

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

**Consolidated Interim Condensed Financial Statements  
For the Three - Month Period Ended March 31, 2016**

# MOSCOW EXCHANGE GROUP

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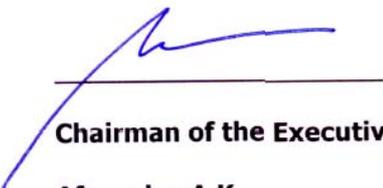
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## MOSCOW EXCHANGE GROUP

### Consolidated Interim Condensed Statement of Profit or Loss for the Three - Month Period Ended March 31, 2016

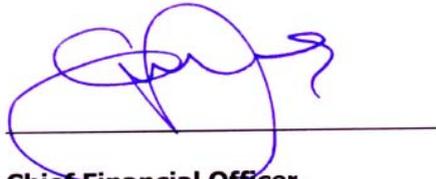
(in millions of Russian rubles)

	Notes	Three - month period ended March 31, 2016 (unaudited)	Three - month period ended March 31, 2015 (unaudited)
Fee and commission income	5	5 010,5	3 790,8
Interest and other finance income	6	6 823,9	7 299,7
Interest expense		(8,3)	(0,9)
Net gain / (loss) on financial assets available-for-sale	7	103,9	(25,4)
Foreign exchange gains less losses	8	(204,5)	778,7
Other operating income		13,5	29,3
<b>Operating Income</b>		<b>11 739,0</b>	<b>11 872,2</b>
Administrative and other operating expenses	9	(1 438,2)	(1 412,3)
Personnel expenses	10	(1 637,3)	(1 456,7)
<b>Operating Profit</b>		<b>8 663,5</b>	<b>9 003,2</b>
Share of profits of associates		-	3,4
<b>Profit before Tax</b>		<b>8 663,5</b>	<b>9 006,6</b>
Income tax expense	11	(1 685,3)	(1 803,6)
<b>Net Profit</b>		<b>6 978,2</b>	<b>7 203,0</b>
<b>Attributable to:</b>			
Equity holders of the parent		6 976,9	7 246,8
Non-controlling interest		1,3	(43,8)
<b>Earnings per share</b>			
Basic earnings per share, rubles	23	3,12	3,25
Diluted earnings per share, rubles	23	3,10	3,23

  
Chairman of the Executive Board

**Afanasiev A.K.**

May 17, 2016  
Moscow

  
Chief Financial Officer,  
Management Board Member  
**Fetisov E.E.**

May 17, 2016  
Moscow

The notes 1-26 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, 2016

(in millions of Russian rubles)

	Notes	Three - month period ended March 31, 2016 (unaudited)	Three - month period ended March 31, 2015 (unaudited)
<b>Net profit</b>		<b>6 978,2</b>	<b>7 203,0</b>
<b>Other comprehensive income that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations		(24,2)	(113,5)
Net income resulting from revaluation of investments available- for-sale		1 024,7	837,5
Net gain/loss on investments available-for sale reclassified to profit or loss	7	(103,9)	25,4
Income tax relating to items that may be reclassified		(184,2)	(172,5)
<b>Other comprehensive income that may be reclassified subsequently to profit or loss</b>		<b>712,4</b>	<b>576,9</b>
<b>Total comprehensive income</b>		<b>7 690,6</b>	<b>7 779,9</b>
<b>Attributable to:</b>			
Equity holders of the parent		7 699,2	7 872,1
Non-controlling interest		(8,6)	(92,2)
<b>Total comprehensive income</b>		<b>7 690,6</b>	<b>7 779,9</b>

The notes 1-26 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, 2016

(in millions of Russian rubles)

	Notes	March 31, 2016 (unaudited)	December 31, 2015
<b>ASSETS</b>			
Cash and cash equivalents	12	675 551,3	992 696,1
Financial assets at fair value through profit or loss		20,9	0,4
Due from financial institutions	13	99 030,2	44 403,8
Central counterparty financial assets	14	939 309,4	518 509,3
Investments available-for-sale	15	207 299,3	167 472,3
Property and equipment	16	6 642,5	6 795,8
Intangible assets	17	17 950,4	18 029,4
Goodwill		15 971,4	15 971,4
Current tax prepayments		419,5	420,4
Assets held for sale		-	122,5
Deferred tax asset	11	10,3	114,7
Other assets	18	1 636,4	1 781,5
<b>TOTAL ASSETS</b>		<b>1 963 841,6</b>	<b>1 766 317,6</b>
<b>LIABILITIES</b>			
Balances of market participants	19	885 736,4	1 119 097,5
Central counterparty financial liabilities	14	939 309,4	518 509,3
Distributions payable to holders of securities		8 440,3	6 138,4
Margin account under reverse repo	13	2,1	417,7
Liabilities related to assets held for sale		-	1,4
Deferred tax liability	11	3 417,5	5 017,3
Current tax payables		2 677,4	384,4
Derivative financial liabilities		1,5	-
Other liabilities	20	2 654,5	3 142,0
<b>TOTAL LIABILITIES</b>		<b>1 842 239,1</b>	<b>1 652 708,0</b>
<b>EQUITY</b>			
Share capital	21	2 498,1	2 498,1
Share premium	21	32 439,0	32 471,1
Treasury shares	21	(2 614,0)	(2 921,8)
Foreign currency translation reserve		(26,6)	(16,5)
Reserves relating to assets held for sale		-	(72,1)
Investments revaluation reserve		1 638,0	901,4
Share-based payments		495,5	504,6
Retained earnings		86 967,9	79 991,0
<b>Total equity attributable to owners of the parent</b>		<b>121 397,9</b>	<b>113 355,8</b>
Non-controlling interest		204,6	253,8
<b>TOTAL EQUITY</b>		<b>121 602,5</b>	<b>113 609,6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1 963 841,6</b>	<b>1 766 317,6</b>

The notes 1-26 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, 2016

(in millions of Russian rubles)

	Notes	Three - month period ended March 31, 2016 (unaudited)	Three - month period ended March 31, 2015 (unaudited)
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:</b>			
Profit before tax		8 663,5	9 006,6
Adjustments for:			
Depreciation and amortisation charge	9	503,2	404,0
Amortisation of commission deferral/Deferred commission income		(208,0)	936,5
Fair value adjustment on securities at fair value through profit or loss		-	(119,7)
Revaluation of derivatives		(18,8)	387,0
Share-based payment expense	10	88,0	27,8
Unrealized loss on foreign exchange operations		66,7	98,7
Share of profits of associates		-	(3,4)
(Gain) / Loss on disposal of investments available-for-sale	7	(103,9)	25,4
Net change in interest accruals		(710,1)	(1 050,8)
Net gain on disposal of property and equipment and intangible assets		(0,6)	(0,6)
(Reversal of impairment) / impairment of other assets		(4,2)	2,5
Provision for onerous contracts	9	-	133,2
Loss on disposal of non-current assets held for sale	9	52,4	-
Impairment of due from financial institutions	9	-	103,9
<b>Changes in operating assets and liabilities:</b>			
Due from financial institutions		(84 630,1)	5 858,5
Financial assets at fair value through profit or loss		(0,1)	(638,5)
Central counterparty financial assets		(420 800,1)	(139 908,9)
Other assets		226,0	576,1
Balances of market participants		(186 033,6)	(7 641,3)
Central counterparty financial liabilities		420 800,1	139 908,9
Distributions payable to holders of securities		2 301,9	(3 010,0)
Margin account under reverse repo		(417,7)	-
Other liabilities		(287,6)	(378,6)
Cash flows (used in) / from operating activities before taxation		(260 513,0)	4 717,3
Income tax paid		(1 071,3)	(1 292,7)
<b>Cash flows (used in) / from operating activities</b>		<b>(261 584,3)</b>	<b>3 424,6</b>

The notes 1-26 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, 2016 (Continued)

(in millions of Russian rubles)

	Notes	Three - month period ended March 31, 2016 (unaudited)	Three - month period ended March 31, 2015 (unaudited)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:</b>			
Purchase of investments available-for-sale		(59 477,2)	(31 074,0)
Proceeds from disposal of investments available-for-sale		15 106,2	13 782,9
Purchase of property and equipment and intangible assets		(228,6)	(774,3)
Proceeds from disposal of property and equipment and intangible assets		0,6	0,7
Proceeds from sale of investments in associates		34,2	-
Disposal of subsidiaries, net of cash disposed		46,5	-
<b>Cash flows used in investing activities</b>		<b>(44 518,3)</b>	<b>(18 064,7)</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:</b>			
Sale of treasury shares		178,6	57,5
Loans received		2,0	-
<b>Cash flows from financing activities</b>		<b>180,6</b>	<b>57,5</b>
Effect of changes in foreign exchange rates on cash and cash equivalents		(10 323,8)	12 829,8
<b>Net decrease in cash and cash equivalents</b>		<b>(316 245,8)</b>	<b>(1 752,8)</b>
<b>Cash and cash equivalents, beginning of period</b>	12	<b>991 797,1</b>	<b>1 163 783,1</b>
<b>Cash and cash equivalents, end of period</b>	12	<b>675 551,3</b>	<b>1 162 030,3</b>

Interest received by the Group during the three-month period ended March 31, 2016, amounted to RUB 6 122,0 million (March 31, 2015: RUB 6 112,2 million).

Interest paid by the Group during the three-month period ended March 31, 2016, amounted to RUB 6,0 million (March 31, 2015: RUB 0,9 million).

The notes 1-26 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, 2016

(in millions of Russian rubles)

	Share capital	Share premium	Treasury shares	Investments revaluation reserve	Share-based payments	Foreign currency translation reserve	Reserves relating to assets held for sale	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interest	Total equity
<b>December 31, 2014</b>	<b>2 498,1</b>	<b>32 528,0</b>	<b>(3 365,0)</b>	<b>(1 328,2)</b>	<b>437,4</b>	<b>(62,5)</b>	-	<b>60 735,6</b>	<b>91 443,4</b>	<b>404,0</b>	<b>91 847,4</b>
Net profit (unaudited)	-	-	-	-	-	-	-	7 246,8	7 246,8	(43,8)	7 203,0
Other comprehensive income (unaudited)	-	-	-	690,4	-	(65,1)	-	-	625,3	(48,4)	576,9
<b>Total comprehensive income for the period</b>	-	-	-	<b>690,4</b>	-	<b>(65,1)</b>	-	<b>7 246,8</b>	<b>7 872,1</b>	<b>(92,2)</b>	<b>7 779,9</b>
<b>Transactions with owners</b>											
Share-based payments (unaudited)	-	(7,9)	128,2	-	(35,0)	-	-	-	85,3	-	85,3
<b>Total transactions with owners</b>	-	<b>(7,9)</b>	<b>128,2</b>	-	<b>(35,0)</b>	-	-	-	<b>85,3</b>	-	<b>85,3</b>
<b>March 31, 2015</b>	<b>2 498,1</b>	<b>32 520,1</b>	<b>(3 236,8)</b>	<b>(637,8)</b>	<b>402,4</b>	<b>(127,6)</b>	-	<b>67 982,4</b>	<b>99 400,8</b>	<b>311,8</b>	<b>99 712,6</b>
<b>December 31, 2015</b>	<b>2 498,1</b>	<b>32 471,1</b>	<b>(2 921,8)</b>	<b>901,4</b>	<b>504,6</b>	<b>(16,5)</b>	<b>(72,1)</b>	<b>79 991,0</b>	<b>113 355,8</b>	<b>253,8</b>	<b>113 609,6</b>
Net profit (unaudited)	-	-	-	-	-	-	-	6 976,9	6 976,9	1,3	6 978,2
Other comprehensive income (unaudited)	-	-	-	736,6	-	(10,1)	(4,2)	-	722,3	(9,9)	712,4
<b>Total comprehensive income for the period</b>	-	-	-	<b>736,6</b>	-	<b>(10,1)</b>	<b>(4,2)</b>	<b>6 976,9</b>	<b>7 699,2</b>	<b>(8,6)</b>	<b>7 690,6</b>
<b>Transactions with owners</b>											
Share-based payments (unaudited)	-	(32,1)	307,8	-	(9,1)	-	-	-	266,6	-	266,6
Sale of business in Ukraine	-	-	-	-	-	-	76,3	-	76,3	(40,6)	35,7
<b>Total transactions with owners</b>	-	<b>(32,1)</b>	<b>307,8</b>	-	<b>(9,1)</b>	-	<b>76,3</b>	-	<b>342,9</b>	<b>(40,6)</b>	<b>302,3</b>
<b>March 31, 2016</b>	<b>2 498,1</b>	<b>32 439,0</b>	<b>(2 614,0)</b>	<b>1 638,0</b>	<b>495,5</b>	<b>(26,6)</b>	-	<b>86 967,9</b>	<b>121 397,9</b>	<b>204,6</b>	<b>121 602,5</b>

The notes 1-26 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, 2016

(in millions of Russian rubles, unless otherwise indicated)

### 1. Organization

Public 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. On April 28, 2015 at Annual General Meeting of Shareholders of Moscow Exchange (AGM) the company's new business name as Public Joint Stock Company Moscow Exchange MICEX-RTS was approved to meet revised standards of the Russian Civil Code. The new business name and respective changes to the Charter of Moscow Exchange took effect from May 13, 2015, the day the registration authority recorded new version of the Charter.

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.

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

Name	Principal activities	March 31, 2016	December 31, 2015
		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%
Bank National Clearing Centre (JSC) (former CJSC National Clearing Center) (NCC)	Banking and clearing operations	100%	100%
OJSC Evraziyskaia Trading System Commodity Exchange (ETS)	Commodities exchange operations	60,82%	60,82%
LLC MICEX Finance (MICEX Finance)	Financial activities	100%	100%
LLC MICEX Cyprus (MICEX Cyprus)	Financial activities	100%	100%
PJSC PFTS Stock Exchange (PFTS SE)	Stock exchange operations	-	50,02%
LLC ME Technology (former LLC E-Stock)	Technical support of exchange activities, IT services	100,00%	100,00%
JSC National Mercantile Exchange (former CJSC National Mercantile Exchange) (NAMEX)	Commodities exchange operations	61,90%	61,90%

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, CFI and pre-LEI codes. NSD holds licenses for depository, clearing and settlement operations issued by the Central Bank of Russia (CBR).

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions 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.

PFTS SE is a stock exchange, which has a stock exchange license in Ukraine and facilitates spot trading. In February 2016 the Group sold its stake in PFTS SE.

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

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 for organisation of trading in commodities in Kazakhstan.

NAMEX is a commodity exchange operating in Russia.

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

The Group has 1 600 employees as at March 31, 2016 (December 31, 2015: 1 599 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***

These Consolidated Interim Condensed Financial Statements are presented in millions of Russian rubles, unless otherwise indicated. These Consolidated Interim Condensed Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

Moscow Exchange 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 Interim Condensed 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, 2016 (Continued)

(in millions 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, 2015.

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, 2016.

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 Judgements and Key Sources of Estimation Uncertainty

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

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

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

###### *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, 2016, the gross receivables totalled RUB 806,9 million (December 31, 2014: RUB 556,6 million) and allowance for impairment losses amounted to RUB 41,9 million (December 31, 2014: RUB 46,6 million) recognised within other assets in the statement of financial position.

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

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

##### *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.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

###### *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 10.

#### 5. Fee and Commission Income

	<b>Three - month period ended March 31, 2016</b>	<b>Three - month period ended March 31, 2015</b>
Foreign exchange	1 272,8	859,7
Money market	1 210,9	804,2
Depository and settlement services	838,4	822,4
Securities market	780,3	739,0
Derivatives	513,3	246,4
Information services	202,6	176,4
Sale of software and technical services	152,7	127,2
Other	39,5	15,5
<b>Total fee and commission income</b>	<b>5 010,5</b>	<b>3 790,8</b>

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 5. Fee and Commission Income (continued)

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

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
Equities	398,1	429,8
Bonds	281,0	222,5
Listing and other service fees	101,2	86,7
<b>Total fee and commission income from securities market</b>	<b>780,3</b>	<b>739,0</b>

#### 6. Interest and Other Finance Income

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
<b>Income on securities at fair value through profit or loss</b>		
Interest income	-	215,2
Net (loss) / profit on securities at fair value through profit or loss	(10,5)	136,7
<b>Total income on securities at fair value through profit or loss</b>	<b>(10,5)</b>	<b>351,9</b>
<b>Interest income on financial assets other than at fair value through profit or loss</b>		
Interest on cash and cash equivalents and due from financial institutions	2 944,1	5 084,4
Interest income on investments available-for-sale	3 890,3	1 863,4
<b>Total interest income on financial assets other than at fair value through profit or loss</b>	<b>6 834,4</b>	<b>6 947,8</b>
<b>Total interest and other finance income</b>	<b>6 823,9</b>	<b>7 299,7</b>

#### 7. Net Gain / (Loss) on Financial Assets Available-for-Sale

In the three-month period ended March 31, 2016 the Group recognized a net gain on financial assets available-for-sale of RUB 103,9 million (three-month period ended March 31, 2015: loss of RUB 25,4 million).

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 8. Foreign Exchange Gains Less Losses

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
Foreign exchange swaps	(119,5)	884,7
Net other foreign exchange loss	(85,0)	(106,0)
<b>Total foreign exchange gains less losses</b>	<b>(204,5)</b>	<b>778,7</b>

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

#### 9. Administrative and Other Operating Expenses

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
Amortisation of intangible assets	306,5	295,2
Equipment and intangible assets maintenance	236,3	132,2
Depreciation of property and equipment	196,7	108,8
Rent and office maintenance	116,4	137,1
Market makers fees	116,0	61,9
Taxes, other than income tax	102,2	116,4
Professional services	69,0	78,7
Registrar and foreign depository services	60,3	52,3
Advertising and marketing costs	56,5	82,3
Loss on disposal of non-current assets held for sale	52,4	-
Information services	50,4	33,2
Communication services	34,0	32,2
Business trip expenses	15,8	17,9
Security expenses	8,1	8,0
Transport expenses	4,9	5,0
Charity	1,0	0,8
Provisions for onerous contracts	-	133,2
Impairment of due from financial institutions	-	103,9
Impairment of other assets (Note 18)	-	2,5
Other	11,7	10,8
<b>Total administrative and other operating expenses</b>	<b>1 438,2</b>	<b>1 412,3</b>

During the three-month period ended March 31, 2016 the Group recognised a loss of RUB 52,4 million on sale of the disposal group held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations". It consists of the loss on sale of the investment in associate UEX in the amount of RUB 13,0 million and subsidiary PFTS in the amount of RUB 39,4 million.

During the three-month period ended March 31, 2015 the Group recognised impairment of due from financial institutions related to the Ukrainian business in the amount of RUB 103,9 million

Professional services comprise consulting, audit, insurance, legal services and other.

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 10. Personnel Expenses

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
Employees benefits except for share-based payments	1 250,0	1 157,1
Payroll related taxes	299,3	271,8
Share-based payment expense	88,0	27,8
<b>Total personnel expenses</b>	<b>1 637,3</b>	<b>1 456,7</b>

Rights to purchase equity instruments granted to some employees give holders a choice either to only purchase the full number of shares at exercise price or also to sell back shares at the market price for the same ruble value. A majority of the rights vest when the employee continues to be employed by the Group at the vesting date. The maximum contractual term of the contracts is four years. The fair value of the rights 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), and movements in rights to purchase equity instruments:

	Number	WAEP
Outstanding at 1 January 2015	32 857 357	47,50
Granted	3 200 000	64,68
Exercised	(1 964 530)	46,90
Forfeited	(233 333)	46,90
Expired	(1 619 136)	46,90
<b>Outstanding at 31 March 2015</b>	<b>32 240 358</b>	<b>49,26</b>
Outstanding at 1 January 2016	48 399 029	61,49
Exercised	(4 717 118)	48,00
Expired	(1 059 218)	48,00
<b>Outstanding at 31 March 2016</b>	<b>42 622 693</b>	<b>63,31</b>

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

The number of rights exercisable as at March 31, 2016 is 11 406 013 with WAEP of RUB 48,83 (December 31, 2015: 15 165 683 with WAEP of RUB 47,53).

There were no new rights granted during the period ended March 31, 2016. The weighted average fair value of rights granted during the three-month period ended March 31, 2015 was RUB 18,28.

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 10. Personnel Expenses (continued)

The range of exercise prices and weighted average remaining contractual life of rights are as follows:

Exercise price	March 31, 2016		December 31, 2015	
	Number outstanding	Weighted average remaining contractual life	Number outstanding	Weighted average remaining contractual life
46,9 - 62,0	14 172 693	0,16	19 949 029	0,17
62,0 - 77,0	23 200 000	1,05	23 200 000	1,30
77,0 - 92,0	5 250 000	1,70	5 250 000	1,95
	<b>42 622 693</b>	<b>0,83</b>	<b>48 399 029</b>	<b>0,90</b>

#### 11. Income Tax

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

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

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

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
<b>Profit before income tax</b>	<b>8 663,5</b>	<b>9 006,6</b>
Tax at the statutory tax rate (20%)	1 732,7	1 801,3
Tax effect of income taxed at rates different from the prime rate	(93,0)	(31,8)
Non-deductible expenses for tax purposes	46,7	34,2
Write-off of deferred tax asset	(0,2)	-
Adjustments in respect of current income tax of previous years	(0,9)	(0,1)
<b>Income tax expense</b>	<b>1 685,3</b>	<b>1 803,6</b>
Current income tax expense	3 345,1	1 973,0
Deferred taxation movement due to origination and reversal of temporary differences	(1 487,9)	(195,5)
Deferred taxation movement due to tax losses carried forward	(171,9)	26,1
<b>Income tax expense</b>	<b>1 685,3</b>	<b>1 803,6</b>

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 11. Income Tax (continued)

Reconciliation of income tax expense and accounting profit for the three-month period ended March 31, 2016 and 2015 are explained below:

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
<b>Beginning of the period – deferred tax assets</b>	<b>114,7</b>	<b>172,6</b>
<b>Beginning of the period – deferred tax liabilities</b>	<b>(5 017,3)</b>	<b>(4 015,6)</b>
Changes in deferred income tax balances recognised in other comprehensive income	(160,6)	(201,1)
Change in deferred income tax balances recognised in profit or loss	1 659,8	169,4
Disposal of assets held for sale	(3,5)	-
Effect of movements in exchange rates	(0,3)	6,9
<b>End of the period - deferred tax assets</b>	<b>10,3</b>	<b>219,9</b>
<b>End of the period - deferred tax liabilities</b>	<b>(3 417,5)</b>	<b>(4 087,7)</b>

#### 12. Cash and Cash Equivalents

	March 31, 2016	December 31, 2015
Correspondent accounts and overnight deposits with banks	673 561,6	967 585,4
Balances with the CBR	1 912,8	25 021,7
Receivables on broker and clearing operations	67,9	79,6
Cash on hand	9,0	9,4
<b>Total cash and cash equivalents</b>	<b>675 551,3</b>	<b>992 696,1</b>
Accrued interest with maturity of more than 1 working day	-	(901,5)
Cash and cash equivalents attributable to Assets of disposal group held for sale	-	2,5
<b>Cash and cash equivalents for the purpose of Consolidated Statement of Cash Flows</b>	<b>675 551,3</b>	<b>991 797,1</b>

#### 13. Due from Financial Institutions and Margin account under reverse repo

	March 31, 2016	December 31, 2015
Reverse repo receivables from financial institutions	57 067,7	21 279,1
Interbank loans and term deposits	36 141,4	18 428,6
Correspondent accounts in precious metals	3 658,9	2 903,9
Mandatory cash balances with the CBR (restricted)	2 162,2	1 792,2
<b>Total due from financial institutions</b>	<b>99 030,2</b>	<b>44 403,8</b>

As at March 31, 2016, margin account under reverse repo in amount of RUB 2,1 million represented cash collateral received by the Group under reverse repo operations (December 31, 2015: RUB 417,7 million).

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 14. Central Counterparty Financial Assets and Liabilities

	March 31, 2016	December 31, 2015
Repo transactions	937 027,3	512 737,4
Currency transactions	2 282,1	5 771,9
<b>Total central counterparty financial assets and liabilities</b>	<b>939 309,4</b>	<b>518 509,3</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.

As at March 31, 2016 and 2015, none of these assets were past due.

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

#### 15. Investments Available-for-Sale

	March 31, 2016	December 31, 2015
Bonds issued by Russian Federation	121 231,4	105 016,0
Bonds issued by foreign companies	33 570,4	15 060,3
Bonds issued by Russian banks	25 406,6	23 840,2
Bonds issued by Russian companies	19 957,0	21 599,1
Bonds issued by foreign countries	4 725,9	-
Bonds issued by foreign banks	2 262,8	1 811,1
Shares issued by Russian companies	119,4	119,4
Shares issued by foreign companies	25,8	26,2
<b>Total investments available-for-sale</b>	<b>207 299,3</b>	<b>167 472,3</b>

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 16. Property and Equipment

	Land	Buildings and other real estate	Furniture and equipment	Construction in progress	Total
<b>Cost</b>					
<b>December 31, 2014</b>	<b>227,8</b>	<b>6 018,8</b>	<b>3 378,5</b>	<b>40,4</b>	<b>9 665,5</b>
Additions	-	0,9	45,8	623,4	670,1
Reclassification	-	-	3,5	(8,4)	(4,9)
Disposals	-	-	(111,2)	-	(111,2)
Effect of movements in exchange rates	0,4	1,9	(0,5)	-	1,8
<b>March 31, 2015</b>	<b>228,2</b>	<b>6 021,6</b>	<b>3 316,1</b>	<b>655,4</b>	<b>10 221,3</b>
<b>December 31, 2015</b>	<b>222,0</b>	<b>5 983,2</b>	<b>4 403,6</b>	<b>197,1</b>	<b>10 805,9</b>
Additions	-	1,5	48,8	-	50,3
Reclassification	-	-	132,6	(132,6)	-
Disposals	-	-	(3,9)	-	(3,9)
Effect of movements in exchange rates	(1,1)	(6,7)	(1,2)	-	(9,0)
<b>March 31, 2016</b>	<b>220,9</b>	<b>5 978,0</b>	<b>4 579,9</b>	<b>64,5</b>	<b>10 843,3</b>
<b>Accumulated depreciation</b>					
<b>December 31, 2014</b>	-	<b>1 118,4</b>	<b>2 496,8</b>	-	<b>3 615,2</b>
Charge for the period	-	30,3	78,5	-	108,8
Disposals	-	-	(111,1)	-	(111,1)
Effect of movements in exchange rates	-	0,1	(0,7)	-	(0,6)
<b>March 31, 2015</b>	-	<b>1 148,8</b>	<b>2 463,5</b>	-	<b>3 612,3</b>
<b>December 31, 2015</b>	-	<b>1 234,6</b>	<b>2 775,5</b>	-	<b>4 010,1</b>
Charge for the period	-	30,1	166,6	-	196,7
Disposals	-	-	(3,9)	-	(3,9)
Effect of movements in exchange rates	-	(0,9)	(1,2)	-	(2,1)
<b>March 31, 2016</b>	-	<b>1 263,8</b>	<b>2 937,0</b>	-	<b>4 200,8</b>
<b>Net book value</b>					
<b>December 31, 2015</b>	<b>222,0</b>	<b>4 748,6</b>	<b>1 628,1</b>	<b>197,1</b>	<b>6 795,8</b>
<b>March 31, 2016</b>	<b>220,9</b>	<b>4 714,2</b>	<b>1 642,9</b>	<b>64,5</b>	<b>6 642,5</b>

As at March 31, 2016, historical cost of fully depreciated property and equipment amounts to RUB 1 898,7 million (December 31, 2015: RUB 1 825,6 million).

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 17. Intangible Assets

	Software and licenses	Client base	Assets under construction	Total
<b>Cost</b>				
<b>December 31, 2014</b>	<b>2 247,7</b>	<b>19 606,7</b>	<b>87,4</b>	<b>21 941,8</b>
Additions	73,5	-	9,3	82,8
Disposals	(2,4)	-	-	(2,4)
Effect of movements in exchange rates	(37,6)	-	-	(37,6)
<b>March 31, 2015</b>	<b>2 281,2</b>	<b>19 606,7</b>	<b>96,7</b>	<b>21 984,6</b>
<b>December 31, 2015</b>	<b>2 786,2</b>	<b>19 606,7</b>	<b>229,0</b>	<b>22 621,9</b>
Additions	52,6	-	175,3	227,9
Disposals	(3,3)	-	-	(3,3)
Effect of movements in exchange rates	(0,5)	-	-	(0,5)
<b>March 31, 2016</b>	<b>2 835,0</b>	<b>19 606,7</b>	<b>404,3</b>	<b>22 846,0</b>
<b>Accumulated amortisation and impairment</b>				
<b>December 31, 2014</b>	<b>1 034,7</b>	<b>2 756,8</b>	<b>-</b>	<b>3 791,5</b>
Charge for the period	99,1	196,1	-	295,2
Disposals	(2,4)	-	-	(2,4)
Effect of movements in exchange rates	(36,7)	-	-	(36,7)
<b>March 31, 2015</b>	<b>1 094,7</b>	<b>2 952,9</b>	<b>-</b>	<b>4 047,6</b>
<b>December 31, 2015</b>	<b>1 051,4</b>	<b>3 541,1</b>	<b>-</b>	<b>4 592,5</b>
Charge for the period	110,4	196,1	-	306,5
Disposals	(3,3)	-	-	(3,3)
Effect of movements in exchange rates	(0,1)	-	-	(0,1)
<b>March 31, 2016</b>	<b>1 158,4</b>	<b>3 737,2</b>	<b>-</b>	<b>4 895,6</b>
<b>Net book value</b>				
<b>December 31, 2015</b>	<b>1 734,8</b>	<b>16 065,6</b>	<b>229,0</b>	<b>18 029,4</b>
<b>March 31, 2016</b>	<b>1 676,6</b>	<b>15 869,5</b>	<b>404,3</b>	<b>17 950,4</b>

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 18. Other Assets

	March 31, 2016	December 31, 2015
<b>Other financial assets:</b>		
Receivables on services rendered and other operations	806,9	556,6
Less allowance for impairment	(41,9)	(46,6)
<b>Total other financial assets</b>	<b>765,0</b>	<b>510,0</b>
<b>Other non-financial assets:</b>		
Precious metals	416,2	880,0
Prepaid expenses	355,0	272,8
Taxes receivable other than income tax	54,3	60,1
Non-current assets prepaid	14,4	47,6
Other	31,5	11,0
<b>Total other assets</b>	<b>1 636,4</b>	<b>1 781,5</b>

The movements in allowance for impairment of receivables on services rendered and other operations were as follows:

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
<b>Beginning of the period</b>	<b>46,6</b>	<b>37,8</b>
Net charge for the period (Note 9)	(4,2)	2,5
Write-offs	(0,5)	(0,3)
<b>End of the period</b>	<b>41,9</b>	<b>40,0</b>

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 19. Balances of Market Participants

	March 31, 2016	December 31, 2015
Accounts of clearing participants	809 624,2	1 047 510,2
Other current and settlement accounts	67 433,4	62 993,2
Risk-covering funds	4 603,8	4 810,2
Accounts in precious metals	4 075,0	3 783,9
<b>Total balances of market participants</b>	<b>885 736,4</b>	<b>1 119 097,5</b>

Accounts of clearing participants include margins deposited by clearing participants. 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 guarantee fund amounts on current accounts and deposits with reputable banks or repo receivables (Notes 12, 13).

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. These securities are not assets of the Group and are not recognised in the Consolidated Interim Condensed Statement of the Financial Position.

The risk-covering funds comprise contributions deposited by market participants. The purpose of these funds is to provide additional insurance to the market participants in respect of the ability of the Group to guarantee proper settlements of open positions in case of a market participant default. The minimum contribution amount per one participant is determined by the NCC Supervisory Board and it is approved by the Derivatives Market Committee, the Currency Market Committee, the Securities Market Committee and the Securities Lending & REPO Committee. Risk-covering funds amounts are only used to cover the deficit if a margin posted by a trading participant is not sufficient to cover its losses. The Group places cash received from the market participants in the risk-covering funds with top-rated banks (Notes 12, 13).

#### 20. Other Liabilities

	March 31, 2016	December 31, 2015
<b>Other financial liabilities</b>		
Payables to employees	1 239,4	1 921,6
Trade and other payables	458,2	439,5
<b>Total other financial liabilities</b>	<b>1 697,6</b>	<b>2 361,1</b>
<b>Other non-financial liabilities</b>		
Taxes payable, other than income tax	407,0	115,2
Advances received	334,4	241,7
Deferred commission income	187,8	395,8
Other	27,7	28,2
<b>Total other liabilities</b>	<b>2 654,5</b>	<b>3 142,0</b>

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 21. Share Capital and Share Premium

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

	<b>Authorized shares (number of shares)</b>	<b>Ordinary shares issued and fully paid (number of shares)</b>	<b>Treasury shares (number of shares)</b>
<b>December 31, 2014</b>	<b>2 578 200 000</b>	<b>2 278 636 493</b>	<b>(51 563 004)</b>
Exercised options (Note 10)	-	-	1 964 530
<b>March 31, 2015</b>	<b>2 578 200 000</b>	<b>2 278 636 493</b>	<b>(49 598 474)</b>
<b>December 31, 2015</b>	<b>2 578 200 000</b>	<b>2 278 636 493</b>	<b>(44 771 962)</b>
Exercised options (Note 10)	-	-	4 717 118
<b>March 31, 2016</b>	<b>2 578 200 000</b>	<b>2 278 636 493</b>	<b>(40 054 844)</b>

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

#### 22. Retained Earnings

During the three-month periods ended March 31, 2016 and March 31, 2015 the Group did not pay or declare 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.

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 23. Earnings per Share

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

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
<b>Net profit attributable to ordinary equity holders of the parent</b>	<b>6 976,9</b>	<b>7 246,8</b>
<b>Weighted average number of shares</b>	<b>2 235 013 484</b>	<b>2 230 478 984</b>
Effect of dilutive share options	16 442 015	9 681 473
<b>Weighted average number of shares adjusted for the effect of dilution</b>	<b>2 251 455 499</b>	<b>2 240 160 457</b>
Basic earnings per share, RUB	3,12	3,25
Diluted earnings per share, RUB	3,10	3,23

#### 24. 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 Supervisory Board. The total remuneration paid to key management personnel includes short-term benefits (salary, bonuses, payroll related taxes, insurance, health care, etc.), long-term benefits and share-based payment expense.

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
Short-term employee benefits	141,5	138,9
Share-based payment expense	52,5	10,4
Long-term employee benefits	23,1	-
<b>Total remuneration of key management personnel</b>	<b>217,1</b>	<b>149,3</b>

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

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.

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 24. Transactions with Related Parties (continued)

##### (c) Transactions with associates

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

	March 31, 2016	December 31, 2015
Assets held for sale	-	37,7
Other assets	-	1,2
Other liabilities	-	0,3

As at December 31, 2015 the Group presented the investment in UEX as disposal group held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations". In February and March 2016 the Group sold its stake in UEX (Note 9).

Included in the Consolidated Interim Condensed Statement of Profit or Loss are the following amounts that arose due to transactions with associates:

	Three - month period ended March 31, 2016	Three - month period ended March 31, 2015
Administrative and other operating expenses	(13,7)	(0,9)
Share of profits of associates	-	3,4
Fee and commission income and other operating income	-	0,6
Foreign currency difference	-	0,1

#### 25. Fair Value Measurements

The Group performs a fair value assessment of its financial assets and liabilities, as required by IFRS 13 Fair Value Measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

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).

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 25. Fair Value Measurements (continued)

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.

The table below analyses financial assets and liabilities measured at fair value at March 31, 2016, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	March 31, 2016			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	0,6	20,3	-	<b>20,9</b>
Central counterparty financial assets and liabilities (currency transactions)	2 282,1	-	-	<b>2 282,1</b>
Investments available-for-sale	196 674,4	10 479,7	145,2	<b>207 299,3</b>
Derivative financial liabilities	-	1,5	-	<b>1,5</b>

Financial assets and liabilities measured at fair value at December 31, 2015, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	0,4	-	-	<b>0,4</b>
Central counterparty financial assets and liabilities (currency transactions)	5 771,9	-	-	<b>5 771,9</b>
Investments available-for-sale	158 513,2	8 813,5	145,6	<b>167 472,3</b>

## MOSCOW EXCHANGE GROUP

### Notes to the Consolidated Interim Condensed Financial Statements for the Three - Month Period Ended March 31, 2016 (Continued)

(in millions of Russian rubles, unless otherwise indicated)

#### 25. Fair Value Measurements (continued)

The following table shows a reconciliation for three-month period ended March 31, 2016 and 2015, for fair value measurements in Level 3 of the fair value hierarchy:

	FVTPL	AFS
<b>Balance at December 31, 2014</b>	<b>58,3</b>	<b>34,3</b>
Foreign exchange gain	-	0,1
<b>Balance at March 31, 2015</b>	<b>58,3</b>	<b>34,4</b>
<b>Balance at December 31, 2015</b>	-	<b>145,6</b>
Foreign exchange loss	-	(0,4)
<b>Balance at March 31, 2016</b>	-	<b>145,2</b>

Management of the Group considers that the fair value of financial assets and liabilities not carried at fair value in Consolidated Interim Condensed Statement of Financial Position approximates their carrying value.

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

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows total amount of transfers of financial assets between level 1 and level 2. Transfers from level 2 to level 1 (from level 1 to level 2) occurred due to fact that markets for certain financial assets became (ceased to be) active during the period.

	<b>Transfers between Level 1 and Level 2</b>	
	<b>Three - month period ended March 31, 2016</b>	<b>Three - month period ended March 31, 2015</b>
<b>From Level 1 to Level 2</b>		
Investments available-for-sale	4 777,5	370,1
<b>From Level 2 to Level 1</b>		
Investments available-for-sale	3 647,5	1 974,5

#### 26. Events after the reporting date

As at April 27, 2016 at Annual General Meeting of Shareholders of Moscow Exchange dividends for the year ended December 31, 2015 were approved and declared in the amount of RUB 16 201,1 million (for the year ended December 31, 2014: RUB 8 818,3 million). The amount of dividends per share is RUB 7.11 per ordinary share (dividends per share for the year ended December 31, 2014: RUB 3.87 per ordinary share).