



RTS INDEX

RTS EXCHANGE



RTS INDEX

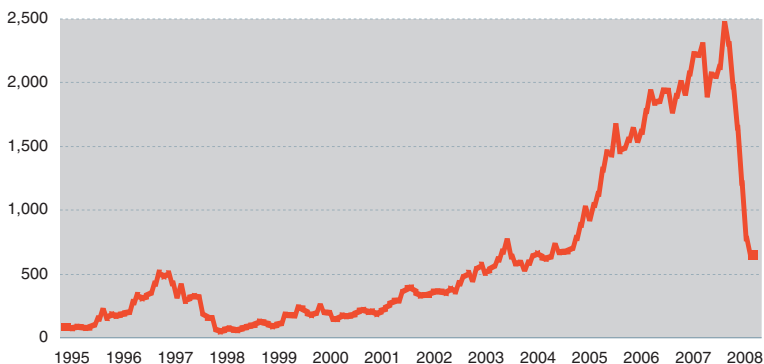
RTS Index, calculated by OJSC “Russian Trading System” Stock Exchange, is the leading indicator of the Russian securities market. RTS Index is calculated on the basis of the prices of 50 liquid shares of the most capitalized Russian issuers.

Most of the Russian market participants, foreign investors and investment companies recognize RTS Index as the main benchmark of the Russian stock market which reflects its structure and dynamics.

RTS Index is one of the oldest Russian stock indices and it has been calculated since September 1st, 1995, on the basis of the most liquid shares traded on the RTS markets. It was the first Index to introduce the prices of actual trades, settled in the trading system and covers the whole period of existence of Russian organized securities markets.

RTS Index is a registered trademark both in Russian and English languages.

RTS INDEX DYNAMICS



RTS Index, 1995–2008

RTS INDEX CALCULATION FEATURES

RTS Index is the stock index weighted by capitalization. The basis of its calculation formula is the ratio of total capitalization of shares, included into the list for index calculation, to the same value as of initial date.



Total capitalization of shares, included into the list for Index calculation was no more than \$ 13 bln as of September 1st, 1995, (by the results of September 2008 – almost \$ 600 billion). The initial RTS Index value was defined as 100 points.

The methodology of calculation is being constantly improved, which allows the RTS Index to respond flexibly to new market changes and as a result, ensures its representativeness.

RTS Index is calculated every 15 seconds within a trading session. The first Index value is considered the opening value, and the last value is considered the closing value.

The index is calculated in two values – US dollar and ruble. The ruble index is based on the dollar-denominated one, and is considered auxiliary.

RTS INDEX

General control and introduction of modification to the methodology of Index calculation is performed by the RTS Information committee, which is composed of analysts from the leading Russian broker companies and foreign specialists on Index calculation, analysts from Standard & Poor's. Changes can be made no more than once a quarter. Notifications of such changes are disclosed on the RTS website (www.rts.ru). The information committee also takes decisions on the changes to the RTS Index calculation list and adjusting coefficients.

For the most correct presentation of market environment in terms of RTS Index computing only securities in free float are taken into account. To determine their share the adjusting free-float coefficient is used, which is computed on the basis of issuers' quarterly reports and publicly accessible information.

To limit the impact of shares of individual issuers on RTS Index the following rule was introduced: the share of securities of each issuer in total market capitalization should not exceed 15 %. Coefficients are used to enforce this rule and to limit the weight of some securities in the Index.

In case of changes in the list of securities, weighting coefficients, free-float parameters or corporate events, re-calculation of adjusting coefficient is done with intent to prevent a dramatic upturn specified by those changes.

The methodology of RTS Index calculation meets Russian and foreign regulatory requirements, imposed on stock indices, which can be considered an additional guarantee for investors. In calculating the index, all requirements of Russian Federal Financial Markets Service (FFMS) are observed: obligatory representation of Index calculation methodology to FFMS, presence of no less than 10 issuers in the index, requirements to the share of securities, not admitted to quotation lists and requirements of information disclosure.

The RTS Index also complies with directives of the European Parliament and UCITS directives of the European Union on diversification of the basis of index calculation, market indicator adequacy and general accessibility.

HISTORY OF RTS INDEX CHANGES

Initially RTS Index computing was done once a day on the basis of volume-weighted average price of stocks, employed in the RTS Index calculation. In the calculation process the whole volume of securities issued, whether these securities were in free circulation or not, was taken into account together with all types of trades, settled in trading system.

ON SEPTEMBER 1ST, 1995, THERE WERE 13 SHARES, INCLUDED IN THE RTS INDEX:

1. RAO UESR, ordinary shares
2. JSC "Irkutskenergo", ordinary shares
3. KAMAZ Inc, ordinary shares
4. KomiNeft, ordinary shares
5. OAO "LUKOIL", ordinary shares
6. AO "MOSENERGO", ordinary shares
7. OJSC "MMC "NORILSK NICKEL", ordinary shares
8. Noyabrskneftegaz, ordinary shares
9. Purneftegas (Rosneft), ordinary shares
10. OJSC "Rostelecom", ordinary shares
11. Surgutneftegas, ordinary shares
12. "Tomskneft" VNC, ordinary shares
13. Yuganskneftegaz, ordinary shares

Until November 1996, changes in RTS Index concerned only those securities, on which basis it was calculated. Starting from the end of 1995 the RTS Index was calculated on the basis of 21 securities, and from September 1996 – of 24 securities. The first exclusions of shares from RTS Index took place in 1997.

RTS INDEX

The main criterion of securities selection was their liquidity.

At the end of 1996, the methodology of RTS Index calculation was reviewed. Due to the growing intensity of trading on RTS it was decided to calculate the Index every hour of a trading session and the period of price averaging was 24 hours. Also unilateral transactions, which related to over-the-counter trading, ceased to be taken into account.

In January 1998, it was decided to calculate the Index every half an hour, starting from 12.00, using volume-weighted prices of the trades, settled within the last 60 minutes of trading. At that time it was decided to include all securities from the RTS list into the list for index calculation.

Until January 1st, 2000, the index list changed with the list of securities, admitted to trading on RTS simultaneously and later on started to be formed according to the new rules. Securities from RTS quotation lists of the first and second levels were added to the RTS Index, as well as the securities, selected by the RTS Information Committee on the basis of expert evaluation. The list is revised on a quarterly basis.

With the development of the securities market and improvement of disclosure systems of information and companies' adoption of more open informational policy it became possible to determine the share of securities in free float. The calculation of the RTS Index now includes free-float securities.

In a new methodology of RTS Index calculation, initial values of the Index are fixed as of September 1st, 1995, and a special adjusting coefficient is used in order to protect the indicator from surges caused by changes to the index constituents.

RTS INDEX STRUCTURE BY SECTORS OF ECONOMY

Liquid securities of leading Russian companies, which represent key sectors of the Russian economy, are included in calculating the RTS Index.

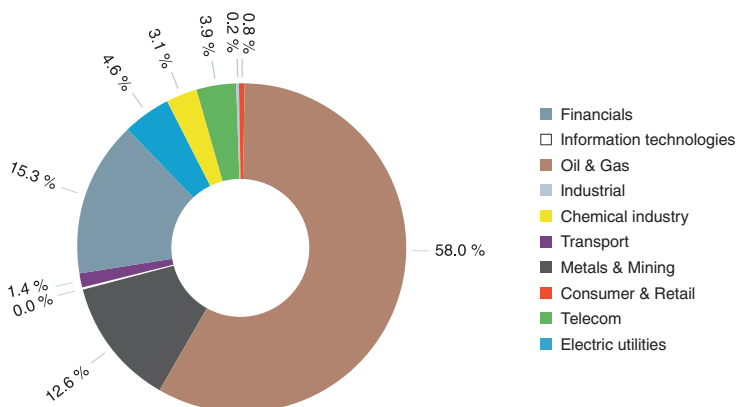
At present, more than 50% of the total capitalization of the Index accounts for the oil & gas sector.

However, other sectors of the Russian economy have significantly strengthened their positions recently.

Metallurgical and financial sectors of industry have a significant weight in the RTS Index. Electric utilities, telecommunications and chemical industry each take up 3–4 % in the Index.

In fact, the sectoral structure of the RTS Index includes all key sectors of the Russian economy.

RTS INDEX STRUCTURE BY SECTORS OF THE ECONOMY (AS OF DECEMBER 31ST, 2008)



IMPACT OF SINGLE SECURITIES ON RTS INDEX

RTS Index dynamics reflect aggregate price changes for the securities, included in the Index. However, the impact of single instruments on the Index can vary depending on the weight of a particular security in the Index.

The weight of each security in the RTS Index is defined by the size of capitalization, free-float coefficient and a coefficient, limiting the weight of securities of individual issuers. It can be expressed as a ratio of capitalization of a particular security, which is added in the index calculation, to the total capitalization of all securities, included in the Index. Rise or fall in the quotes of the majority of shares defines the direction of index movement.

RTS INDEX STRUCTURE

The RTS Index is calculated on the basis of 50 liquid securities of the most capitalized Russian issuers.

Securities admitted to trading on RTS, can be included in the RTS Index. The Index constituents list is revised by using data on trading statistics for the previous three months.



Initially, security enters the list of candidates for inclusion in the RTS Index. Candidates should meet certain requirements, such as the size of capitalization and liquidity. With the inclusion of new securities in the Index, the same number of securities is excluded because of the lowest capitalization and/or insufficient liquidity.

Decisions on inclusion and exclusion of securities from the RTS Index as well as the list of candidates are made by experts on the RTS Information committee quarterly.

However, securities can be removed from the index calculation list outside this time period when a security is excluded from the list of securities admitted to trading and when particular corporate events of the stock company take place.

When the list is formed, the company's industry sector can also be taken into account.

RTS INDEX

LIST OF SECURITIES FOR RTS INDEX CALCULATION (IN EFFECT SINCE MARCH 16TH, 2009)

No	Ticker	Company name, share type	Capitalization as of 27.02.09, USD	Free-float coefficient (Wf)	Coefficient restricting the share weight (C)	Weight in the Index as of 27.02.2009
Oil & Gas						
1	LKOH	OAO "LUKOIL", Common	6,739,417,374	50 %	0.5054849	15.00 %
2	GAZP	Gazprom, Common	6,739,417,176	40 %	0.2259379	15.00 %
3	ROSN	OJSC "OC "Rosneft", Common	5,405,070,687	15 %	1	12.03 %
4	SNGS	Surgutneftegas, Common	4,912,324,272	25 %	1	10.93 %
5	SNGSP	Surgutneftegas, Pref	1,213,064,722	70 %	1	2.70 %
6	TATN	Tatneft, Common	1,209,173,339	30 %	1	1.84 %
7	NVTK	JSC "NOVATEK", Common	992,872,062	15 %	1	2.69 %
8	SIBN	JSC "Gazprom Neft", Common	474,129,964	5 %	1	1.06 %
9	TRNFP	Transneft, Pref	300,090,875	100 %	1	0.67 %
10	BANE	Bashneft, Common	173,573,149	20 %	1	0.39 %
11	UFNC	Ufaneftekhim, Common	170,704,977	40 %	1	0.38 %
Banking and Finances						
12	SBER	Sberbank, Common	3,410,737,784	40 %	100%	7.59 %
13	SBERP	Sberbank, Pref	212,000,000	100 %	100%	0.47 %
14	VTBR	JSC "VTB Bank", Common	753,103,513	20 %	100%	1.68 %
15	OPIN	JSC "OPIN", Common	85,569,238	20 %	100%	0.19 %
Metals and Mining						
16	PLZL	OJSC "Polyus Gold", Common	2,268,470,189	35 %	1	5.05 %
17	GMKN	OJSC "MMC "NORILSK NICKEL", Common	1,772,838,047	20 %	1	3.95 %
18	CHMF	JSC "Severstal", Common	559,274,252	15 %	1	1.24 %
19	PMTL	JSC "Polymetal", Common	472,500,000	25 %	1	1.05 %
20	NLMK	NLMK, Common	284,678,294	5 %	1	0.63 %
21	MTLR	"Mechel" OAO, Common	249,762,447	15 %	1	0.56 %
22	RASP	OAO "Raspadskaya", Common	148,351,964	20 %	1	0.33 %
23	MAGN	OJSC "MMK", Common	111,743,300	5 %	1	0.25 %
24	VSMO	VSMPO-AVISMA Corporation, Common	51,882,921	25 %	1	0.12 %
Electric Utilities						
25	HYDR	JSC "RusHydro", Common	1,190,768,328	30 %	1	2.65 %
26	FEES	"FGC UES", JSC, Common	888,205,931	20 %	1	1.98 %
27	MRKH	JSC "Holding MRSK", Common	254,458,875	25 %	1	0.57 %
28	MSNG	AO "MOSENERGO", Common	198,746,799	20 %	1	0.44 %
29	OGKC	JSC "WGC-3", Common	89,277,439	20 %	1	0.20 %
30	IRGZ	JSC "Irkutskenergo", Common	81,035,731	10 %	1	0.18 %
31	OGKB	JSC "OGK-2", Common	68,742,594	30 %	1	0.15 %
Telecommunications						
32	MTSS	"MTS" OJSC, Common	338,865,443	5 %	1	0.75 %
33	RTKM	OJSC "Rostelecom", Common	298,765,491	5 %	1	0.66 %
34	URSI	OJSC "Uralsvyazinform", Common	98,349,791	35 %	1	0.22 %
35	AFKS	"Sistema" JSFC, Common	65,137,500	5 %	1	0.14 %
36	SPTL	OJSC "N. W. Telecom", Common	51,342,923	35 %	1	0.11 %
37	ESMO	JSC "CenterTelecom", Common	49,707,215	30 %	1	0.11 %
38	ENCO	OJSC "Sibirtelemekom", Common	45,643,327	40 %	1	0.10 %
Chemical Production						
40	URKA	OJSC "Uralkali", Common	938,343,063	35 %	1	2.09 %
41	SILV	Silvinit, Common	281,727,360	15 %	1	0.63 %
42	AKRN	JSC "Acron", Common	128,756,520	20 %	1	0.29 %
Transport						
43	NMTP	PJSC "NCSP", Common	317,786,954	30 %	1	0.71 %
44	AFLT	JSC "Aeroflot", Common	153,265,049	20 %	1	0.34 %
Consumer Products and Commerce						
45	MGNT	OJSC "Magnit", Common	345,469,489	25 %	1	0.77 %
46	PHST	JSC "Pharmstandard", Common	101,473,139	15 %	1	0.23 %
47	WBDF	WBD Foods, Common	60,280,000	10 %	1	0.13 %
48	SCON	JSC "The Seventh Continent", Common	50,250,000	10 %	1	0.11 %
Production Sector						
49	AVAZ	JSC "AVTOVAZ", Common	48,590,140	20 %	1	0.11 %
50	SVAV	"SOLLERS" OJSC, Common	37,183,123	35 %	1	0.08 %

RTS INDEX FUTURES CONTRACT

One of the contracts traded on the Russian derivatives market is a futures contract on the RTS Index. This instrument is the most liquid contract of the Russian financial market. The trading volume on the RTS Index futures at present accounts for more than half of the total turnover on FORTS market (Futures and Options on RTS) and exceeds a trading volume of certain stocks.

A futures contract on the RTS Index is a standard contract that is cash-settled so no physical delivery of the underlying asset takes place. When concluding trades on the RTS Index futures the trading participants take on the obligation to pay or receive the difference (variation margin) between the trade's value and a futures contract settlement price. The settlement price is determined on the basis of the average RTS Index value for the last trading hour on the last day when the futures is traded.

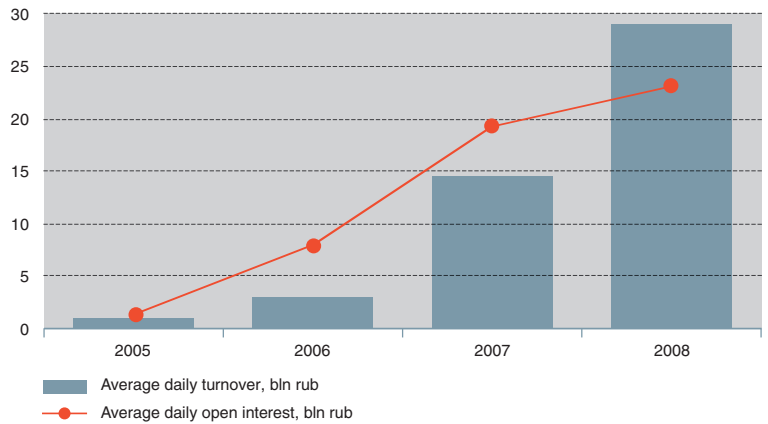
RTS INDEX

SPECIFICATIONS FOR RTS INDEX FUTURES CONTRACT

Underlying Asset	RTS Index
Contract Size (Trading Unit)	USD 2 times RTS Index
Quotation	100 times RTS Index
Minimum Price Movement (Tick Size and Value)	5 (0.05 index points or USD 0.1 per contract)
Settlement	Cash-settled
Contract Months	4 successive quarterly months in the cycle: March, June, September, December
Last Trading Day	Trading day preceding the 15th of the settlement month
Final Settlement Day	First business day following the last trading day
Final Settlement Price	USD 2 times average value of Index calculated during the last trading hour of the last trading day
Trading Period	10.30 a.m. – 11.50 p.m. Moscow time
Code of the Underlying Asset on the Main RTS Spot Market	RTSI
Contract Ticker (used in RTS DATA FEED)	RI<m><y>
Contract Code (used on RTS website)	RTS-<mm>.<yy> where <mm> – delivery month, <yy> – delivery year (all coded with digits)
Thomson Reuters code	type "RTSMAIN" in Thomson Reuters
Bloomberg code	type "CEM RTS" in Bloomberg

Futures contracts on indices are the most popular financial instruments in the world. Professional market participants are interested in building sophisticated strategies and making speculative transactions with these instruments and insurance and portfolio management companies mostly use these instruments for hedging risks.

AVERAGE ANNUAL TURNOVER AND TOTAL OPEN INTEREST FOR RTS INDEX FUTURES CONTRACT



Besides a futures contract on the RTS Index, the range of derivative instruments on indices include futures on RTS sectoral indices (Oil & Gas, Telecom, Consumer & Retail) and also option contracts on RTS Index futures.

Futures and options on RTS Indices futures contracts give a lot of opportunities to hedge risks of stock portfolios and to speculate for the rise or fall of the stock market.

FAMILY OF RTS INDICES

Besides the main indicator – RTS Index – “Russian Trading System” Stock Exchange also calculates the “second-tier” stock Index – RTS Index-2 and sectoral indices.

Mid and small-cap securities are included in the basis of RTS Index-2 calculation. Investors' interest in the “second-tier” has significantly increased in recent years.

In practice, the degree of detailing doesn't concern only “blue-chips” and “second-tier” stocks. Another link in the chain of world, national and instrumental indices is formed by sectoral indices. Their value is quite important for investors – due to such indices stock market participants are able to determine attractiveness of this or that industry.

Since the beginning of 2005, RTS has been calculating sectoral indices by 5 main sectors of the Russian economy (RTS Index – Oil & Gas (RTSog), RTS Index – Telecom (RTStl), RTS Index – Metals & Mining (RTSmm), RTS Index – Industrial (RTSin), Consumer & Retail (RTScr)).

In 2007, the family of RTS Indices grew with the arrival of the RTS Index – Electric Utilities (RTSeu) and RTS Index – Financials (RTSfn). Calculation of the Electric Utilities Index became possible after the majority of energy companies were reformed. The launch of the financial index took place after large Russian banks and investment companies had their IPOs.

Taking into account the appearance of liquid stocks with high capitalization in other industries of the Russian economy, RTS has taken the decision to expand its range of sectoral indices.

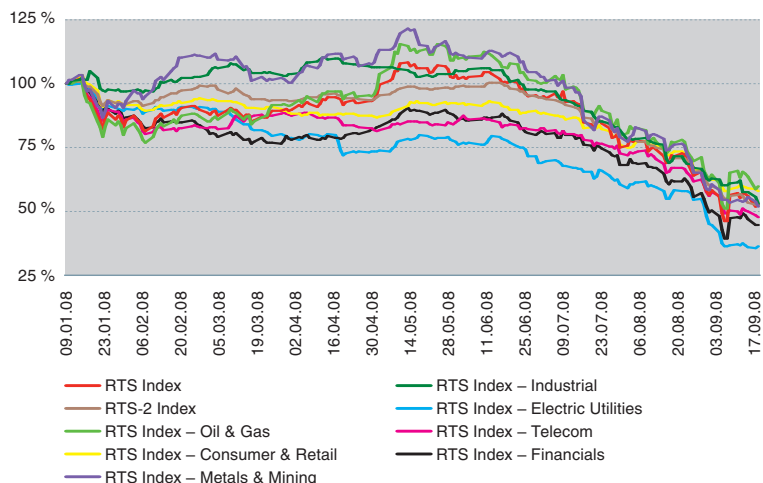
Calculation of the “second-tier” Index and sectoral indices is based on the methodology of RTS Index calculation.

RTS Indices	
Composite Indices	Sectoral Indices
<ul style="list-style-type: none"> • RTS Index 	<ul style="list-style-type: none"> • Oil & Gas • Consumer & Retail • Metals & Mining • Industrial • Electric Utilities • Telecom • Financials
<ul style="list-style-type: none"> • RTS-2 Index 	

MAIN CHARACTERISTICS OF RTS INDICES
AS OF 31.12.2008

Index	Number of shares	Total capitalization, mln USD	Index Capitalization, mln USD	Share of the total stock market capitalization, %	Bloomberg Ticker	Reuters Ticker
RTS Index (RTSI)	50	296,629.8	55,751.2	79.1 %	RTSI\$.RTSI
RTS-2 Index (RTS2)	75	33,218.3	6,166.5	8.9 %	RTS2\$.RTS2
RTS Index – Oil & Gas (RTSog)	12	196,366.0	32,497.9	52.4 %	RTSOG\$.RTSOG
RTS Index – Consumer & Retail (RTScr)	11	3,783.2	578.3	1.0 %	RTSCR\$.RTSCR
RTS Index – Metals & Mining (RTSmm)	13	36,021.1	5,888.0	9.6 %	RTSMM\$.RTSMM
RTS Index – Industrial (RTSin)	10	2,388.6	407.9	0.6 %	RTSIN\$.RTSIN
RTS Index – Electric Utilities (RTSeu)	16	17,321.7	2,594.5	4.6 %	RTSEU\$.RTSEU
RTS Index – Telecom (RTStl)	12	16,230.2	1,364.2	4.3 %	RTSTL\$.RTSTL
RTS Index – Financials (RTSfn)	9	29,551.5	1,091.4	7.9 %	RTSFN\$.RTSFN

COMPARATIVE DYNAMICS OF RTS INDICES FOR 2008



PARTNERSHIP WITH S&P

On January 26th, 2006, Standard & Poor's – the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data – signed an agreement with the “Russian Trading System” Stock Exchange.

Under this agreement, RTS Index, which is the main benchmark of the Russian stock market for international and national investors, is included into Standard & Poor's portfolio of global index offers. RTS exclusively entitles Standard & Poor's to distribute, represent, promote and publish RTS Indices.

Within the framework of this agreement, Standard & Poor's has chosen to manage the issuance of permits to use the RTS Index by investment managers, heads of structuring and implementation departments with the purpose of creating financial products. Since signing the agreement Standard & Poor's has general control and is the member of the RTS Information Committee responsible for changes in the methodology of the Index calculation. Standard & Poor's representative has become a regular member of the RTS Information Committee and acts as an adviser, providing interconnection with the international market participants in terms of the management over Russian indices.

Among the most important achievements of this partnership to present day include: the full integration of the RTS index data in the global system of Standard & Poor's data distribution, creating special indices according to technical terms of clients (custom indices) on the basis of the RTS Index, signing a number of contracts on the use of the RTS Index for the purposes of establishing index funds and also creating other financial products in Russia and abroad.

Going forward, both parties plan to expand the set of RTS Indices and their labeling with a joint brand for the Russian and international investors, managers of asset portfolios as well as to create an environment for the development of index funds and exchange-traded index derivative products.



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