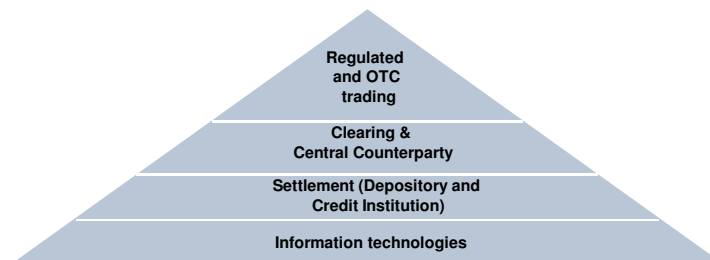


FUTURES AND OPTIONS MARKET IN RUSSIA

FORTS FUTURES
& OPTIONS



RTS: VERTICALLY INTEGRATED GROUP

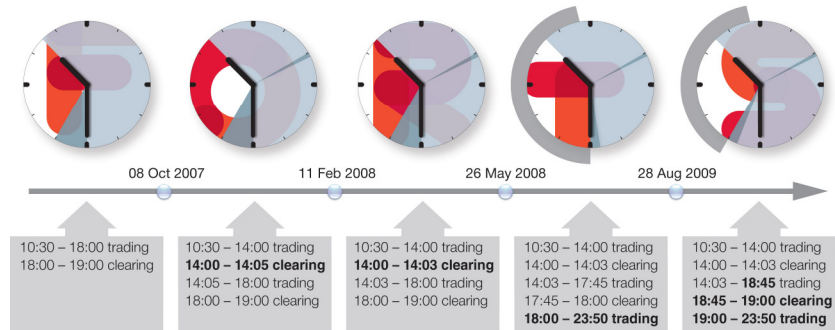


Shareholders:
Mostly Russian brokers & banks
Others: Foreign brokers & banks,
Russian & foreign funds, individuals

Regulators:
Federal Financial Markets Service
Self - Regulated Organizations
RTS Board of Directors
FORTS Derivatives Committee

FORTS FUTURES
& OPTIONS

TRADING HOURS & CLEARING SESSIONS

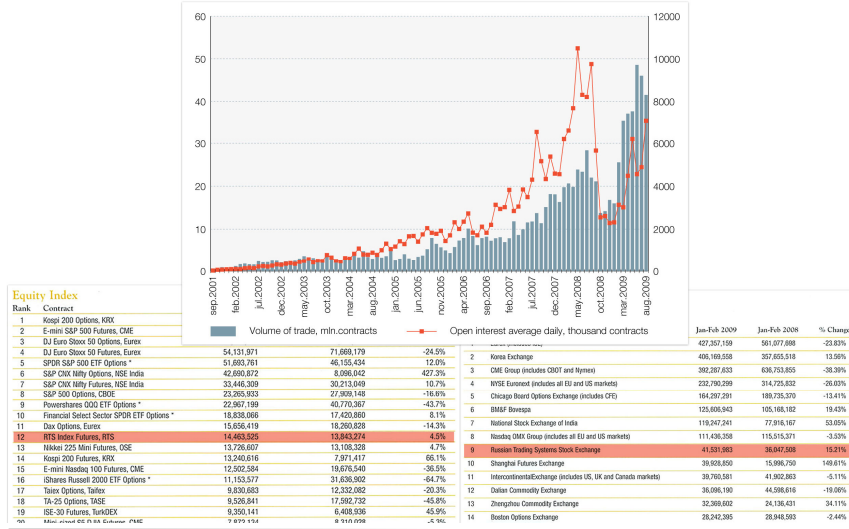


FORTS FUTURES & OPTIONS

Futures and Options on RTS (FORTS)	<u>Commodities Segment</u>	Delivery Futures on Gas oil, Sugar Futures on Gold and on Silver Futures on Brent and Urals Oil Futures on Platinum and Palladium Options on Gold and Silver	
	<u>Money Segment</u>	Short-term Interest Rates: 2 MosPrime Futures MosIBOR Futures Currency: Futures on USD/RUB, EUR/RUB, EUR/USD Options on USD/RUB	Order-driven trading Settlement in rubles Central counterparty
	<u>Securities Segment</u>	Stocks: Futures on 20 most liquid stocks Options on 9 most liquid stocks Indices: Futures on RTS Index and 3 RTS Sectoral Indices Options on RTS Index Bonds: Futures on 13 most liquid bonds	Initial Margin and Guarantee Funds: Contingency and Reserves Funds

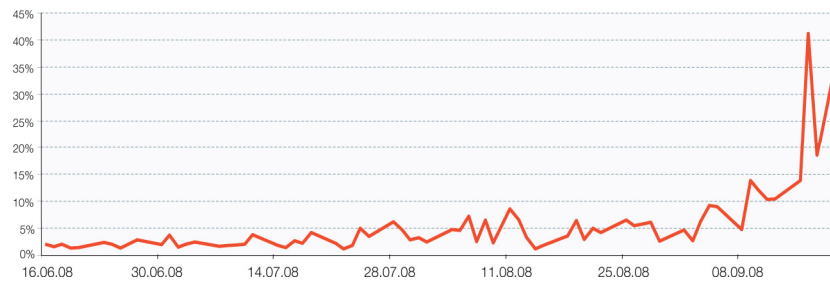
FORTS FUTURES & OPTIONS

DERIVATIVES TRADING VOLUME AND OPEN INTEREST



FORTS FUTURES & OPTIONS

CRISIS: VOLATILITY OF RTS INDEX FUTURES



CONTRACT	Basic initial margin, % per contract	Current initial margin, % per contract
Futures on RTS Index	7,5	15 % (reached 50 %)
Futures on "Gazprom" common shares	12	15 %
Futures on "LUKoil" common shares	12	15 %
Futures on MMC "Norilsk Nickel" common shares	12	20 %
Futures on "Sberbank" common shares	12	15 %
Futures on JSC "VTB Bank" common shares	12	20 % (reached 71 %)
Futures on gold	5	10 %

FORTS FUTURES & OPTIONS

BASIC PRINCIPLES OF FORTS RISK MANAGEMENT SYSTEM

1. **Reliability (Convenience):**
 - calculated on the basis of largest assumed price movements over 1-trading day (2 trading periods)
 - price limit management
 - system for monitoring of a participant's debt
 - system of using the money cushion
2. **Effectiveness:**
 - Financial requirements to clearing members are in line with the market risk associated with their positions
3. **Based on up-to-date technology**
4. **Performance:**
 - Real-time, online margining, fast calculation of clearing members' financial requirements during trading on FORTS
 - Adaptability to futures-style options
 - Opportunity to scale the system to suit clearing member/ trading member and trading member/client relationship
 - Opportunity for participants to see the size of the Initial Margin on any position
 - Software for clients and brokerage firms for Initial Margin calculation



FORTS RISK MANAGEMENT SYSTEM

Clearing rules give explicit and detailed description of RTS Clearing Center actions in various situations, such as:

- default of a clearing member
- revocation of a license of a clearing member (client of clearing member)
- lack of securities and (or) money for maintenance of the open positions / for fulfillment of the Clearing Center's obligations / for fulfillment of the obligations included in a clearing pool
- cessation of trading in case of price movement beyond daily price limits
- emergency situations as defined by the exchange



CURRENT LEGAL INCENTIVES

- Legal definition of derivatives
- Managing risks of collective investments on derivatives markets
- Taxation regime of derivatives transactions
- Requirements to closing off derivatives positions

FORTS FUTURES
& OPTIONS

Thank you for the attention!

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