Cyprus (MICEX Cyprus)	Financial activities	100%	100%
CJSC MICEX-Information Technologies (MICEX-IT)	IT services, operator of electronic trading platform	-	100%
CJSC PFTS Stock Exchange (PFTS SE)	Stock exchange operations	50,02%	50,02%
LLC ME Technology (former LLC E-Stock)	Technical support of exchange activities, IT services	100,00%	100,00%
CJSC National Mercantile Exchange (NAMEX)	Stock exchange operations	58,73%	36,51%

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

NSD is the central securities depository of the Russian Federation. NSD is the Russian national numbering agency and the substitute numbering agency for the Commonwealth of Independent States (CIS), authorized to assign the international ISIN and CFI codes. NSD holds licenses for depository, clearing and settlement operations issued by the Central Bank of the Russia (CBR).

# MOSCOW EXCHANGE GROUP

## Notes to the Consolidated Interim Condensed Financial Statements for the Three-Month Period Ended March 31, 2014 (Continued)

(in thousands of Russian rubles, unless otherwise indicated)

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### 1. Organization (continued)

NCC performs functions of a clearing organization and central counterparty on the financial market. NCC has a license for clearing activities.

MICEX-IT is an operator of the online procurement platform (state and corporate purchases) – one of five procurement platforms determined by the Economic Development Ministry of the Russian Federation and Federal Antimonopoly Service as the national electronic auction marketplace for state and municipal procurement. In 2014 the Group sold shares of MICEX-IT.

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

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

Until December 2012 CC RTS provided clearing services for Derivatives Market and Securities Market (“Standard” sector) Sections of the Group. In the end of 2012 this line of business was transferred to NCC. In 2013 the Group decided to merge CC RTS to NCC.

SC RTS is a non-banking credit institution. SC RTS has a licence to perform settlement services issued by the CBR. In 2012 SC RTS provided settlement services to trading participants. In the second half of 2012 this line of business was transferred to NSD. In 2013 the Group decided to merge SC RTS to NCC.

DCC provides depository and clearing services. DCC has licenses to perform depository and clearing activities.

LLC ME Technology provides technical support of exchange activities and IT services to Moscow Exchange clients.

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

In 2014 the Group obtained control over CJSC National Mercantile Exchange (NAMEX), which is a commodity exchange operating in Russia (refer to Note 5).

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

The Group has 1 659 employees as at March 31, 2014 (December 31, 2013: 1 692 employees).

### 2. Basis of Presentation

#### *Statement of compliance*

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

#### *Basis of presentation*

Moscow Exchange and its subsidiaries registered in the Russian Federation maintain their accounting records in accordance with Russian Accounting Standards (“RAS”). Foreign subsidiaries of the Group maintain their accounting records in accordance with the accounting standards of the countries in which they operate. These Consolidated Financial Statements have been prepared on basis of the statutory accounting records and have been adjusted to conform to IFRS.

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three-Month Period Ended March 31, 2014 (Continued)

(in thousands of Russian rubles, unless otherwise indicated)

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#### 2. Basis of Presentation (continued)

##### *Inflation accounting*

The Russian economy was considered hyperinflationary until December 31, 2002. As such, the Group applied IAS 29 *Financial Reporting in Hyperinflationary Economies*. The effect of applying IAS 29 is that non-monetary items, including components of equity, were restated to the measuring units current at December 31, 2002 by applying the relevant inflation indices to the historical cost, and that these restated values were used as a basis for accounting in subsequent periods.

#### 3. Significant Accounting Policies

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

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the IASB and IFRIC of the IASB that are relevant to its operations and effective for reporting periods ending on March 31, 2014.

The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to the Group's accounting policies that have affected the amounts reported for the current or prior years.

#### 4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

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

##### *Key sources of estimation uncertainty*

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

##### *Impairment of receivables*

The Group regularly reviews its receivables to assess for impairment. The Group's receivables impairment provisions are established to recognize incurred impairment losses in its portfolio of receivables.

The Group uses Management's judgment to estimate the amount of any impairment loss in cases where the debtor has financial difficulties and there are few available sources of historical data relating to similar debtors. Similarly, the Group estimates changes in future cash flows based on past performance, past counterparty behavior, observable data indicating an adverse change in the payment status, and national or local economic conditions that correlate with defaults on assets in the group.

As at March 31, 2014, the gross receivables totalled RUB 455 806 thousand (December 31, 2013: RUB 420 075 thousand) and allowance for impairment losses amounted to RUB 28 142 thousand (December 31, 2013: RUB 29 045 thousand).

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three-Month Period Ended March 31, 2014 (Continued)

(in thousands of Russian rubles, unless otherwise indicated)

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

##### *Valuation of financial instruments*

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

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

##### *Impairment of goodwill*

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

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

##### *Share-based payments*

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and volatility and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 12.

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three-Month Period Ended March 31, 2014 (Continued)

(in thousands of Russian rubles, unless otherwise indicated)

#### 5. Business Combination

On January 1, 2014, the Group obtained control over CJSC National Mercantile Exchange (NAMEX), which is a commodity exchange operating in Russia. The acquisition was made following the Group's strategy to develop its commodity market.

The fair value of identifiable assets and liabilities of NAMEX at the date of acquisition were:

<b>ASSETS</b>	
Cash and cash equivalents	28 911
Due from financial institutions	128 910
Intangible assets	103 063
Current tax prepayments	2 521
Other assets	8 742
<b>Total assets</b>	<b>272 147</b>
<b>LIABILITIES</b>	
Balances of market participants	22 329
Deferred tax liability	19 480
Other liabilities	9 048
<b>Total liabilities</b>	<b>50 857</b>
<b>Net identifiable assets and liabilities</b>	<b>221 290</b>
Non-controlling interest	(91 326)
Fair value of previously held equity interest in the acquiree	(88 314)
Gain from a bargain purchase (included in other operating income)	(18 596)
<b>Consideration transferred</b>	<b>23 054</b>
<b>Cash flow on acquisition</b>	
Consideration paid by cash	(23 054)
Cash acquired with the subsidiary	28 911
<b>Net cash flow on acquisition (included in cash flows from investing activities)</b>	<b>5 857</b>

The Group has elected to measure the non-controlling interest in the acquiree at the non-controlling interests's proportionate share of the acquiree's identifiable net assets.

The Group recognised a gain of RUB 38 664 thousand as a result of remeasuring to fair value the equity interest in NAMEX held by the Group before the business combination.

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### 6. Fee and Commission Income

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
Foreign exchange	799 486	486 971
Depository and settlement services	733 695	526 411
Securities market	703 204	723 558
Money market	579 777	498 010
Derivatives	433 717	359 376
Sale of software and technical services	126 011	123 395
Information services	105 150	105 507
Other	35 984	35 526
<b>Total fee and commission income</b>	<b>3 517 024</b>	<b>2 858 754</b>

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

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
Equities	451 845	353 924
Bonds	216 227	327 161
Listing and other service fees	35 132	42 473
<b>Total income from securities market</b>	<b>703 204</b>	<b>723 558</b>

### 7. Interest and Other Finance Income

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
<b>Income on securities at fair value through profit or loss</b>		
Interest income	263 250	213 900
Net loss on securities at fair value through profit or loss	(217 097)	(36 282)
<b>Total income on securities at fair value through profit or loss</b>	<b>46 153</b>	<b>177 618</b>
<b>Interest income on financial assets other than at fair value through profit or loss</b>		
Interest income on investments available-for-sale	1 429 355	1 132 500
Interest on cash and cash equivalents and due from financial institutions	906 340	1 158 838
Interest on investments held-to-maturity	-	9 163
<b>Total interest income on financial assets other than at fair value through profit or loss</b>	<b>2 335 695</b>	<b>2 300 501</b>
<b>Total interest and other finance income</b>	<b>2 381 848</b>	<b>2 478 119</b>

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### 8. Net Loss on Financial Assets Available-for-Sale

In the three-month period ended March 31, 2014 the Group recognized a net loss on financial assets available-for-sale of RUB 134 699 thousand (three-month period ended March 31, 2013: loss of RUB 17 981 thousand). The loss resulted from sale of high yield bonds held by the Group. Interest income received on these bonds exceeded the losses from sale.

### 9. Foreign Exchange Gains Less Losses

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
Foreign exchange SWAPs	396 838	163 522
Net other foreign exchange gain	31 816	15 634
<b>Total foreign exchange gains less losses</b>	<b>428 654</b>	<b>179 156</b>

The Group enters into foreign exchange SWAPs for the purposes of short-term investments and liquidity management.

### 10. Other operating income

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
Gain on sale of MICEX-IT (Note 1)	314 809	-
Revaluation of previously owned share in NAMEX (Note 5)	38 664	-
Negative goodwill on acquisition of NAMEX (Note 5)	18 596	-
Income from lease	5 432	8 176
Other income	9 557	11 664
<b>Total other operating income</b>	<b>387 058</b>	<b>19 840</b>

### 11. Administrative and Other Operating Expenses

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
Amortisation of intangible assets	275 596	257 737
Impairment of goodwill and other intangible assets (Notes 21, 22)	180 970	-
Professional services	176 878	192 614
Depreciation of property and equipment	126 423	133 145
Equipment and intangible assets maintenance	108 832	92 019
Rent and office maintenance	102 752	92 843
Market makers fees	90 892	61 942
Taxes, other than income tax	85 699	105 836
Advertising and marketing costs	46 684	48 423
Business trip expenses	13 044	11 210
Security expenses	9 233	8 111
Charity	2 835	3 669
Loss on disposal of property, equipment and intangible assets	1 401	7 960
Other	7 747	22 330
<b>Total administrative and other operating expenses</b>	<b>1 228 986</b>	<b>1 037 839</b>

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#### 11. Administrative and Other Operating Expenses (continued)

During the three-month period ended March 31, 2014 the Group recognised impairment of goodwill and other intangible assets related to the Ukrainian business at the amount of RUB 180 970 thousand.

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

#### 12. Personnel Expenses

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
Staff expenses	1 058 866	775 348
Payroll related taxes	211 451	164 654
Share-based payment expense	64 593	87 895
<b>Total personnel expenses</b>	<b>1 334 910</b>	<b>1 027 897</b>

The Group grants equity-settled share options to senior management and some employees. The options give to holders a choice either to purchase the full number of shares at exercise price or to get shares in amount of fair value of the option at exercise date for free. A majority of the options vest when the employee continues to be employed by the Group at the vesting date. The maximum contractual term of the options is four years. The fair value of the options is measured at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options:

	Number	WAEP
Outstanding at 1 January 2013	42 027 058	47,53
Granted	1 750 001	46,90
Forfeited	(450 000)	46,90
<b>Outstanding at 31 March 2013</b>	<b>43 327 059</b>	<b>47,51</b>
Outstanding at 1 January 2014	43 323 724	47,53
Exercised	(3 080 445)	46,90
Expired	(1 652 888)	46,90
<b>Outstanding at 31 March 2014</b>	<b>38 590 391</b>	<b>47,58</b>

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

The weighted average share price for share options exercised in the three-months period ending March 31, 2014 at the date of exercise was RUB 53,46.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2014 was 0,89 years (December 31, 2013: 0,97 years). There were no options granted during the three-month period ended 31 March, 2014. The weighted average fair value of options granted during the three-month period ended December 31, 2013 was RUB 17,04 per 1 option. Exercise prices for options outstanding as at March 31, 2014 were RUB 46,9 – RUB 55 (December 31, 2013: RUB 46,9 – RUB 55).



## MOSCOW EXCHANGE GROUP

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### 13. Income Tax

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

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

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

Temporary differences comprise:

	Consolidated statement of financial position		Consolidated income statement	
	March 31, 2014	December 31, 2013	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
<b>Tax effect from deductible temporary differences</b>				
Financial assets at fair value though profit or loss	70 079	9 507	60 572	(29 750)
Investments in associates and investments available-for-sale	1 021	17 227	(81 092)	(15 872)
Property and equipment and intangible assets	13 325	13 731	(406)	(1 455)
Other assets	8 406	8 785	1 248	(1 320)
Tax loss carried forward	52 956	46 991	5 965	17 659
Other liabilities	82 119	207 748	(126 762)	(107 840)
<b>Total tax effect from deductible temporary differences</b>	<b>227 906</b>	<b>303 989</b>	<b>(140 475)</b>	<b>(138 579)</b>
<b>Tax effect from taxable temporary differences</b>				
Cash and cash equivalents	(130)	(276)	146	(1 601)
Financial assets at fair value though profit or loss	(25 576)	(7 507)	(18 069)	(4 937)
Central counterparty financial assets	(2 939)	(152)	(2 787)	1 370
Assets held for sale	-	(44 807)	44 807	-
Investments in associates and investments available-for-sale	(61 684)	(7 544)	(54 140)	(34 511)
Property and equipment and intangible assets	(3 854 943)	(3 878 865)	44 535	48 004
Other assets	(256)	(719)	463	536
Other liabilities	(2 362)	(1 587)	(775)	2 021
<b>Total tax effect from taxable temporary differences</b>	<b>(3 947 890)</b>	<b>(3 941 457)</b>	<b>14 180</b>	<b>10 882</b>
<b>Deferred tax income</b>			<b>(126 295)</b>	<b>(127 697)</b>
<b>Deferred income tax assets</b>	<b>138 844</b>	<b>186 564</b>		
<b>Deferred income tax liabilities</b>	<b>(3 858 828)</b>	<b>(3 824 032)</b>		

## MOSCOW EXCHANGE GROUP

Supplementary information for the three-month period ended March 31, 2014  
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### 13. Income Tax (continued)

Reconciliation of income tax expense and accounting profit for the three-month period ended March 31, 2014 and 2013, are explained below:

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
<b>Profit before income tax</b>	<b>3 955 896</b>	<b>3 273 764</b>
Tax at the statutory tax rate (20%)	791 179	654 753
Non-deductible expenses for tax purposes	64 776	90 627
Tax effect of income taxed at rates different from the prime rate	(40 413)	(30 453)
Deferred tax from a previously unrecognised temporary difference of a prior period	(17 314)	(3 564)
Non-taxable gain on acquisition of subsidiary	(11 452)	-
Adjustments in respect of current income tax of previous years	(1 032)	-
<b>Income tax expense</b>	<b>785 744</b>	<b>711 363</b>
Current income tax expense	659 449	583 666
Deferred taxation movement due to origination and reversal of temporary differences	132 260	145 356
Deferred taxation movement due to tax losses carried forward	(5 965)	(17 659)
<b>Income tax expense</b>	<b>785 744</b>	<b>711 363</b>

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
<b>As at January 1 – deferred tax assets</b>	<b>186 564</b>	<b>103 178</b>
<b>As at January 1 – deferred tax liabilities</b>	<b>(3 824 032)</b>	<b>(3 884 784)</b>
Changes in deferred income tax balances recognized in other comprehensive income	64 886	(6 060)
Change in deferred income tax balances recognized in profit or loss	(126 295)	(127 697)
Deferred income tax liabilities arising from business combinations (Note 5)	(19 480)	-
Effect of movements in exchange rates	(1 627)	(155)
Deferred income tax transferred to assets of disposal group held for sale	-	(35 866)
Deferred income tax recognized directly in equity	-	22 567
<b>As at December 31 - deferred tax assets</b>	<b>138 844</b>	<b>65 287</b>
<b>As at December 31 - deferred tax liabilities</b>	<b>(3 858 828)</b>	<b>(3 994 104)</b>

### 14. Cash and Cash Equivalents

	March 31, 2014	December 31, 2013
Balances with the CBR	5 734 082	15 930 165
Correspondent accounts and overnight deposits with banks	473 629 200	239 107 706
Cash on hand	10 504	3 739
<b>Total cash and cash equivalents</b>	<b>479 373 786</b>	<b>255 041 610</b>
Cash and cash equivalents attributable to Assets of disposal group held for sale	-	2 018 877
<b>Cash and cash equivalents for the purpose of Consolidated Statement of Cash Flows</b>	<b>479 373 786</b>	<b>257 060 487</b>

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### 15. Financial Assets at Fair Value Through Profit or Loss

	March 31, 2014	December 31, 2013
Bonds issued by Russian Federation	13 143 998	16 131 684
Shares issued by Russian companies	61 310	62 999
Derivative financial instruments at fair value through profit or loss	210 421	5 042
<b>Total financial assets at fair value through profit or loss</b>	<b>13 415 729</b>	<b>16 199 725</b>

### 16. Due from Financial Institutions

	March 31, 2014	December 31, 2013
Interbank loans and term deposits	11 926 266	27 050 050
Mandatory cash balances with the CBR (restricted)	1 785 868	1 557 523
Short-term reverse repo receivable from financial institutions	330 078	319 283
Receivables on broker and clearing operations	2 736	3 398
<b>Total due from financial institutions</b>	<b>14 044 948</b>	<b>28 930 254</b>

### 17. Central Counterparty Financial Assets and Liabilities

	March 31, 2014	December 31, 2013
Repo transactions	71 891 139	44 706 755
Currency transactions	1 970 558	2 301 781
<b>Total central counterparty financial assets and liabilities</b>	<b>73 861 697</b>	<b>47 008 536</b>

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

CCP financial assets and liabilities under currency transactions represent fair values of overnight currency deals.

As at March 31, 2014 and December 31, 2013 none of these assets were past due.

### 18. Investments Available-for-Sale

	March 31, 2014	December 31, 2013
Bonds issued by Russian Federation	20 427 889	29 660 287
Bonds issued by Russian companies	22 851 836	22 512 072
Bonds issued by Russian banks	12 636 508	12 099 104
Bonds issued by foreign companies	11 791 794	9 779 971
Bonds issued by Russian Federation subjects and Municipal bonds	114 760	113 494
Shares issued by foreign companies	46 115	46 019
Shares issued by Russian companies	66 598	41 105
<b>Total investments available-for-sale</b>	<b>67 935 500</b>	<b>74 252 052</b>

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### 19. Investments in Associates

As at March, 31, 2014 investments in associates are presented as follows:

	<b>Ownership interest</b>	<b>Principal place of business</b>	<b>Country of incorporation</b>	<b>Nature of activities</b>	<b>Carrying value</b>
Open Joint-Stock Company "Ukrainian Exchange" (UEX)	43,08%	Ukraine	Ukraine	Stock exchange operations	44 733
<b>Total investments in associates</b>					<b>44 733</b>

As at December, 31, 2013 investments in associates are presented as follows:

	<b>Ownership interest</b>	<b>Principal place of business</b>	<b>Country of incorporation</b>	<b>Nature of activities</b>	<b>Carrying value</b>
CJSC National Mercantile Exchange (NAMEX)	36,51%	Russian Federation	Russian Federation	Commodity exchange operations	49 650
Open Joint-Stock Company "Ukrainian Exchange" (UEX)	43,08%	Ukraine	Ukraine	Stock exchange operations	43 499
<b>Total investments in associates</b>					<b>93 149</b>

In 2014 the Group purchased 22,22% stake of NAMEX and acquired control (refer to Note 5).

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### 20. Property and Equipment

	Land	Buildings and other real estate	Furniture and equipment	Total
<b>Cost</b>				
<b>December 31, 2012</b>	<b>221 147</b>	<b>5 874 838</b>	<b>3 118 677</b>	<b>9 214 662</b>
Additions	-	10 650	91 499	102 149
Disposals	-	-	(29 168)	(29 168)
Reclassification to assets held for sale	-	-	(1 216)	(1 216)
Effect of movements in exchange rates	244	1 479	313	2 036
<b>March 31, 2013</b>	<b>221 391</b>	<b>5 886 967</b>	<b>3 180 105</b>	<b>9 288 463</b>
<b>December 31, 2013</b>	<b>221 834</b>	<b>5 983 368</b>	<b>3 360 291</b>	<b>9 565 493</b>
Additions	-	-	28 102	28 102
Acquisition through business combination (Note 5)	-	-	6	6
Disposals	-	-	(43 761)	(43 761)
Effect of movements in exchange rates	(1 066)	(6 687)	(1 800)	(9 553)
<b>March 31, 2014</b>	<b>220 768</b>	<b>5 976 681</b>	<b>3 342 838</b>	<b>9 540 287</b>
<b>Accumulated depreciation</b>				
<b>December 31, 2012</b>	<b>-</b>	<b>871 952</b>	<b>1 987 477</b>	<b>2 859 429</b>
Charge for the period	-	30 686	102 459	133 145
Disposals	-	-	(17 130)	(17 130)
Reclassification to assets held for sale	-	-	(363)	(363)
Effect of movements in exchange rates	-	79	115	194
<b>March 31, 2013</b>	<b>-</b>	<b>902 717</b>	<b>2 072 558</b>	<b>2 975 275</b>
<b>December 31, 2013</b>	<b>-</b>	<b>993 327</b>	<b>2 309 801</b>	<b>3 303 128</b>
Charge for the period	-	30 291	96 132	126 423
Disposals	-	-	(43 636)	(43 636)
Effect of movements in exchange rates	-	(542)	(1 051)	(1 593)
<b>March 31, 2014</b>	<b>-</b>	<b>1 023 076</b>	<b>2 361 246</b>	<b>3 384 322</b>
<b>Net book value</b>				
<b>December 31, 2013</b>	<b>221 834</b>	<b>4 990 041</b>	<b>1 050 490</b>	<b>6 262 365</b>
<b>March 31, 2014</b>	<b>220 768</b>	<b>4 953 605</b>	<b>981 592</b>	<b>6 155 965</b>

As at March 31, 2014, historical cost of fully depreciated property and equipment amounts to RUB 1 320 771 thousand (December 31, 2013: RUB 1 337 452 thousand).

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### 21. Intangible Assets

	Software and licences	Client base	Total
<b>Cost</b>			
<b>December 31, 2012</b>	<b>1 663 931</b>	<b>19 503 594</b>	<b>21 167 525</b>
Additions	52 387	-	52 387
Disposals	(1 445)	-	(1 445)
Reclassification to assets held for sale	(4 831)	-	(4 831)
Effect of movements in exchange rates	2 005	-	2 005
<b>March 31, 2013</b>	<b>1 712 047</b>	<b>19 503 594</b>	<b>21 215 641</b>
<b>December 31, 2013</b>	<b>1 926 122</b>	<b>19 503 594</b>	<b>21 429 716</b>
Acquisition through business combination (Note 5)	-	103 063	103 063
Additions	40 515	-	40 515
Impairment (Note 11)	(99 706)	-	(99 706)
Disposals	(20 917)	-	(20 917)
Effect of movements in exchange rates	(26 295)	-	(26 295)
<b>March 31, 2014</b>	<b>1 819 719</b>	<b>19 606 657</b>	<b>21 426 376</b>
<b>Accumulated depreciation</b>			
<b>December 31, 2012</b>	<b>511 348</b>	<b>1 192 401</b>	<b>1 703 749</b>
Charge for the period	62 701	195 036	257 737
Disposals	(410)	-	(410)
Reclassification to assets held for sale	(2 025)	-	(2 025)
Effect of movements in exchange rates	149	-	149
<b>March 31, 2013</b>	<b>571 763</b>	<b>1 387 437</b>	<b>1 959 200</b>
<b>December 31, 2013</b>	<b>674 581</b>	<b>1 972 545</b>	<b>2 647 126</b>
Charge for the period	79 529	196 067	275 596
Disposals	(19 338)	-	(19 338)
Effect of movements in exchange rates	(2 864)	-	(2 864)
<b>March 31, 2014</b>	<b>731 908</b>	<b>2 168 612</b>	<b>2 900 520</b>
<b>Net book value</b>			
<b>December 31, 2013</b>	<b>1 251 541</b>	<b>17 531 049</b>	<b>18 782 590</b>
<b>March 31, 2014</b>	<b>1 087 811</b>	<b>17 438 045</b>	<b>18 525 856</b>

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### 22. Goodwill

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
<b>As at January 1</b>	<b>16 071 458</b>	<b>16 066 094</b>
Effect of movements in exchange rates	(18 775)	1 442
Impairment (Note 11)	(81 264)	-
<b>As at March 31</b>	<b>15 971 420</b>	<b>16 067 536</b>

### 23. Other Assets

	March 31, 2014	December 31, 2013
<b>Other financial assets:</b>		
Receivables on services rendered and other operations	455 806	420 075
Less allowance for impairment	(28 142)	(29 045)
<b>Total other financial assets</b>	<b>427 664</b>	<b>391 030</b>
<b>Other non-financial assets:</b>		
Prepaid expenses	200 215	182 631
Precious metals	593 753	57 752
Taxes receivable other than income tax	56 244	56 392
Other	10 772	14 299
<b>Total other assets</b>	<b>1 288 648</b>	<b>702 104</b>

### 24. Balances of Market Participants

	March 31, 2014	December 31, 2013
Accounts of clearing participants	440 928 152	272 695 597
Other current and settlement accounts	79 665 115	45 805 803
Risk-covering funds	3 851 851	3 691 409
<b>Total balances of market participants</b>	<b>524 445 118</b>	<b>322 192 809</b>

Accounts of clearing participants include margins deposited by clearing participants to cover risks arising from open positions and to guarantee payment of commissions. The purpose of margins is to support clearing settlements on the market and to cover risks arising from open positions of market participants, including operations of market participants, where the Group acts as a central counterparty. If an initial margin requirement exceeds the collateral posted by a market participant in the guarantee fund, the participant is required to cover the deficit by posting additional margin for the unsettled trades or to reduce the open position to an appropriate level. The margins is payable to a market participant when it closes its positions. The Group places margins amounts on current accounts and deposits with reputable banks or short-term repo receivables (Notes 14, 16).

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

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### 24. Balances of Market Participants (continued)

The risk-covering funds comprise contributions deposited by market participants. The purpose of these funds is to provide additional insurance to the market participants in respect of the ability of the Group to guarantee proper settlements of open positions in case of a market participant default. The minimum contribution amount per one participant is determined by the NCC Supervisory Board and it is approved by the Derivatives Market Committee, the Currency Market Committee, the Securities Market Committee and the Securities Lending & REPO Committee. Risk-covering funds amounts are only used to cover the deficit if a margin posted by a trading participant is not sufficient to cover its losses. The Group places cash received from the market participants in the risk-covering funds with top-rated banks (Notes 14, 16).

### 25. Other Liabilities

	March 31, 2014	December 31, 2013
<b>Other financial liabilities</b>		
Payables to employees	616 151	1 194 828
Trade payables	387 087	412 380
Financial liabilities at fair value through profit or loss	71 017	-
<b>Total other financial liabilities</b>	<b>1 074 255</b>	<b>1 607 208</b>
<b>Other non-financial liabilities</b>		
Advances received	231 319	202 582
Taxes payable, other than income tax	268 644	114 857
Accounts in precious metals	593 753	57 752
Other	124	75
<b>Total other liabilities</b>	<b>2 168 095</b>	<b>1 982 474</b>

### 26. Share Capital and Share Premium

The share capital of Moscow exchange comprises ordinary shares with a par value of RUB 1 each:

	Authorized shares (number of shares)	Ordinary shares issued and fully paid (number of shares)	Treasury shares (number of shares)
<b>December 31, 2012</b>	<b>2 578 200 000</b>	<b>2 197 409 846</b>	<b>(58 135 826)</b>
Issue of additional shares	-	181 079 307	(181 000 000)
Sale of treasury shares during IPO	-	-	109 090 910
Purchase of treasury shares	-	-	(27 943 570)
<b>March 31, 2013</b>	<b>2 578 200 000</b>	<b>2 378 489 153</b>	<b>(157 988 486)</b>
<b>December 31, 2013</b>	<b>2 578 200 000</b>	<b>2 378 489 153</b>	<b>(156 207 433)</b>
Cancellation of treasury shares	-	(99 852 660)	99 852 660
Exercised options	-	-	3 080 445
<b>March 31, 2014</b>	<b>2 578 200 000</b>	<b>2 278 636 493</b>	<b>(53 274 328)</b>

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



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### 27. Retained Earnings

During the three-month periods ended March 31, 2014 and March 31, 2013, the Group neither declared nor paid dividends on ordinary shares.

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

### 28. Earnings per Share

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

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
<b>Net profit attributable to ordinary equity holders of the parent</b>	<b>3 221 978</b>	<b>2 564 052</b>
<b>Weighted average number of shares</b>	<b>2 223 226 884</b>	<b>2 189 948 488</b>
Effect of dilutive share options	8 323 079	5 225 720
<b>Weighted average number of shares adjusted for the effect of dilution</b>	<b>2 231 549 963</b>	<b>2 195 174 207</b>
Basic earnings per share, RUB	1,45	1,17
Diluted earnings per share, RUB	1,44	1,17

### 29. Transactions with Related Parties

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

#### (a) Transactions with key management

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

	Three - month period ended March 31, 2014	Three - month period ended March 31, 2013
Short-term employee benefits	57 174	44 200
Share-based payment expense	30 287	54 827
<b>Total remuneration of key management personnel</b>	<b>87 460</b>	<b>99 026</b>

#### (b) Transactions with government-related entities

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

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

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### 29. Transactions with Related Parties (Continued)

#### (c) Transactions with associates

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

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Investments in associates	44 733	93 149
Other assets	421	2 662
Balances of market participants	-	9 539
Loans payable	-	50 790
Other liabilities	161	449

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

	<b>Three - month period ended March 31, 2014</b>	<b>Three - month period ended March 31, 2013</b>
Share of profits of associates	9 356	21 692
Fee and commission income	396	19 556
Foreign currency difference	15	905
Administrative and other operating expenses	481	10 435

### 30. Fair Value Measurements

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

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

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

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

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

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

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### 30. Fair Value Measurements (continued)

The table below analyses financial assets and liabilities measured at fair value at March 31, 2014, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	March 31, 2014			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	13 143 998	210 421	61 310	<b>13 415 729</b>
Central counterparty financial assets (currency transactions)	1 970 558	-	-	<b>1 970 558</b>
Investments available-for-sale	67 819 336	3 451	112 713	<b>67 935 500</b>

Financial assets and liabilities measured at fair value at December 31, 2013, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2013			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	16 131 684	5 042	62 999	<b>16 199 725</b>
Central counterparty financial assets (currency transactions)	2 301 781	-	-	<b>2 301 781</b>
Investments available-for-sale	71 047 470	3 117 458	87 124	<b>74 252 052</b>

The following table shows a reconciliation for the three-month period ended March 31, 2014 and March 31, 2013, for fair value measurements in Level 3 of the fair value hierarchy:

	FVTPL	AFS
<b>Balance at December 31, 2012</b>	<b>66 960</b>	<b>167 913</b>
Loss recognized in net loss on financial assets at fair value through profit or loss	(1 173)	-
Foreign exchange gain	-	383
<b>Balance at March 31, 2013</b>	<b>65 787</b>	<b>168 296</b>
<b>Balance at December 31, 2013</b>	<b>62 999</b>	<b>87 124</b>
Loss recognized in net loss on financial assets at fair value through profit or loss	(1 689)	-
Level 3 securities purchased	-	25 876
Foreign exchange loss	-	(287)
<b>Balance at March 31, 2014</b>	<b>61 310</b>	<b>112 713</b>

#### *Transfers between level 1 and 2*

During the three-month period ended March 31, 2014 financial assets in total amount of RUB 2 229 177 thousand were transferred from level 1 to level 2 as they ceased to be actively traded during the period (three-month period ended March 31, 2013: nil)