



RTS Stock Exchange
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Dear friends!



Oleg Yachnik
Chairman, RTS Stock Exchange Board of Directors

For the RTS Stock Exchange, 2002 was the year of performance and potential. It was a year of strategic investment in long-term projects that will be influencing Russian securities market for the years to come.

The key milestone of the year was the formation of the RTS Group – the universal marketplace providing its clients with full array of services and markets, including trading in stocks with ruble and dollar settlement, bond and derivatives trading. Currency trading is also in the RTS project pipeline.

I would like to specifically point out the success of FORTS, the derivatives segment of the Exchange. In existence for slightly more than a year, FORTS has become the fastest - growing market in Russian securities industry. This success became possible due to mutually rewarding, strong partnership ties between the Exchange and market professionals. The participants' growing confidence in FORTS risk management mechanisms and infrastructure makes us believe that FORTS has a great potential not only as a speculative market but also as an effective instrument for risk hedging.

The RTS Stock Exchange could not have achieved such pivotal quality changes without constant close interaction between the Board of Directors and Exchange's management and staff. On behalf of the RTS Stock Exchange Board of Directors elected in 2002 I would like to wish the new Board great success in its pursuit of new opportunities for business development and improvement.

Sincerely,

Oleg Yachnik,
Chairman, RTS Stock Exchange Board of Directors

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Dear colleagues!



Vladislav Streltsov
Acting President, RTS Stock Exchange

For the past 7 years the RTS Stock Exchange has been providing its clients with high-quality services in trading, clearing and settlement. We are proud to say that our Exchange is the place where the Russian stock market prices are being formed. Last year was a special one for us – the year of drastic improvement in the quantity and quality of services provided.

In 2002 the Exchange continued to consistently expand its product line and improve existing technologies. In the summer we launched the fixed-income market – RTS Bonds; in the fall, together with St. Petersburg Stock Exchange, we opened up the Order-driven market. Thanks to risk management system improvement, favorable tariff policy and introduction of new instruments, FORTS, our derivatives market, continued to grow steadily, and contributed to the significant, more than twofold, overall increase in the RTS yearly total turnover.

Rapid product line development demanded that clearing and settlement technologies be improved accordingly. The RTS Settlement Chamber ensured smooth servicing of constantly increasing number of clients; the capitalization of the Chamber grew many times. In 2002 the RTS Technical Center moved its offices to an up-to-date building equipped with reliable security systems, power back-ups and communication links. The RTS Stock Exchange Executive Committee has successfully solved a number of logistical problems, including purchasing of a new office building.

2002 also turned out to be successful statistically – the RTS Index broke through 400 points, for the first time since 1998, turnover grew across the board, the number of participants significantly increased. The statistics once again proves that the Exchange has made the right decision providing its clients with the widest array of financial services possible within one marketplace while striving to make its services modern, affordable and reliable.

Sincerely,

V.Streltsov,
RTS Stock Exchange Acting President

Board of Directors (as of June 27th, 2002)

Name	Company
Ruben Vardanian	«Rosgosstrakh»
Alexand Vinokurov	«Web-invest.ru»
Dominic Paul Gualtieri	«Alfa» Bank
Nikolai Dontsov	«Renaissance Broker»
Anatoly Dubeiko	«LAND Trust and Investment Company»
Eduard Zernin	«REGION Investment company»
Alexandr Kandel	«Aton»
Igor Kolomeisky	«NIKOil»
Konstantin Korishenko	«Troika Dialog»
Marlen Manasov	«Brunswick USB Warburg»
Victor Nikolaev	St. Petersburg Stock Exchange
Alexey Panferov	«MDM» Bank
Dmitry Ponomarev	«Trading System Administrator of Wholesale Electricity Market of RAO UES» Partnership
Vladimir Skvortsov	«AlfaStrakhovanie»
Mikhail Slipentchuk	«Metropol»
Dmitry Khilov	«United Financial Group»
Oleg Yachnik	«OLMA» Investment company

Russian Securities Market in 2002



Last year turned out to be a relatively successful one for Russian securities industry. Despite the fact that the market failed to reach the same heights as in 2002 when the RTS Index skyrocketed 98,5%, prices of both "blue chips" and second-tier stocks rose significantly. The Index gained 34% on the year, an impressive result given negative tendencies shown by world's financial markets. The growth was inspired by positive changes taking place in Russian domestic and foreign policy – financial stabilization, stricter fiscal policy, and subsequent increase in the country's credit ratings. At the same time, as analysts point out, the slow pace of reforms, especially in oil and gas industries, became a serious constraint in attracting foreign investments to Russian capital markets. Apart from overall growth in equities, year 2002 was marked by significant developments on the IPO market – the total volume of investment raised reached 50.65 billion rubles.

World Financial Markets Situation

For many a developed markets last year was a turbulent one. American securities markets have been stagnating for a number of years now. Despite a certain growth in consumer activity at the beginning of the year, by summer Down Jones Industrial Average plunged lower than the September 2001 level. These negatives tendencies were caused by the ongoing corporate scandals and loss of investors' trust in the US economy in general. Massive cuts in business development expenditures and personnel lay-offs resulted in lack of consumer confidence and modest customer demand.

Russian Securities Market in 2002

Negative tendencies that plagued the economies of the developed countries prompted the growth of investors' interest in emerging markets, including Russian. The demand for Russian equities was especially strong in the first half of the year when the RTS Index reached its yearly maximum of 426.91 points. Prompted by worldwide oil price hikes, investors paid special attention to oil companies. "LUKOil" stock price rose on the announcement that the company would get rid of its low-profit assets; significant growth in "Sibneft" market capitalization was spurred by changes made in the company corporate governance code. Investors' interest was also provoked by expected improvements in Russian-American diplomatic relationships and granting Russia the "market economy" status. Positive economic trends in the country resulted in overall market appreciation. Favorable market situation allowed Russian economy to gain enough momentum to ensure that in 2003 the country wouldn't face serious budget difficulties (in year 2003 the country will have to pay 17,3 billion US dollars in external debts).

These encouraging improvements didn't pass unnoticed – in 2002 Russia was given the highest S&P rating in its history (BB) and the maximum since 1996 Moody's rating (Ba2).

However, in the second half of the year Russian securities market failed to keep up its pace and the attitude of the investors towards Russia significantly cooled off. The US President's visit to Russia didn't bring about the desired results; on top of that, at the end of May the world financial markets situation worsened. As a result, in the second half of year 2002 the RTS Index didn't show any clear dynamics and fluctuated at random. Foreign investors were not actively buying, so even an increase in Russia's sovereign ratings in the fall of 2002 didn't influence market dynamics positively. Rating agencies announced that Russia's ratings are not likely to get upgraded in 2003, and that previous upgrade was related to the country's timely payments of foreign debts. However, to really reach the desired 'investment' level, Russia will have to accelerate its process of reforms and lower the country's economic dependence on the state of the external markets, especially oil and gas markets.

In the second half of 2002 Russian economy started to experience certain stagnation. It was obvious that the country won't be able to maintain high growth rates shown in 2001. Investment growth rates fell to 2.5% on the year, the lowest pace since August 1998 economic crisis. Rapidly worsening macroeconomic situation in the country also turned out to be a significant obstacle to the development of Russian securities market. The RTS Index didn't show its traditional 'New Year rally', however, the price of certain stocks significantly rose in the last months of the year.

Report Prepared by the Analytical Department of SKRIN.

Building a Better Market: RTS Group Development



RTS Classic Stock Market

The RTS Classic Stock Market was founded in 1995 by leading Russian brokerages and investment companies. Originally the market was based on NASDAQ-supplied trading and settlement technologies. For the very beginning, RTS was governed by market participants themselves; they elected the Board of Directors and formed Committees to define and interpret laws of the Partnership that govern its everyday operations.

Trading started on the Exchange in July 1995. By September market participants created the RTS Index – index first calculated on September 1, 1995, that since then has become the major benchmark of Russian securities market.

Having put to a good use the expertise of the developed financial markets in corporate governance and corporate disclosure, the RTS Stock Exchange became the marketplace where prices on Russian "blue-chips" form. Today the RTS Index is considered the most popular and

most widely quoted indicator of the Russian securities market.

The RTS Stock Exchange leading status is accounted for by constant technological innovations and developments in trading and settlement technologies, risk management and surveillance. The unique EDI system created by RTS Stock Exchange experts supports electronic trading thus cutting transaction costs and ensuring full confidentiality.

Last year the RTS Disciplinary Committee, the body charged with surveillance and dispute-settlement, reviewed 5 disputes. The disputes resulted mostly from participants' non-adherence to the RTS Trading and Settlement rules. In most cases the Committee managed to negotiate favorably, so the parties agreed to fulfill their mutual obligations.

Striving for excellent service and providing clients with as wide a product line of securities and derivatives as possible, the RTS Stock Exchange has created the trading-and-settlement complex that now serves as the foundation for numerous RTS markets. When these markets opened up, the oldest one was named "Classic".

Despite the broadening product line and a vast variety of trading and settlement mechanisms offered by the Exchange, in 2002 the RTS Classic Market continued to play the leading role in servicing both foreign and domestic portfolio investments while staying the major source of information on Russian corporate markets. Moreover, new markets and services offered by the RTS Stock Exchange didn't cannibalize the Classic market business. In 2002 total trading volume on Classic market increase by 3% compared to 2001.

Classic Market trading data – and the RTS Index real-time values – were broadcasted by international financial services companies and Russian information agencies.

FORTS Derivatives Market

FORTS (Futures & Options on the RTS), the derivatives section of the RTS Stock Exchange, was first introduced to market in September 2001. Even in the first couple of months of its existence the demand for FORTS services exceeded all expectations – trading volumes and number of open positions grew exponentially.

In 2002 FORTS performance was even more impressive. Daily trading volume grew 3,5 times on the year in rubles, 3,1 times – in dollars.

Among the major development trends on the market last year were risk management system improvement, product line expansion, marketing and promotion activities. The RTS Executive Committee and the RTS Derivatives Market Committee paid special attention to guarantee and margin systems development; new guarantee system will have a serious impact not only on the futures but also on the options segments of the market.

Exponential growth in the number of open positions made it necessary to increase FORTS Reserve Fund to 2 million US dollars and introduce quantitative limits on percentage of securities accepted as Guarantee fund collateral.

Substantial improvements in reliability of FORTS Guarantee system brought about a sharp increase in market participants' confidence in FORTS – many clearing members significantly increased their limits, new brokerages and investment houses joined the market. Total number of companies accredited at FORTS in 2002 increased from 58 to 82 despite the fact that the clearing member registration fee increased from 100 to 200 thousand rubles. The number of client accounts also rose substantially, more than threefold on the year.

Dynamic developments of FORTS caused a substantial increase in the number of companies trading derivatives via Internet. The number of companies that installed the gateway to FORTS skyrocketed; 42% of total trading volume was accounted for by Internet trading.

Total number of open positions drew near, and

in some cases even exceeded, the daily average turnover of the underlying asset on the spot market. To avoid potential price manipulation, the Exchange developed and registered with the Federal Commission on the Securities Market (FCSM) the specifications for deliverable futures contracts on leading Russian 'blue-chips'. FORTS management also decided to gradually turn cash-settled futures contracts into the deliverable ones.

Last year the 'LUKOil' single stock futures contract with June 2003 delivery date was introduced to the market. In 2002 "Rostelecom" single stock and USD/Russian ruble exchange rate cash-settled futures contracts started trading on FORTS. "Rostelecom" futures quickly became a bestseller; and the USD/Russian ruble exchange rate futures gave our clients an opportunity to trade both securities and FOREX products from one account.

The Exchange made a special effort to increase awareness of professional market participants and general public of the opportunities arising on the derivatives market. FORTS experts held a series of seminars in Moscow, St. Petersburg, Novosibirsk, Ekaterinburg, Ufa, Kazan, Rostov-on-Don, and developed a number of brochures on derivatives trading technology and options. A seminar on accounting and taxation of derivatives transaction

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Order-Driven Stock Market

At the beginning of 2002 the order-driven trading technology was used in trading 'Gazprom' stock on St. Petersburg Stock Exchange (a joint project) and on the Guaranteed Trading System, the market where Russian securities were traded with full preliminary deposition of assets and subsequent settlement in Russian rubles. In order to increase "Gazprom" stock liquidity and create a full-service order-driven market the RTS Stock Exchange management decided to integrate these two marketplaces, step-by-step.

In June 2002 trading sessions on St. Petersburg Stock Exchange were combined with the RTS-administered 'Gazprom' trading sessions through St. Petersburg Stock Exchange, thus significantly increasing liquidity and providing access to this market to a wide range of participants from St. Petersburg.

Following that, RTS Stock Exchange and 'Gazprombank' merged with St. Petersburg Stock Exchange; by October 2002 the merger was completed and more than 200 stocks, including 'Gazprom' became available to market participants. The following trading and settlement scheme is now in place on the Order-driven market: trading is conducted on St. Petersburg Stock Exchange, the RTS Stock Exchange provides clearing services, and settlement is done by the RTS Settlement

Chamber. Depository and Clearing Company and Settlement-Depository Company serve as depositories.

While creating the order-driven market, the RTS Stock Exchange management paid special attention to tariff policy. The established fees were the lowest on the Russian securities market.

Order-driven market technology gives our clients an opportunity to trade all securities regardless of the issue from one open position, a unique proposition on Russian market. Apart from that, real-time money transfer into accounts is available; funds can be transferred out several times a day when interim settlement is complete. The RTS Settlement Chamber serves as the unified settlement center for both Order-driven and Derivatives markets, thus making possible the efficient fund transfer between these markets.

To streamline the connection to the system, the RTS Stock package of services was offered to the potential clients. The package included installation of a workstation, Internet gateway connection, remote access to trading and settlement accounts, digital signature software and other modules necessary for successful work on the market.

Our efforts to develop the order-driven business paid off; in 2002 the total trading volume on the market grew 5,5 times; without 'Gazprom' volume increase amounted to 8. The number of clients grew 2.4 times; the number of accounts increased 5.2 times.

Apart from developing its ruble-denominated segments, in 2002 the Exchange unveiled REPO trading system, the service that is in high demand with investment companies and banks. REPO technologies were developed in close connection with market participants and feature a number of innovations, including an opportunity to extend reverse repo timeline.



RTS Bonds Fixed-Income Market

In June 2002 the RTS Stock Exchange opened up a new market - RTS Bonds, for facilitating trading in corporate, governmental and municipal bonds and Eurobonds. The system was meant to simultaneously serve the IPO and secondary trading markets.

To ensure the highest standards while implementing trading technologies, the Exchange engaged the services of the best experts on Russian bond market; later on these companies and bank became market - makers.

At the end of 2002 RTS Bonds featured 5 corporate bond IPOs - "Irkutsk Aviation Company", 'PROMIF', 'Evrasholding Company', 'Mellyanneft', and Sakha Republic Ministry of Finance subfederal bonds. Initial public offerings were held based on the latest trading technologies, some of them were used for the first time in the history of Russian corporate markets.

To evaluate interest of potential investors to new RTS offerings, the Exchange let market participants submit their indicative quotes to the underwriter from the day the IPO decision was made by the company up until the IPO date. This feature gave the issuer and the underwriter a chance to estimate buyers' demand before actual placement started.

RTS Bonds development in 2002 was also closely tied with educational activities - RTS Stock Exchange experts held a number of conferences 'Fixed-income market in Russia - New opportunities for a borrower' in six biggest Russian cities - Ekaterinburg, Kazan, Novosibirsk, Omsk, Rostov-on-Don, Saratov - together with regional branches of Federal Commission on Securities Markets of Russia and Depository and Clearing Company. Regional companies were presented with a host of opportunities available to a borrower and services the Exchange provides to its clients.

RTS Board Indicative Quotation System

The RTS Board Indicative Quotation system was developed and first placed in operation in 2001; it gave all professional market participants an opportunity to place bid-ask orders for securities not officially traded on the Exchange. Access to the system is free of charge, registering trades is not necessary, market data is disclosed on the RTS Web site in real-time mode.

The RTS Board system has immediately become extremely popular with both market participants and companies-issuers; brokers started actively quoting second-tier securities, and, as a result of this, a number of securities were upgraded to official RTS Stock Exchange quotation lists.

In 2002 the RTS Board system continued to develop, with participants' interest growing steady. Free access to the system served as a catalyst in this growth. In 2002 the total trading volume in RTS Board grew 4.5 times compared with 2001.

RTS Board also attracts a lot of attention from issuers of low-liquid securities since it attracts investors and acts as a springboard for these securities to jump into the RTS Stock Exchange official listings.

RTS Money FOREX Market

One of the major highlights of the year 2002 was the beginning of FOREX Market development project; the new market, RTS Money is a joint venture with 'Broker Technologies Development Project'.

Based on modern trading technologies, RTS Money supports over-the-counter currency trading. RTS Settlement Chamber acts the settlement bank for the system. Special attention is paid to the creation of an adequate risk management system that would be able to guarantee riskless transactions.

RTS Money participants can trade the most liquid instruments of the Russian FOREX market and SWAP transactions regardless of interbank currency limits and location of the counterparty. The first instrument offered on the market was the US dollars/Russian rubles spot contract with "today", "tomorrow" and "the day after tomorrow" value dates.

Infrastructure



RTS trading system was originally created of two independent legal entities – non-profit partnership ‘RTS Stock Exchange’ and ‘RTS Technical Center’. RTS Stock Exchange served as the marketplace, and the Technical Center was charged with development and implementation of trading software. Trading technologies development and all-around access to Internet created the need to develop an in-house, EDI-based system of clearing and settlement. RTS Settlement Chamber was created, the organization that now plays a very important role in a number of Exchange’s projects.

RTS Stock Exchange

Among the cornerstones of the Exchange’s interaction with its founding members have always been high-quality service, broad product line, surveillance and control and flexible tariff policy.

Putting in practice its information disclosure policies, in 2002 the RTS Stock Exchange has adopted the “Guidelines on information disclosure for the partnership members” and standardized the procedure for quarterly reporting in the format suggested by the Federal Commission on the Securities Market of Russia. This allowed to significantly lower the partnership members’ accounting and reporting expenses.

Another significant outcome of this activity is that now the RTS members can send their reports in electronically using the Electronic Data Interchange system.

In year 2002 the RTS Stock Exchange Surveillance department continued its activities to ensure the members’ adherence to Partnership rules, legislation of the Russian Federation on securities and capital markets and the Federal Securities Commission regulations. Special attention was paid to improving the existing surveillance system to ensure market transparency and detect cases of price manipulation and insider trading. Transactions are being monitored in the real-time mode using the latest technological innovations, such as electronic

RTS Stock Exchange:

Registered:

- February 13, 1997

Registration number:

- 064.047

Licenses:

- License to perform transaction clearing on the securities market, #077-05880-000010, granted by Federal Securities Commission of the Russian Federation on March 12, 2002
- License to organize trading on the securities market, #077-05881-000001, granted by Federal Securities Commission of the Russian Federation on March 12, 2002
- Stock Exchange license to organize trading on the securities market, #73-000-1-00008, granted by Federal Securities Commission of the Russian Federation on January 24, 2000
- License to organize exchange trading, #116, granted by the Commodity Exchange Commission on November 15, 2000

Auditor:

- «Rosaudit, Dornhof, Evseev and Partners»

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data interchange and digital signature. The Surveillance committee reviews all suspicious transactions on a case-by-case basis and forwards the reports to the Federal Securities Commission. Last year the new criteria for non-standard transactions including those on FORTS, the RTS Derivatives market, and the RTS Bonds were developed at the RTS Stock Exchange.

RTS Technical Center

In 2002 the RTS Technical Center concentrated its efforts on increasing reliability, ensuring uninterrupted work of all software and hardware complexes servicing RTS markets, and upgrading existing technologies to meet demands of the fast-changing marketplace. In May 2002 the RTS Computer Center moved to a new office equipped by a modern back-up system, extra sources of power and additional communication channels; this move significantly increased the complex’s fault-tolerance. The Technical Center additional backup is being kept at the Exchange central office, thus providing additional security.

As the RTS Stock Exchange product line expanded, the RTS Technical Center experts developed new hardware and software modules and upgraded the existing ones accordingly.

In 2002 RTS Technical Center also served as the Clearing Center for FORTS, the RTS Derivatives market. Special attention was paid to clearing procedures improvement and risk management system development.

The RTS Technical Center has created and implemented the system of delivery of the deliverable contracts; the IPO settlement technology was also developed and introduced. To further optimize risk management on different RTS markets the Group decided to gradually transfer all activities not related to clearing from RTS Technical Center to RTS Stock Exchange

RTS Technical Center:

Registered:

- October 1, 1995

Registration number:

- 001.050.664

Licenses:

- License to perform data transmission, Series A 018272, #11562, granted by Ministry for Communications and Informatization of the Russian Federation in March 03, 2002
- License to perform telematic services, Series A 010816, #115626, granted on March 12, 2000
- License to perform transaction clearing on the securities market, #077-05707-000010 on March 12, 2001

Auditor:

- «Rosaudit, Dornhof, Evseev and Partners»



Information Disclosure

RTS Settlement Chamber

In three years of its existence the RTS Settlement Chamber ensured uninterrupted settlement of 'delivery versus payment' transactions on the stock market. In 2002 the Chamber enjoyed a significant increase in authorized capital, broadening of its client base and rise in the number of open accounts. This success laid the groundwork for further extension of the Chamber's product line.

In 2002 the RTS Settlement Chamber cleared all transactions for the RTS Stock Exchange and St. Petersburg Stock Exchange, including FORTS and order-driven market trades.

RTS Technical Center:

Registered:

- ♦ February 8, 1999

Registration number:

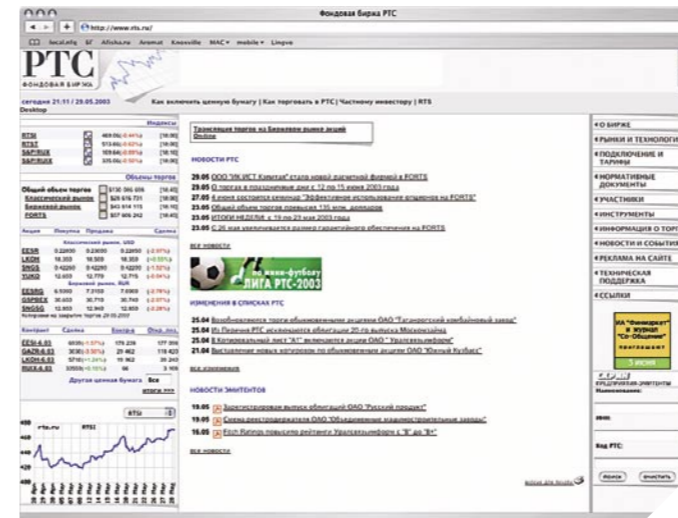
- ♦ 76482

Licenses:

- ♦ Banking license #3335-K, granted by the Central Bank of the Russian Federation on February 15, 1999
- ♦ Depository-clearing license #077-05707-000010, granted by the Federal Securities Commission of the Russian Federation on October 26, 2001

Auditor:

- ♦ «AKONT»



From the very first day of its existence the RTS Stock Exchange served as the indispensable link in the informational exchange between companies and investors. Ongoing upgrades of existing disclosure technologies allow the Partnership to provide market professionals with reliable market data, statistics, and company news. Product line expansion, introduction of new products and increased activity of market participants during the entire year 2002 drew a lot of attention to the issue of proper information disclosure. The RTS Partnership official Web site – www.rts.ru – served as the main source of information about the Exchange's activities. In mid-2002 the site underwent a complete overhaul, from design to data presentation to English-language part of the site. The most popular part – 'Market Data' – was also redesigned to include the expansion of RTS product line.

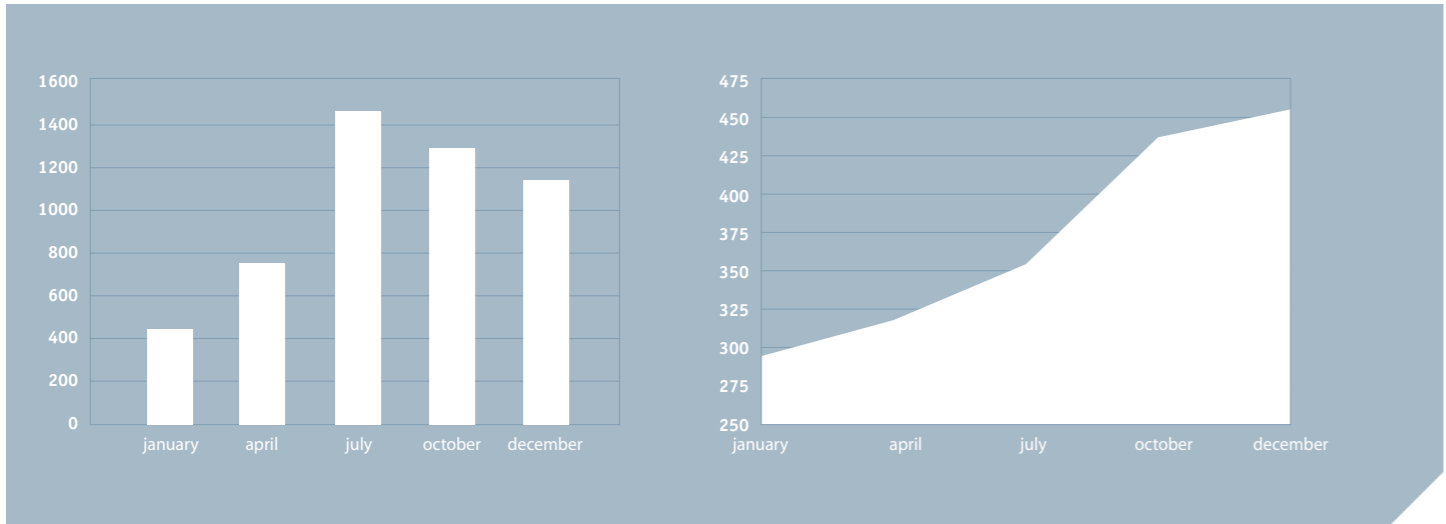
Along with information disclosure via Internet the RTS Stock Exchange continued to disseminate data using traditional information services companies both in Russia and abroad.

In October 2002 the RTS started to broadcast the Order-driven market trading data in real-time (except for trades in 'Gazprom' stock). In December Classic market data feed was significantly expanded.

To promote new ways of doing business on various RTS markets, the Exchange has developed and distributed among professional market participants, company representatives and financial consultants a series of materials 'Doing business on FORTS', 'Options and futures', 'RTS-REPO technologies' and 'IPO Technologies'. The Exchange organized a series of conferences and seminars on bonds and derivatives, and participated in publishing the book 'McMillan on Options'.

Two yearly events also took place on the Exchange – 'Guess the RTS Index' game dedicated to the 7 anniversary of the main Russian securities market indicator, and Annual Report competition held for the fifth consecutive year and co-sponsored by 'The Securities Market' magazine.

575 people from 16 countries participated in 'Guess the RTS Index' game; 97 companies took part in the Annual Report competition including 69 RTS-listed companies and 2 companies that trade on the RTS Board.



Now the Chamber is one of the largest settlement complexes in Russia; the unique technologies of the Settlement Bank and expertise of its personnel prompted the RTS Group to think about expanding its services into the electricity market. In 2002 the RTS Settlement Chamber took part in mock-up trading on the electric energy market being created by "Trading system administrator of wholesale electricity market" as the settlement organization.

Classic Market (Stocks)

Participants	
Total	187
Market-Makers	10



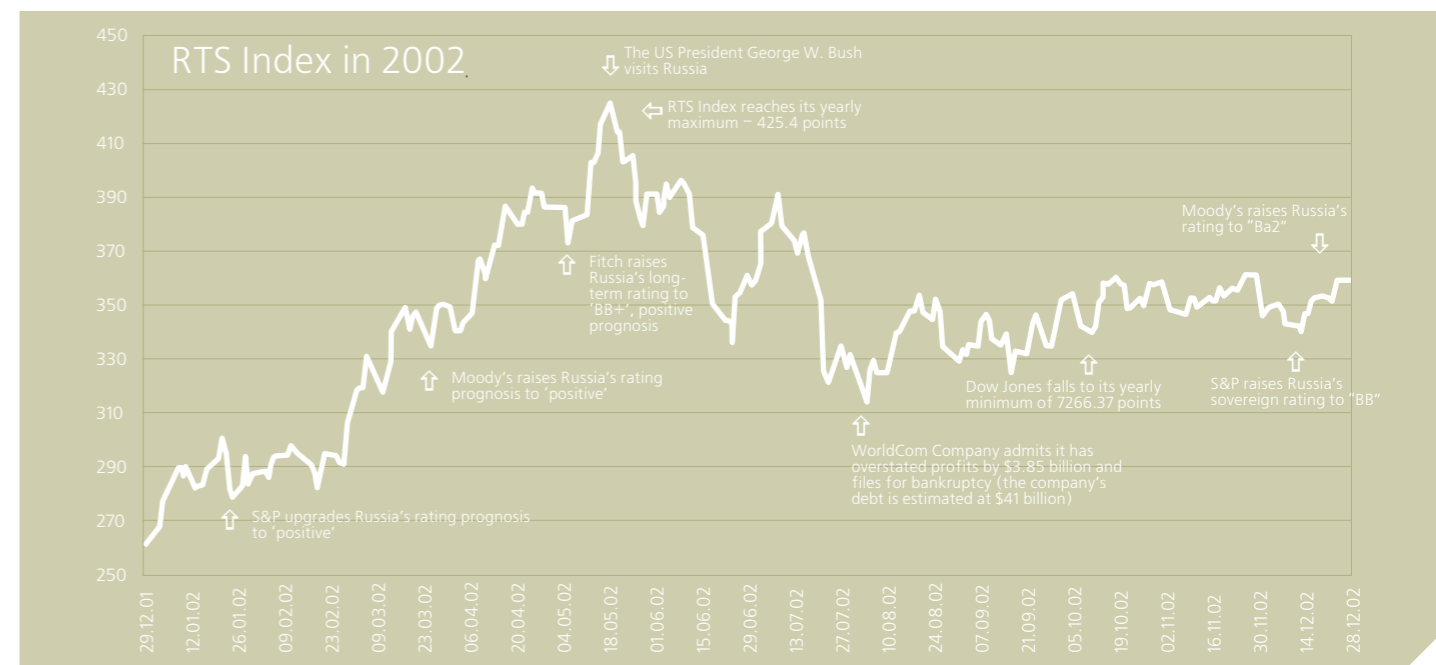
RTS Index



Year	Beginning of the Year	End of the Year	Change	Minimum	Maximum
1995	100*	82.9	-18%	68.1	101.3
1996	87.3	200.5	+130%	66.7	227.8
1997	213.4	396.9	+86%	213.4	571.7
1998	411.6	58.9	-86%	38.5	411.6
1999	59.7	175.3	+194%	54.5	175.3
2000	179	143.3	-20%	132.1	245.5
2001	131	260.1	+99%	131	260.1
2002	267.7	359.1	+34%	267.7	425.4

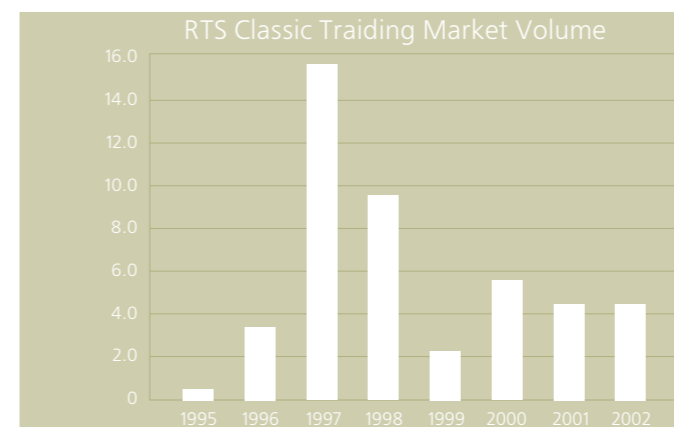
* - initial RTS Index value as of September 1st, 1995

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Trading Volume

Total Yearly Trading Volume	\$4.6 bln
Daily Average Trading Volume	\$18.3 bln
Number of transactions	58 thousand



Total Market Capitalization

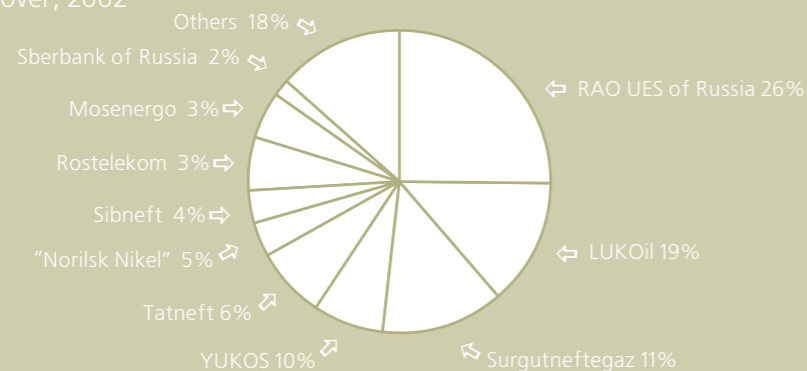
including	\$92.9 billion
for the RTS-listed stocks	\$74.8 billion

Facts and Figures (as of December 31st, 2002)

RTS Stock Exchange Bestsellers

RTS Ticker Symbol	Share Type	Issuer	Turnover	Number of Transactions
EESR	common	RAO UES of Russia	\$1 195 916 274	12357
LKOH	common	LUKOil	\$878 078 246	6640
SNGS	common	Surgutneftegaz	\$484 108 231	6437
YUKO	common	YUKOS	\$473 204 544	3698
TATN	common	Tatneft	\$250 704 619	3718
GMKN	common	Norilsk Nickel	\$238 564 064	1806
SIBN	common	Sibneft	\$179 844 860	1714
RTKM	common	Rostelecom	\$155 385 412	2796
MSNG	common	Mosenergo	\$140 624 640	2462
SBER	common	Savings Bank of Russia	\$91 349 088	885

Percentage in Total Turnover, 2002



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RTS Top Gainers**

RTS Ticker Symbol	Share Type	Issuer	Closing Price, USD	Change	Number of Transactions
NOST	common	NOSTA	1.2500	+400%	11
KOEN	common	Komienergo	0.01350	+237.5%	89
SIBN	common	Sibneft	2.2000	+202.2%	1714
SBERP	preferred	Sberbank of Russia	2.3000	+183.95%	84
SBER	common	Sberbank of Russia	192.50	+148.39%	885
KRNGP	preferred	Krasnoyarskenergo	0.10000	+117.39%	90
MFGSP	preferred	Slavneft-Mellioneftegaz	3.8200	+111.05%	287
LMTZ	common	Leningrad Metall Plant	2.3000	+109.09%	79
KIRE	common	Kirovenergo	0.01150	+109.09%	36
HBEN	common	Khabarovskenergo	0.01500	+108.33%	50

RTS Top Losers**

RTS Ticker Symbol	Share Type	Issuer	Closing Price, USD	Change	Number of Transactions
GAZA	common	GAZ	15.0000	-48.28%	160
RITK	common	RITEK	1.0100	-29.86%	124
GAZAP	preferred	GAZ	9.0000	-27.42%	82
MSNG	common	Mosenergo	0.03170	-22.68%	2462
EESR	common	RAO UES of Russia	0.12880	-18.12%	12367
LSNG	common	Lenergo	0.28400	-17.2%	241
UFMO	common	Ufa Engine Industry Union	0.13110	-12.6%	11
AVAZP	preferred	AVTOVAZ	11.700	-8.59%	323
SPTL	common	North-Western Telecom	0.38500	-8.33%	198
EESRP	preferred	RAO UES of Russia	0.10800	-7.69%	582

** - RTS top losers and top gainers were picked among stocks with total yearly turnover exceeding \$500 thousand

FORTS Derivatives Market

Participants	
Accredited clearing members	82
Market-makers, including	6

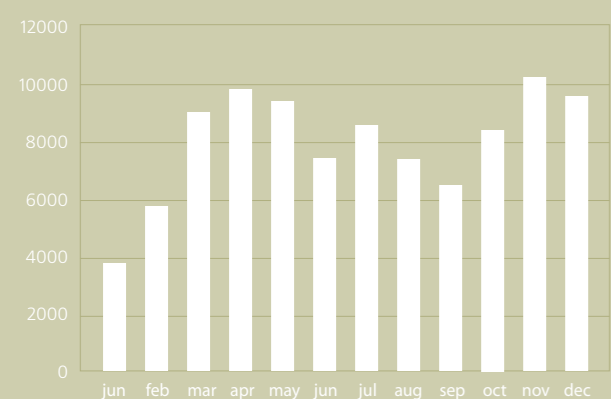
Trading volume	
Total yearly trading volume	94.9 bln rubles, including
Futures contracts	93.5 bln rubles
Options	1.4 bln rubles
Daily trading volume	379.5 mln rubles, including
Futures contracts	374 mln rubles
Options	5.5 mln rubles



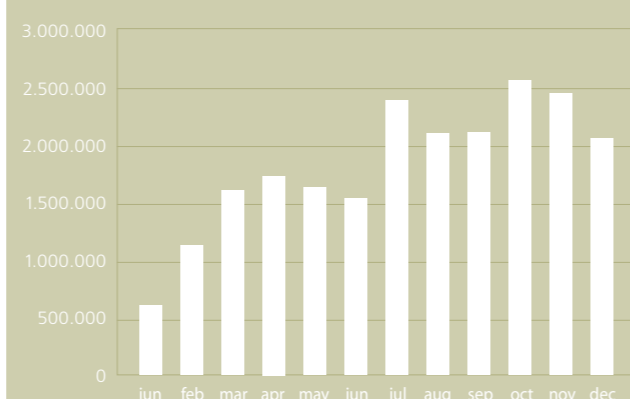
RTS Stock Exchange Bestsellers

RTS Ticker Symbol	Share Type	Issuer	Turnover	Number of Transactions
EESR	common	RAO UES of Russia	\$1 195 916 274	12357
LKOH	common	LUKOil	\$878 078 246	6640
SNGS	common	Surgutneftegaz	\$484 108 231	6437
YUKO	common	YUKOS	\$473 204 544	3698
TATN	common	Tatneft	\$250 704 619	3718
GMKN	common	Norilsk Nickel	\$238 564 064	1806
SIBN	common	Sibneft	\$179 844 860	1714
RTKM	common	Rostelecom	\$155 385 412	2796
MSNG	common	Mosenergo	\$140 624 640	2462
SBER	common	Savings Bank of Russia	\$91 349 088	885

FORTS Trading Volume



FORTS Trading Volume in 2002 (contracts)

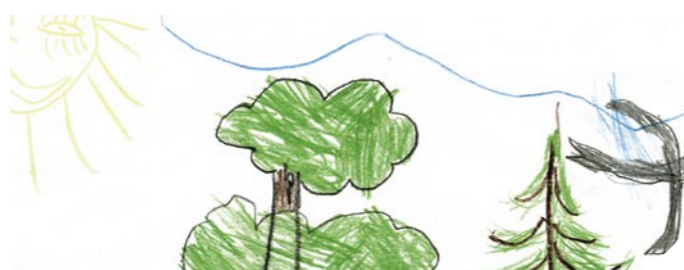


Number of contracts	22 mln, including
futures	21.7 mln
options	357 thousand

Open positions as of December 31, 2002

1.2 billion rubles
292 thousand contracts

Number of transactions	546 thousand, including
In futures contracts	531 thousand
In options	14.7 thousand



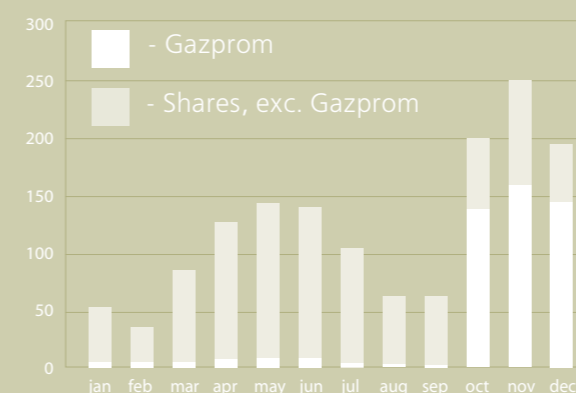
RTS

Order-Driven Market (Stocks)

Participants	
Total	135

Volume	
Total for the year	45.8 bln rubles
Daily	183.1 mln rubles

Order-Driven Market Turnover (2002)



RTS Bonds Derivatives Market

Participants	
Total	167, including
Market-makers	16

Volume	
Total for the year	\$346 mln
Daily average	\$1.4 mln
Number of transactions	415

Corporate Bond IPO	
Total number	5
Funds raised	1.5 bln rubles

RTS Board Indicative Quotation System

Total trading volume (registered transactions)	\$68.6 million
Daily average trading volume	\$272 thousand

Number of quoted securities	564
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Number of securities, included In 2002	122
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RTS Board Top Sellers (registered transactions)

RTS Ticker Symbol	Share Type	Issuer	Volume	Share in Overall Volume
TNKO	common	Tumen Oil Company	\$13 322 179	24.2%
UAZA	common	Uliyanovsk Automotive Plant	\$12 435 901	22.6%
UAZAP	preferred	Uliyanovsk Automotive Plant	\$4 778 286	8.7%
ONAK	common	ONAKO	\$4 487 006	8.2%
ZSGP	common	Zapsibgazprom	\$2 699 451	4.9%
TLAZ	common	Togliatti Azot	\$2 532 472	4.6%
SLAV	common	Slavneft	\$2 445 362	4.4%
VNKO	common	Vostochnaya Oil Company	\$1 203 310	2.2%
VSMZ	common	Vyksynsk Metallurgic Plant	\$1 141 626	2.1%

Facts and Figures (as of December 31st, 2002)

RTS Membership

Total number of member firms	252
Connected to Electronic Agreement Center, including	146
New firms admitted to Partnership in 2002	37

New Firms Admitted in 2002

#	RTS Company Symbol	Company	City
1	OLRD	«ANTEI-Invest»	Moscow
2	BCFL	Corporate Financing Bank	Moscow
3	INIB	Kusnetskii Most Bank	Moscow
4	POVK	Pervoe OVK Bank	Moscow
5	WEBB	Web-invest	St-Petersburg
6	GPIH	Gazprominvestholding	Village of Gasoprovod
7	GELA	GELA	Moscow
8	GLOB	Global-Invest	Moscow
9	GOFU	Gofmakler	Cheboksary
10	DAKA	Diamond Capital Management	Moscow
11	EVRZ	EVRAZBANK	Moscow
12	NCOL	NIKOil	Moscow
13	EAST	East Capital	Moscow
14	RUSI	RUSS-INVEST	Moscow
15	IMCO	Imako Trade Invest	Moscow
16	FONB	Reserve-Invest	Moscow
17	IFGP	Partner	Moscow
18	OSNV	OSNOVA	Moscow
19	TKOR	Complex KB	Moscow
20	LAIN	Line Investment	Moscow
21	IBSP	St.Petersburg International Bank	St-Petersburg
22	NBRT	National Development Bank	Moscow
23	PRDL	PREODOLENIE	Moscow
24	PRSB	Promsvyazbank	Moscow
25	RNIN	RN-Invest	Moscow
26	SVYZ	Svyaz	Syktyvkar
27	SEMB	Sembank	Moscow
28	SNTR	SENATOR	Moscow
29	SLBK	Slavyanskii Bank	Moscow
30	ICTK	STK	Moscow
31	STIN	Strategia Investitsii	Moscow
32	UNIN	UNIVERSAL-Invest	Moscow
33	URSB	UralSib	Ufa
34	UBRD	Ural Bank of Reconstruction and Development	Ekaterinburg
35	FORI	FORUM-Investcom	Moscow
36	KHMB	Khakassy National Bank	Abakan
37	UTRD	URTRADE.RU	Moscow

RTS

Products

Stocks

Total number of stock admitted to trading, including	247
Stocks on Quotation 1 listing level	7
Stocks on Quotation 2 listing level	24



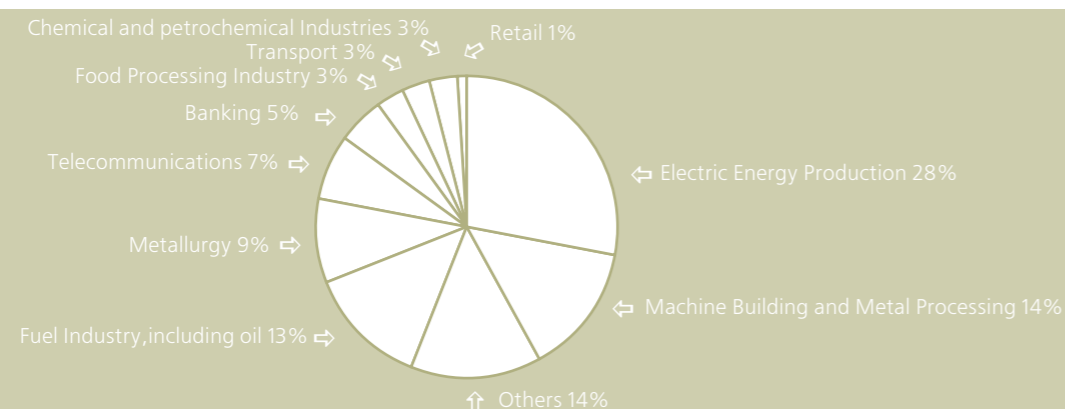
Level 1 Quotation List

#	Ticker	Share Type	Issuer	Industry
1	EESR	common	RAO UES of Russia	Power industry
2	EESRP	preferred	RAO UES of Russia	Power industry
3	LKOH	common	LUKOil	Fuel industry
4	MSNG	common	Mosenergo	Power industry
5	RTKM	common	Rostelecom	Telecommunications
6	SBER	common	Savings Bank of Russian Federation	Banking
7	TATN	common	Tatneft	Fuel industry

Level 2 Quotation List

#	Ticker	Share Type	Issuer	Industry
1	AFLT	common	Aeroflot	Transportation
2	ENCO	common	SibirTelecom	Telecommunications
3	ENCOP	preferred	SibirTelecom	Telecommunications
4	ESMO	common	CenterTelecom	Telecommunications
5	ESMOP	preferred	CenterTelecom	Telecommunications
6	GUMM	common	GUM Trading House	Retail
7	IRGZ	common	Irkutskenergo	Power industry
8	KUBN	common	Southern Telecom	Telecommunications
9	KUBNP	preferred	Southern Telecom	Telecommunications
10	LSNG	common	Lenenergo	Power industry
11	LSNGP	preferred	Lenenergo	Power industry
12	NNSI	common	VolgaTelecom	Telecommunications
13	PKBA	common	«Baltika» Brewery	Food industry
14	PKBAP	preferred	«Baltika» Brewery	Food industry
15	RBCI	common	RBC Information Systems	Mass media
16	RTKMP	preferred	Rostelecom	Telecommunications
17	SBERP	preferred	Sberbank of Russian Federation	Banking
18	SIBN	common	SIBNEFT	Fuel industry
19	SNGS	common	Surgutneftegaz	Fuel industry
20	SNGSP	preferred	Surgutneftegaz	Fuel industry
21	SPTL	common	North-Western Telecom	Telecommunications
22	SPTLP	preferred	North-Western Telecom	Telecommunications
23	URSI	common	Uralsvyazinform	Telecommunications
24	YUKO	common	YUKOS	Fuel industry

Company Distribution by Industry



Shares Listed on the RTS Stock Exchange in 2002

#	RTS Ticker Symbol	Share Type	Issuer	Industry
1	BANE	common	«Bashneft»	Fuel industry
2	BANEP	preferred	«Bashneft»	Fuel industry
3	WBDF	common	«Wimm-Bill-Dann» company	Food industry
4	RBCI	common	«RBC Information Systems»	Mass media
5	PRPM	common	Proton-Perm Motors	Heavy Engineering industry
6	ATLM	common	Tolmachevo Airport	Transportation
7	ATLMP	preferred	Tolmachevo Airport	Transportation
8	VGOK	common	OMPE Vysokogorskiy	Mining industry
9	TRNFP	preferred	Transneft	Piping
10	TANL	common	Tantal	Machine-building industry
11	TANLP	preferred	Tantal	Machine-building industry
12	PETR	common	Petrocommerts	Banking
13	STBN	common	Stella Bank	Banking
14	ERCO	common	Russian Energy Company	Scientific research
15	URSIP	preferred	Uralsvyazinform	Communications

Shares Listed on the RTS Stock Exchange in 2002

As of January 01, 2002		As of December 21, 2001	
Total number of bonds, including	34	Total number of bonds, including	51
Corporate	23	Corporate	36
State	11	State	13
Municipal	0	Municipal	0
Eurobonds	0	Eurobonds	2

RTS

Bonds Traded on RTS Bonds in 2002.

#	Bond Code	Issuer	Industry
1	MOS021	City of Moscow	Management
2	MOS022	City of Moscow	Management
3	MOS023	City of Moscow	Management
4	MOS024	City of Moscow	Management
5	MOS025	City of Moscow	Management
6	RGLB18	Ministry of Finance of Russian Federation	Management
7	RGLB30	Ministry of Finance of Russian Federation	Management
8	KOMI004	Ministry of Finance of Russian Federation	Management
9	LEN001	Government of Leningrad Oblast	Management
10	RSY002	Sakha Republic Ministry of Finance	Management
11	AFLT02	Aeroflot	Transportation
12	MCHL01	Moscow Bread Factory	Food industry
13	TNKO04	TNK	Power industry
14	TNKO05	TNK	Power industry
15	OMZZ01	OMZ (Uralmash-Izhora)	Heavy engineering industry
16	OMZZ02	OMZ (Uralmash-Izhora)	Heavy engineering industry
17	OMZZ03	OMZ (Uralmash-Izhora)	Heavy engineering industry
18	SLAV02	Slavneft	Power industry
19	ZLSU01	South Ural Gold	Precious metals industry
20	STRD01	Stroiindustria	Construction
21	RSBN01	«Russian Standard» Bank	Banking Industry
22	KLNA02	«Kalina» Concern	Cosmetics industry
23	NMOS06	«New Moscow»	Banking Industry
24	RTKL02	RTK-Leasing	Logistics
25	RTKL03	RITEK	Oil industry
26	NKNCO2	Nizhnekamskneftekhim	Petrochemical Industry
27	ALRS07	ALROSA	Non-ferrous metallurgy
28	ALRS08	ALROSA	Non-ferrous metallurgy
29	ALRS09	ALROSA	Non-ferrous metallurgy
30	BISV01	Bashinformsvyaz	Telecommunications
31	PCOM01	«Parizhskaya Communa»	Light industry
32	NEAZ01	«Nevinnomyssk Azot»	Chemical Fertilizers production
33	VTBR02	Foreign Commerce Bank	Banking
34	SVZK04	Comi Republic Telecom	Telecommunications
35	ESMO01	Center Telecom	Telecommunications
36	ESMO02	Center Telecom	Telecommunications
37	SPTL01	North-Western Telecom	Telecommunications
38	URS106	Uralsvyazinfo	Telecommunications
39	IAPO02	IAPO	Aviation Industry
40	MAGN16	Magnitogorsk Metallurgic Plant	Ferrous metallurgy
41	VFLT01	«Volzhskoe Parokodstvo» company	Transportation
42	MIBN01	Interregional Investment Bank	Banking
43	PMIF01	«PROMIF»	Wholesale trading
44	RSFN01	Russkii Standard Finance	Wholesale trading

Derivatives

Total, including	10
New (started trading in 2002)	34

Futures contracts:

- «Gazprom» stock
- RAO UES of Russia stock
- S&P/RUIX Index
- USD Futures Contract
- «Rostelecom» stock
- «Surgutneftegaz» stock
- «LUKOil» stock (cash-settled)
- «LUKOil» stock (deliverable)

Options:

- options on RAO UES of Russia stock futures
- options on «Gazprom» stock futures

RTS

RTS Stock Exchange 2002 Timeline

January – The RTS Technical Center becomes one of the founders of the ‘Electronic Data Interchange Standards’, non-profit partnership tasked with creation and promotion of national EDI standards for Russian securities market. Sergey Kiriushin, RTS Technical Center General Director, was elected the Head of the Partnership Executive Committee.

February – The new revision of the RTS Trade Agreement adopted. Traders now have an opportunity to execute transactions via Electronic Agreement Center and dissolve their agreements using the Center’s technologies.

March – Market participants are allowed to trade ‘Gazprom’ stock and other shares traded on Guaranteed Trading System (GTS) from a single account in the RTS Settlement Chamber.

March – The Federal Securities Commission of Russia grants licenses to the RTS Stock Exchange allowing the bourse to perform clearing activities and serve as a marketplace. Before March 2002 the RTS Stock Exchange possessed a combined license for trading and clearing valid until March 22, 2002.

March – RTS Settlement Chamber starts offering its clients the Internet service – 5NT Online. The new remote client servicing technology based on modern ‘Client-Bank’ system allows to significantly decrease participants’ account management expenses.

April – New RTS Partnership Reporting Requirements adopted.

April – RTS Stock Exchange starts trading Eurobonds with 2030 year of maturity. Two complementary trading technologies are being used – the “Market-maker” technology analogous to the RTS Classic market, and the “Guaranteed Requests” technology similar to the Order-Driven market technology.

April – RTS Derivatives Market (FORTS) increases the size of its Reserve fund two-fold, from 30 to 60 million rubles. The Reserve fund is made up of the Exchange’s

own funds to ensure default-free clearing and settlement regardless of current market conditions.

April – ‘RBC Information Systems’ offers its common shares on the RTS Stock Exchange, in the first IPO in the history of Russian securities market. “ATON” serves as the lead underwriter, “Alfa-Bank” – as the co-manager. RTS Settlement Chamber acts as the clearing bank, and “Depositary and Clearing Company” as the clearing depository. IPO conducted via the ‘Guaranteed Trading System’.

April – RTS Stock Exchange own capital increases by 25 million rubles and exceeds 30 million rubles.

April – RTS Stock Exchange and “Gazprombank” become registered members of the St. Petersburg Stock Exchange Partnership and, together with joint-stock company “St. Petersburg Stock Exchange”, assume day-to-day management responsibilities for the Exchange.

May – All RTS markets are now served at a new technical center equipped with modern equipment, backup power sources and reserve communication channels.

May – “Ingosstrakh” company insured FORTS market clearing activities performed by the RTS Technical Center for 1 million US dollars.

June – To increase ‘Gazprom’ stock liquidity and attract more private investors minimum traded lot for ‘Gazprom’ lowered from 1,000 to 100 shares.

June – RTS Bonds fixed-income market launched. Two complementary trading systems are used: with full preliminary deposition of assets and money (Order-driven market) and without full preliminary deposition of money (Classic market).

June – The Supervisory Board of non-profit partnership “Trading system administrator of Wholesale Electricity Market of Unified Energy System” appoints RTS Settlement Chamber the settlement body for wholesale electricity market being created by the partnership. “Trading system administrator” receives the right (option)

Facts and Figures (as of December 31st, 2002)

to buy 50% of Settlement Chamber shares until December 31, 2003.

July - Trading hours on the RTS derivatives market extended; session now lasts from 10:30 to 18:30.

August – Andrew McGough (New Jersey, USA), wins the ‘Guess the RTS Index’ Game. 575 people from 70 cities of 16 countries participate in the game.

October – Based on the Guaranteed Trading System technologies and unified ‘Gazprom’ stock market, the RTS Stock Exchange and St. Petersburg Stock Exchange form the Order-driven stock market. The market supports anonymous trading in common and preferred stock with preliminary deposition of assets and ruble settlement. St. Petersburg Stock Exchange serves as the marketplace for the market, RTS Settlement Chamber – as the settlement organization, Depository and Clearing Company (DCC) and ‘Gazprombank’ depository serve as the depository. Trading in all securities can be executed from one open position. Market participants now have an opportunity to effectively transfer money from Order-driven market to FORTS Derivatives market and back.

October – RTS Stock Exchange becomes a correspondent member of the World Federation of Exchanges.

October – RTS starts offering the standardized package RTS Stocks allowing RTS members a complete access to trading and settlement complex. RTS Stocks package consists of the RTS Stocks workstation, RTS Internet-gateway and settlement software.

October – RTS starts real-time free broadcasting of trading sessions (except for trading in ‘Gazprom’) on its Web page www.rts.ru/rm.

November – Off-market tariffs for futures and options contract trading are lowered on FORTS.

November - RTS starts calculating its Composite index; the index is calculated on thirty-minute intervals and is used to determine the necessity of trading suspension.

November – “Lenenergo” company becomes the winner of 5th yearly Annual report contest. ‘Lenergo’ wins in the ‘Best Annual Report 2001’ category and in the nominations ‘Best Creative Idea’, ‘Best Design and Production’, ‘Best Corporate Disclosure’.

December – FORTS introduces a new product – USD/RUR exchange rate futures contract.

December – the deliverable futures on ‘LUKOil’ single stock with June 16th, 2003, delivery date, start trading on the RTS Stock Exchange. Before that, the only deliverable contract traded was the ‘LUKOil’ futures contract.

December – RTS data feed, distributed to information agencies – official market data distributors – now includes five best quotes by market makers. If less than five market makers are quoting a given security at a given period of time, only the best quote is disseminated. Before that, the data feed consisted of only the best buy/sell quotes.