



# Growing the pie bigger

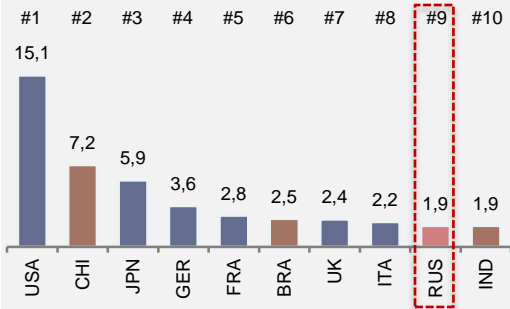


December 2012

# Russia - large and fast-growing economy with significant capital market growth potential

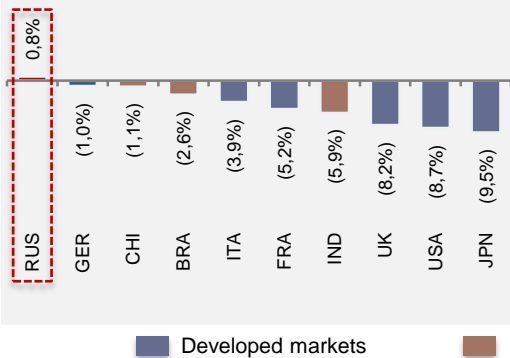
## #9 economy globally...

### Nominal GDP (2011, US\$trn)



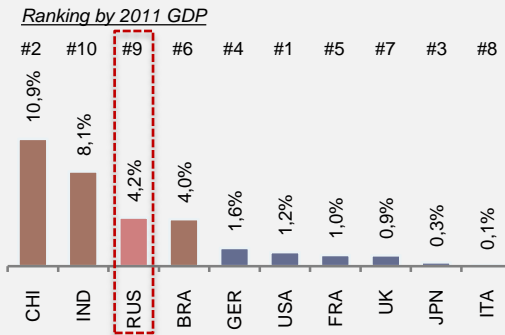
## ...strong fiscal policy,...

### Budget balance<sup>2</sup> as % of GDP (2011)



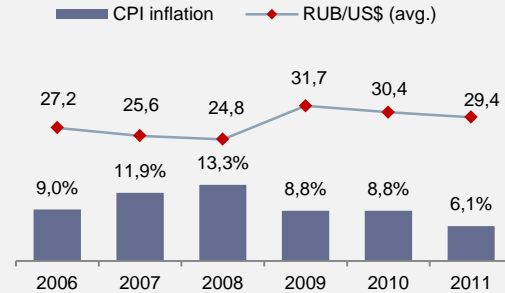
## ...with a strong growth track record...

### Real GDP growth (average for 2005-2011)



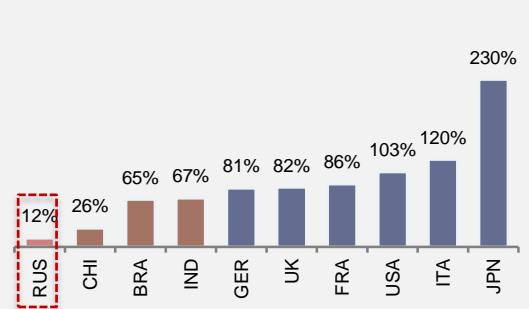
## ...decreasing inflation and stable FX...

### CPI inflation and RUB/US\$



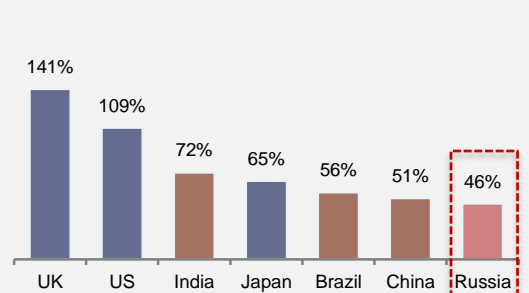
## ...low government leverage...

### Sovereign debt<sup>1</sup> as % of GDP (2011)



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

### Market capitalisation to GDP<sup>3</sup> (2011)



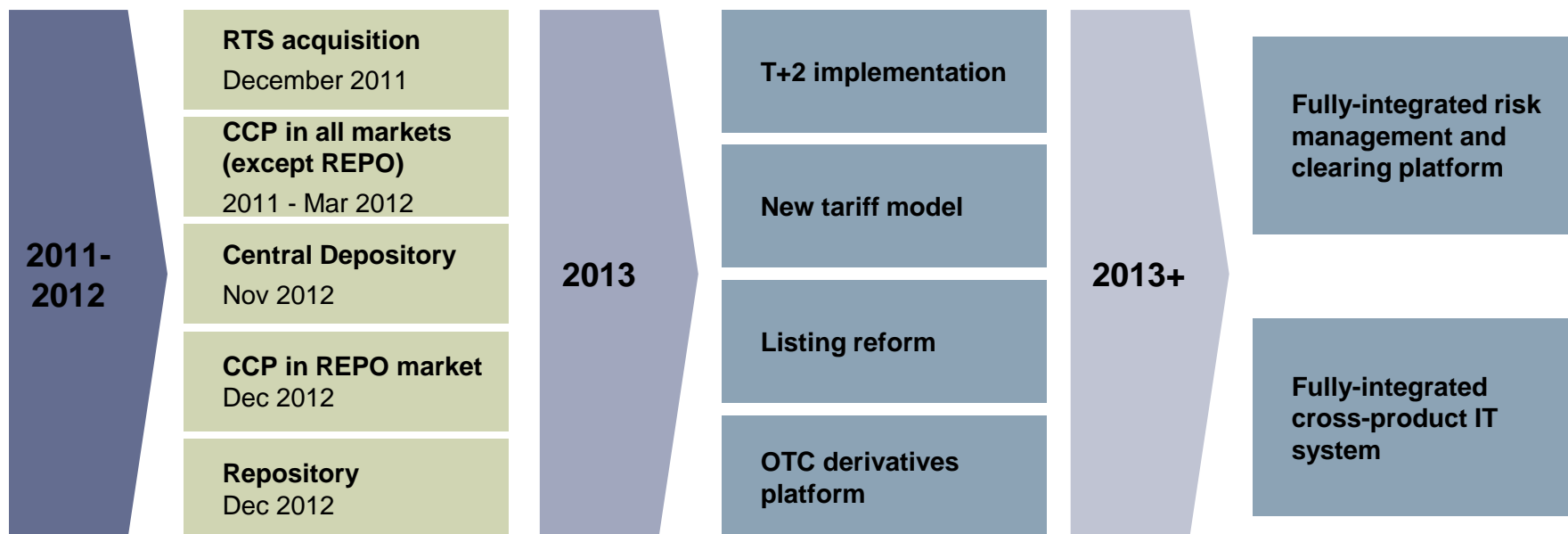
Source: Economist Intelligence Unit, IMF, Russian State Statistics Agency, WFE

<sup>1</sup> 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

<sup>2</sup> Central government receipts minus central government outlays, as a percentage of GDP

<sup>3</sup> Market capitalisation for USA is a sum of NASDAQ and NYSE numbers, for China is a sum of Shanghai and Shenzhen numbers, for Japan is a sum of Osaka and Tokyo numbers, for India - BSE numbers, for Brazil - BM&F Bovespa numbers, for Russia - Moscow Exchange numbers

# Building blocks for achieving infrastructure excellence

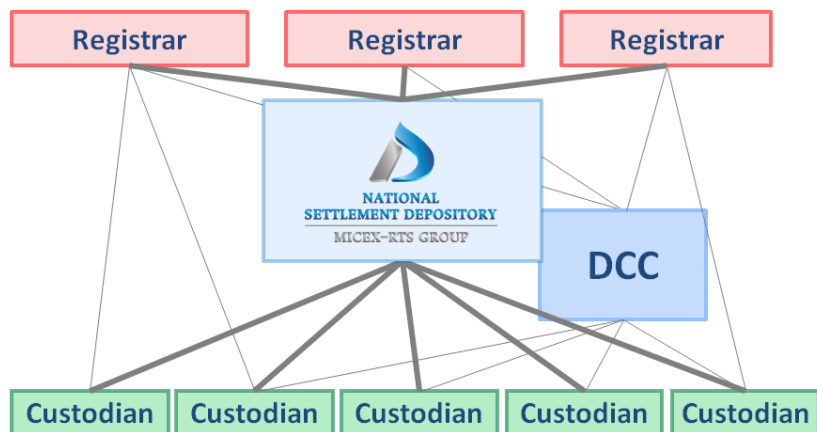


- completed
  - on track

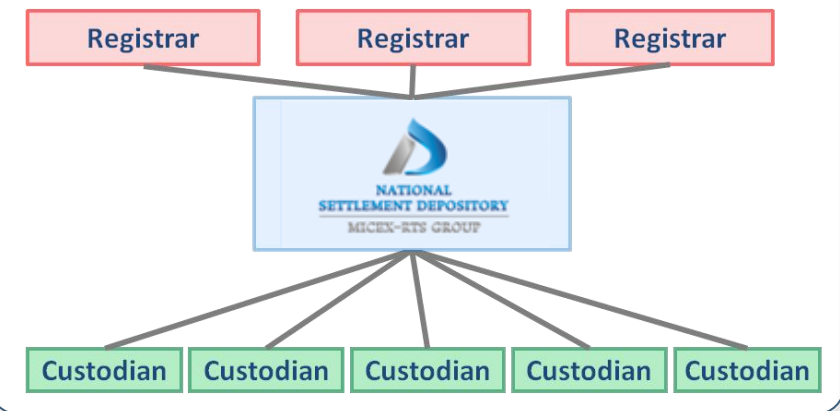
# NSD – the CSD of the Russian Federation

## Modernization

### Before November, 6



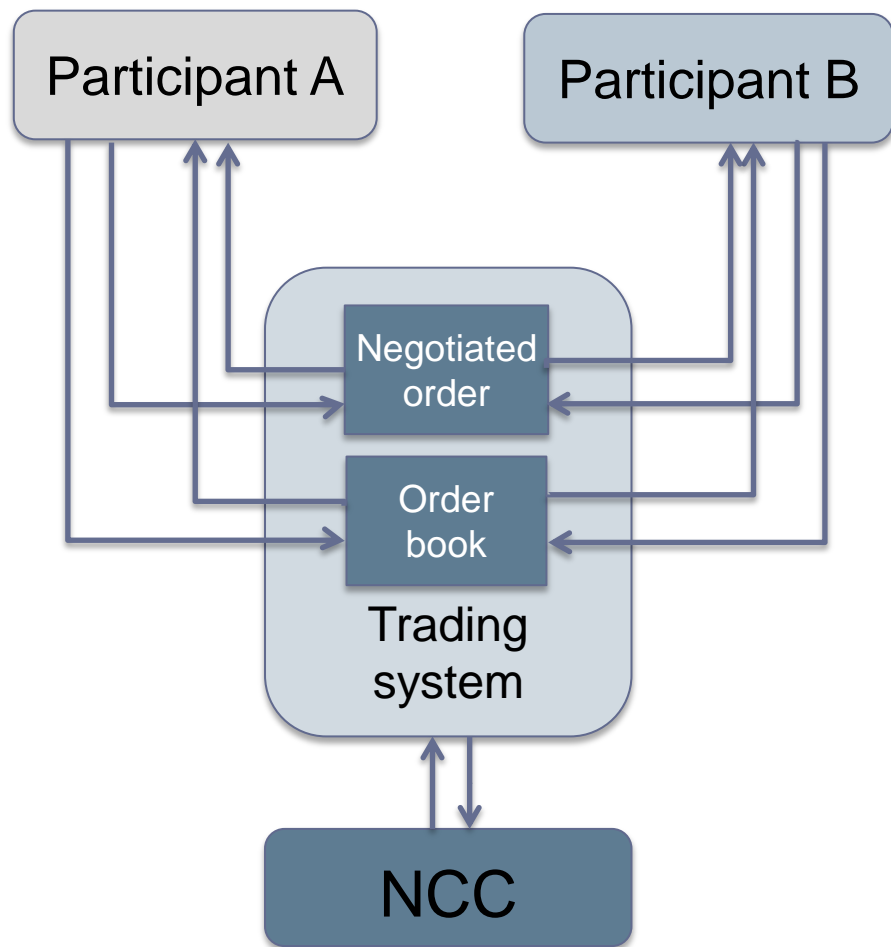
### NSD as CSD since November, 6



## Benefits

- Lower costs: Fixed settlement fees (no more high bps registrar fees)
- Shorter settlement cycles: optimized post-trade environment
- Simplified settlement: 'spaghetti' system with multiple settlement options eliminated
- 17f-7 eligibility => "green light" for US funds
- Lower risks: one place of settlement – CSD
- CSD has exclusive rights to open nominee accounts at registrars

# Key parameters of REPO with the Central Counterparty



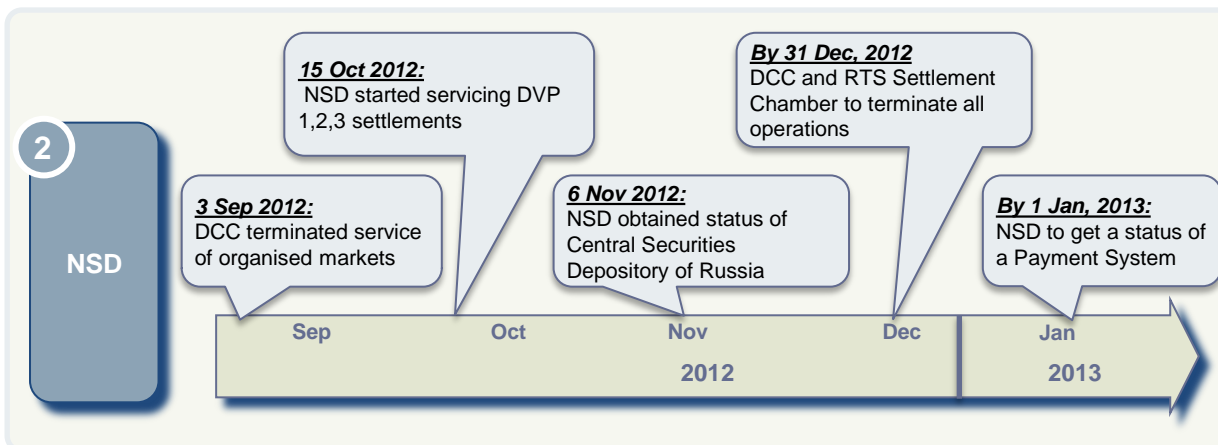
- **Counterparty for all transactions\*** – Central Counterparty (National Clearing Centre (NCC))
- **Open order book and negotiated trades**
- **Term:** 1 day
- **Code of settlement** for the first leg of REPO: Y0/Y1 (for all trading modes) and T0/Y1 (only for negotiated trades mode)
- **Trading hours:** from 10:00 to 16:00 (Moscow time)
- **Execution and settlement:** from 17:00 to 19:00
- **Batch entry of orders** is allowed (with a number of securities issues)
- REPO transactions are made with specific securities issues

# T+2 Project Overview\*



# Post-trade services: Targeted clearing and settlement organisational model

## Timeline of the implementation of the targeted model



Source: Company information

<sup>1</sup> Implemented upgrade allowed for real-time risk management on the FX platform

# FTSE Country Classification: so far, so good

## Recent Changes in FTSE CC

Criteria	Sep 2012	Sep 2011	Sep 2010
<b>Credit worthiness</b>	Investment	N/A	N/A
<b>Market and regulated environment</b>			
Free and well-developed equity market	Restricted	Not Met	Not Met
Free and well-developed foreign exchange market	Pass	Restricted	Not Met
<b>Custody and Settlement</b>			
Clearing & settlement – T+3, T+5 for Frontier	Restricted T+4	Restricted T+4	Restricted T+7
Settlement – Free delivery available	Restricted	Not Met	Not Met
Custody – Omnibus account facilities available to international investors	Restricted	Not Met	Not Met
<b>Dealing landscape</b>			
Brokerage – sufficient competition to ensure high quality broker services	Restricted	Restricted	Not Met
<b>Derivatives</b>			
Developed Derivatives Market	Restricted	Not Met	Not Met

- FTSE Country Classification quality of markets matrix shows Russia's positive progress in recognition
- There are improvements in all areas:
  - ✓ Market and Regulatory environment
  - ✓ Custody and Settlement
  - ✓ Dealing Landscape
  - ✓ Derivatives



# Increase quality of primary market product (IPO/SPO)

## IPO/SPO Process

- Streamlined IPO/SPO Procedure

## Transparency

- Improved disclosure and corporate governance in accordance with international standards

## Listing & Indices

- New quotation lists and indices reform

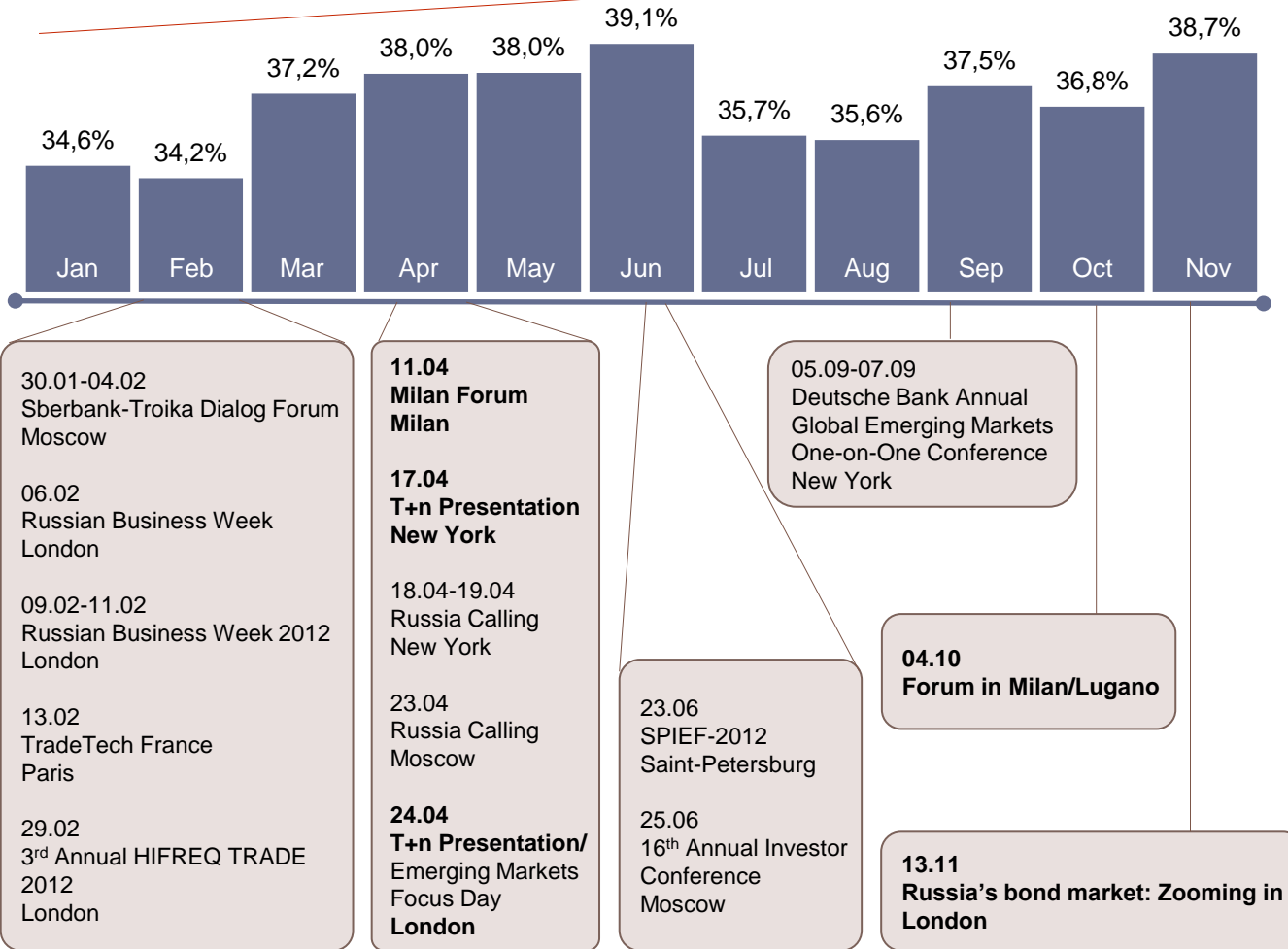
## Premium Segment

- Creation of Premium segment for companies with the highest disclosure and corporate governance standards

# Moscow Exchange Globalization

Foreign investors share in stock trading turnover, 2012

CMGR\* ~1%



## 2012 results:

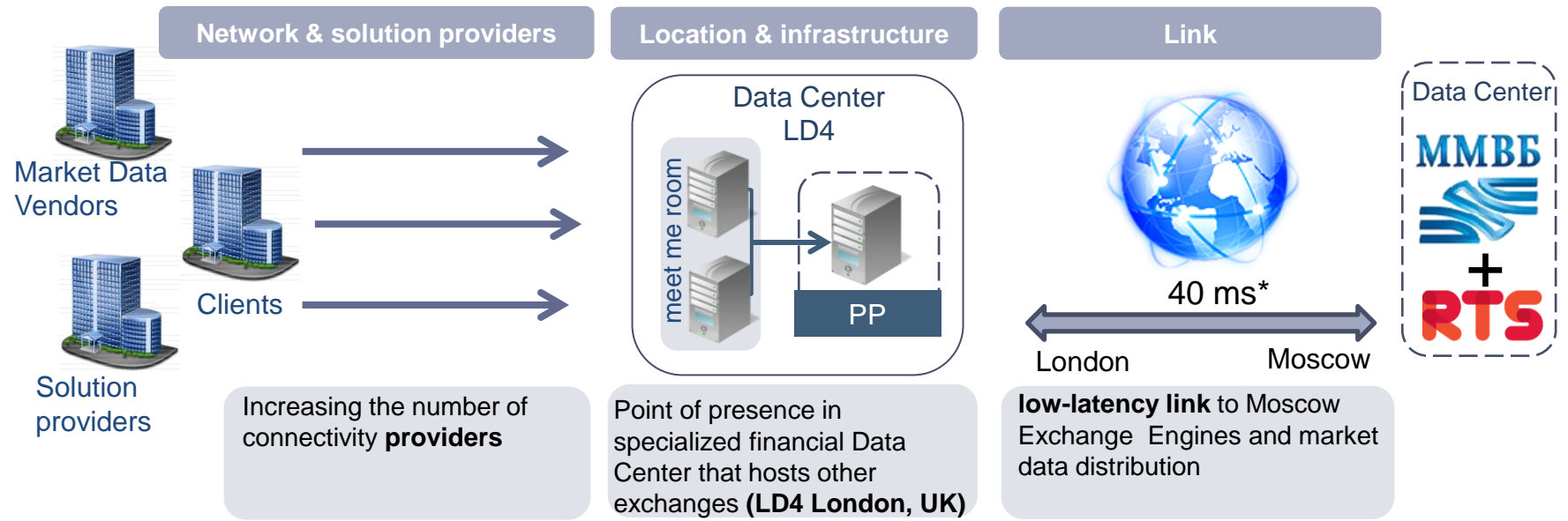
- 200 individual meetings
- 130 conference calls
- 13 group meetings
- 5 conferences

# Moscow Exchange technical international point of presence

Business Rationale

Clients	Benefits
Domestic brokers	<ul style="list-style-type: none"> <li>new service level for their foreign clients</li> </ul>
Foreign institutional	<ul style="list-style-type: none"> <li>ease of access</li> <li>cost reduction</li> <li>Moscow Exchange execution channel (FIX or proprietary)</li> </ul>
AT / HFT	<ul style="list-style-type: none"> <li>cost reduction</li> <li>Moscow Exchange Market Data availability (FAST FIX)</li> </ul>

How we do this



International Point of Presence accelerates Moscow Exchange integration into global financial infrastructure and provides new opportunities for business development for a wide range of participants

# Focus for 2013

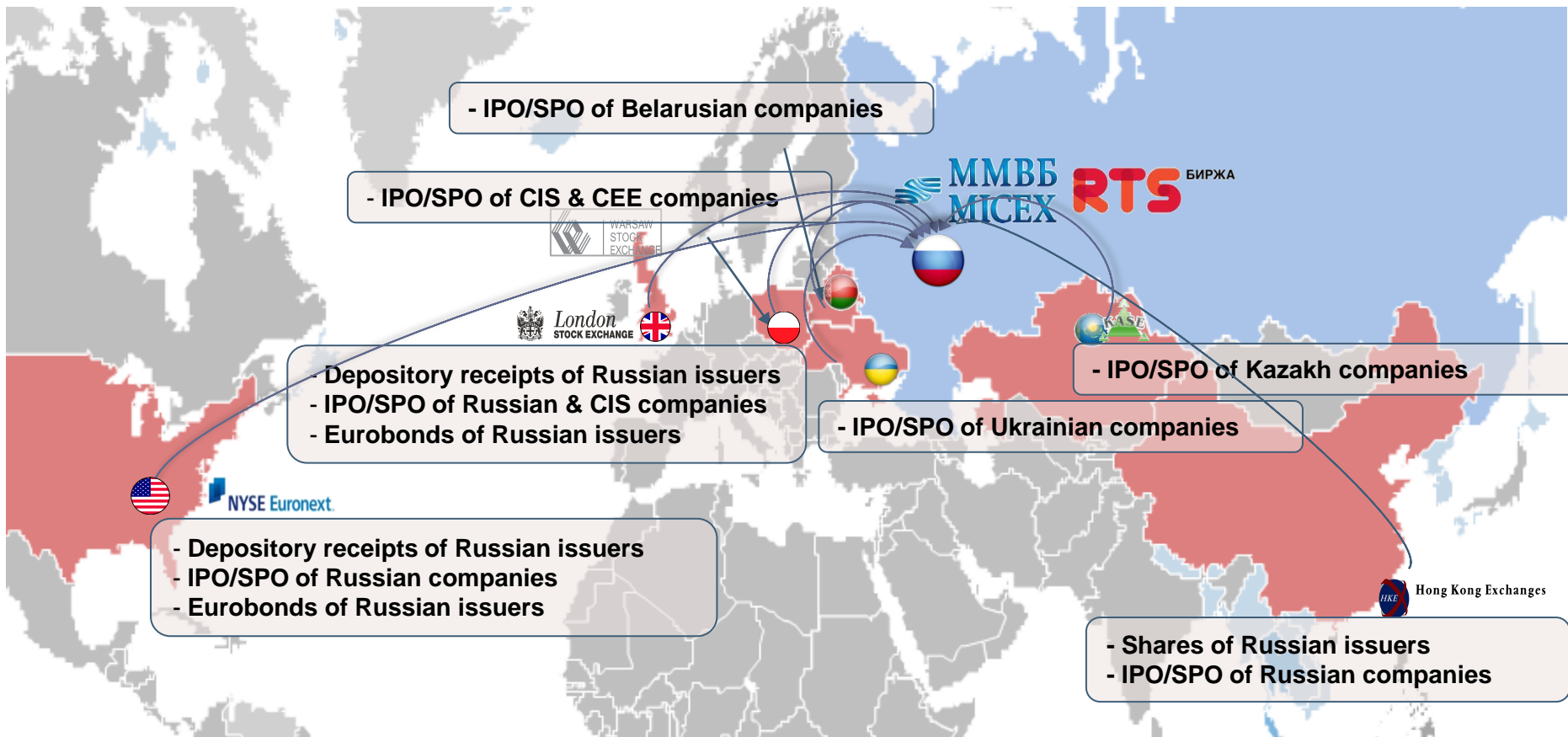
- Finalise infrastructural upgrade

- Develop local investor base

- Increase of trading by international investors

- Become the key exchange for Russian issuances and privatisations

# Returning Liquidity back to Russia



**Moscow Exchange seeks to be the primary center for price discovery, trading, clearing and settlement for Russian and CIS financial instruments**

# Disclaimer

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Open Joint Stock Company «Moscow Exchange MICEX-RTS» (“Moscow Exchange”) or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

The information contained in this presentation has not been independently verified. No representation or warranty, express or implied, is or will be made in relation to, and no responsibility, liability or duty of care is or will be accepted by Moscow Exchange or its subsidiaries and affiliated persons (Moscow Exchange and such subsidiaries and affiliated persons together the ‘Moscow Exchange Group’), or any directors, partners, officers, representatives, employees, advisers or agents of the Moscow Exchange Group (‘Relevant Persons’) as to, or in relation to, the accuracy, reliability, or completeness of this presentation or any information herein. Accordingly, none of Moscow Exchange Group or any Relevant Persons shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on the accuracy of any information or any statement in this presentation or any errors or omissions in this presentation. No responsibility, liability or duty of care is or will be accepted by Moscow Exchange Group or any Relevant Persons for providing the recipient with access to any additional information, updating this presentation or correcting any inaccuracies herein which may become apparent.

This presentation is not, does not form and shall not be deemed an offer or invitation to sell, or a solicitation to purchase or subscribe, to any securities. This presentation does not constitute, and shall not be relied upon in connection with, any offer, contract, obligation or investment decision related thereto, nor shall be deemed a recommendation regarding any securities of the Company.

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe,” “expect,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “will,” “may,” “should” and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: strategies, outlook and growth prospects; future plans and potential for future growth; liquidity, capital resources and capital expenditures; growth in demand for products; economic outlook and industry trends; developments of markets; the impact of regulatory initiatives; and the strength of competitors.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although Moscow Exchange believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control and it may not achieve or accomplish these expectations, beliefs or projections. In addition, important factors that, in the view of Moscow Exchange, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of profitability, growth, the timely development and acceptance of new production facilities, the impact of competitive pricing, the ability to obtain necessary regulatory approvals, the condition of the economy and political stability in Russia and the other markets of operations and the impact of general business and global economic conditions. These forward-looking statements speak only as at the date as of which they are made, and neither Moscow Exchange Group nor any Relevant Persons intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation.



**Thank you for your continued support!**

**Sergei Sinkevich**  
**Managing Director**  
**Primary Market and Globalization**