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MNI Russia Consumer Report
January 2014

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Insight and data for better decisions

MNI Indicators offers unique macro-economic data and insight to businesses and the investment community. We produce data and intelligence that is unbiased, pertinent and responsive. Our data moves markets.

Specialising in business and consumer focused macro-economic reports, we give our customers the ability to make timely and relevant decisions. We strive to provide up-to-date information on business and consumer confidence on the economy.

MNI Indicators publishes data on a monthly basis. Our indicators are based on a unique and proprietary methodology and are designed to present an advance picture of the economic landscape as perceived by businesses and consumers every month.

Our monthly reports explore attitudes, perspectives and confidence across different countries and regions. They deliver in-depth analysis, highlight changing patterns and how these can affect potential developments in business and consumer activities.

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MNI Russia Consumer Report - January 2014
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A Happy Decline?

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The fall in the currency could be a blessing for Russia, which saw growth fall to its lowest for four years in 2013.

The Russia Rouble has depreciated by nearly 14% against the US and 18% against the euro since the start of 2013. Around 5% has been shaved off the euro-rouble rate in the past 10 days as global emerging markets have been flung into a tailspin over concerns about China and renewed fears of capital flight.

The fall in the currency could be a blessing for Russia which faced its lowest growth in four years in 2013. The depreciation should help domestic manufacturers by making imports more expensive. It should also help companies regain some competitiveness in global markets – so much of which has been lost to weaker labour productivity. It could kick start a rebalancing in the economy away from the country's dependence on natural resources – a cure for the Dutch Disease which Russia has at least caught in part.

Our sister business survey shows that companies are already benefiting from the rouble's decline although it will take time for the full effect to feed through the real economy.

The Russia authorities seem happy to see the rouble slide. Economy Minister Alexei Ulyukayev openly stated that the rouble was more likely to ease than strengthen given the deteriorating current account position. The depreciation should help to improve the trade position eventually.

The central bank has added to the weakness in the currency by halting its daily currency interventions as it moves towards a freely floating rouble in 2015. And this transition to a full float and an inflation targeting regime is likely to mean further weakness ahead for the rouble this year.

There are, though, downsides and risks to allowing the rouble to fall. First, continued depreciation will put more pressure on inflation which is already at a high level. Central bank governor Elvira Nabiullina has made clear her will to combat inflation and continued strength could prompt further rate hikes – potentially a price worth paying. Second, Russia needs to boost

investment drastically and a falling currency is not going to help tempt in international investors.

Finally, while Russia's reserve position suggests a 1998 style crisis is less likely to happen again, the current turmoil in emerging markets could prove very destabilising. The authorities need to ensure that a decline in the currency doesn't become a rout.

Philip Uglow
Chief Economist
MNI Indicators

Executive Summary

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The MNI Russia Consumer Indicator increased for the second consecutive month in January to the highest level since October, as current conditions improved sharply, partly fuelled by the upcoming winter Olympics.

The MNI Russia Consumer Indicator increased for the second consecutive month in January to the highest level since October, as consumers' views about their current conditions improved sharply, partly fuelled by the upcoming winter Olympics.

Following a lull for the past two months, the MNI Russia Consumer Indicator rose 3.8% on the month to 99.3 in January from 95.7 in December.

The Current Indicator increased sharply by 6.6% on the month to 102.0 from 95.7 in December to the highest level since the series began in March 2013. The survey was taken with a month to go to the Sochi winter Olympics and it seems likely that this has had a positive impact on the results this month.

The Consumer Indicator rose in eight out of the 10 major cities surveyed in January apart from Kazan and Novosibirsk, where consumer sentiment hit a record low. Moscow remained the most optimistic city in January, with sentiment increasing from to 104.0 in January from 102.7 in December, above the series average of 103.1.
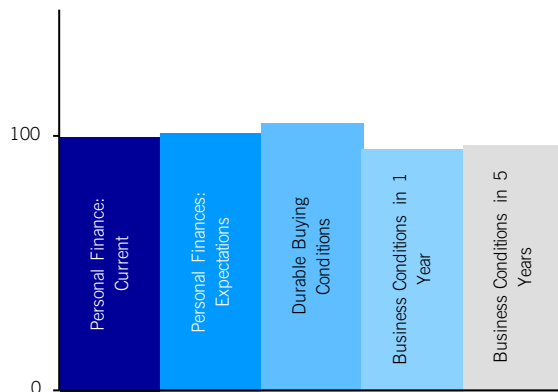
Current Personal Finances accelerated in January to the highest level since August 2013, although remained below the 100 breakeven level for the fifth consecutive month.

The Durable Buying Conditions Indicator, which measures whether respondents think it is a good or bad time to buy a large household good, rose above the breakeven 100 level for the second time since the series began in March 2013.

Perceptions about both the current state of business and longer term expectations for business conditions improved in January.

The Employment Outlook Indicator, which measures opinion on the outlook of the employment market over the next 12 months, worsened considerably in January.

Concerns over inflation continued to worsen in January as the number of respondents who were dissatisfied with the current level of prices increased further, in spite of a slowdown in the official inflation data.

Following two consecutive monthly declines, the Real Estate Investment Indicator rose in January to 112.1 from 106.9 in December, the highest since October.

The Car Purchase Indicator increased for the first time in five months led by a rise in car purchase expectations which more than offset a negative impact from increased expectations that gasoline prices will rise.

MNI Russia Consumer Indicator - Components

All Russia - Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI Russia Consumer Indicator	94.8	95.7	99.3	Oct-13	-	96.6	3.6	3.8%
Current Indicator	94.3	95.7	102.0	series high	-	97.3	6.3	6.6%
Expectations Indicator	95.1	95.7	97.5	Oct-13	-	96.1	1.8	1.9%
Personal Finance: Current	92.0	92.5	99.3	Aug-13	-	94.6	6.8	7.4%
Personal Finance: Expected	101.7	101.9	101.2	-	Oct-13	101.6	-0.7	-0.8%
Business Condition: 1 Year	94.9	94.4	95.1	Oct-13	-	94.8	0.7	0.7%
Business Condition: 5 Year	88.7	90.8	96.4	Aug-13	-	91.9	5.6	6.2%
Durable Buying Conditions	96.6	98.9	104.7	Oct-13	-	100.1	5.8	5.9%
Current Business Conditions Indicator	97.4	94.9	100.3	series high	-	97.6	5.4	5.7%
Real Estate Investment Indicator	110.5	106.9	112.1	Oct-13	-	109.9	5.2	4.9%
Car Purchase Indicator	81.9	81.0	83.3	Oct-13	-	82.1	2.3	2.9%
Employment Outlook Indicator	98.1	98.2	87.2	-	series low	94.5	-11.0	-11.2%
Inflation Expectations Indicator	136.8	138.2	136.9	-	Nov-13	137.3	-1.3	-0.9%
Current Prices Satisfaction Indicator	73.5	71.8	69.4	-	series low	71.5	-2.4	-3.3%
Interest Rates Expectations Indicator	115.5	114.9	115.9	May-13	-	115.5	1.0	0.8%

All Russia - Summary

	2013										2014
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
MNI Russia Consumer Indicator	97.2	99.1	97.5	98.5	99.5	99.9	97.4	99.4	94.8	95.7	99.3
Current Indicator	93.8	98.2	96.2	98.4	100.5	99.2	95.8	99.2	94.3	95.7	102.0
Expectations Indicator	99.4	99.7	98.3	98.6	98.8	100.3	98.4	99.5	95.1	95.7	97.5
Personal Finance: Current	94.7	97.5	96.3	99.5	103.2	102.1	95.3	91.0	92.0	92.5	99.3
Personal Finance: Expected	109.2	105.4	105.5	102.4	103.4	104.9	105.4	101.2	101.7	101.9	101.2
Business Condition: 1 Year	92.3	95.7	96.6	97.8	95.9	98.7	96.1	101.5	94.9	94.4	95.1
Business Condition: 5 Year	96.8	98.0	93.0	95.7	97.2	97.5	93.7	95.8	88.7	90.8	96.4
Durable Buying Conditions	92.9	98.8	96.2	97.2	97.8	96.2	96.3	107.4	96.6	98.9	104.7
Current Business Conditions Indicator	89.6	95.9	95.8	97.7	95.4	95.6	97.6	94.5	97.4	94.9	100.3
Real Estate Investment Indicator	111.4	108.5	107.9	107.9	105.3	108.5	108.0	113.0	110.5	106.9	112.1
House Price Expectations	135.0	126.6	123.6	122.9	120.7	128.4	121.6	127.7	128.1	130.9	135.7
House Buying Sentiment	97.7	98.1	100.2	100.5	96.6	96.7	101.8	109.8	105.0	92.1	99.7
House Selling Sentiment	98.6	99.1	100.0	99.8	101.4	99.5	99.3	98.4	101.5	102.3	99.0
Car Purchase Indicator	86.1	86.2	87.2	87.5	86.2	88.4	85.7	85.1	81.9	81.0	83.3
Car Purchase Expectations	107.6	104.1	105.5	107.5	101.0	109.4	107.1	101.4	98.9	98.2	104.4
Price of Gasoline Expectations	135.4	131.8	131.0	132.4	128.6	132.7	135.6	131.3	135.2	136.2	137.7
Employment Outlook Indicator	100.5	98.6	100.3	99.1	97.1	97.5	99.9	100.4	98.1	98.2	87.2
Inflation Expectations Indicator	130.7	138.3	136.6	133.2	136.1	139.4	135.7	139.7	136.8	138.2	136.9
Current Prices Satisfaction Indicator	80.6	76.2	84.2	86.0	73.9	85.9	85.6	80.5	73.5	71.8	69.4
Interest Rates Expectations Indicator	120.6	122.1	123.3	112.3	114.1	113.2	111.1	115.6	115.5	114.9	115.9

All Russia - Records

	2013			
	Minimum	Maximum	Mean	Median
MNI Russia Consumer Indicator	94.8	99.9	98.0	98.5
Current Indicator	93.8	102.0	97.6	98.2
Expectations Indicator	95.1	100.3	98.3	98.6
Personal Finance: Current	91.0	103.2	96.7	96.3
Personal Finance: Expected	101.2	109.2	103.8	103.4
Business Condition: 1 Year	92.3	101.5	96.3	95.9
Business Condition: 5 Year	88.7	98.0	94.9	95.8
Durable Buying Conditions	92.9	107.4	98.5	97.2
Current Business Conditions Indicator	89.6	100.3	95.9	95.8
Real Estate Investment Indicator	105.3	113.0	109.1	108.5
House Price Expectations	120.7	135.7	127.4	127.7
House Buying Sentiment	92.1	109.8	99.8	99.7
House Selling Sentiment	98.4	102.3	99.9	99.5
Car Purchase Indicator	81.0	88.4	85.3	86.1
Car Purchase Expectations	98.2	109.4	104.1	104.4
Price of Gasoline Expectations	128.6	137.7	133.4	132.7
Employment Outlook Indicator	87.2	100.5	97.9	98.6
Inflation Expectations Indicator	130.7	139.7	136.5	136.8
Current Prices Satisfaction Indicator	69.4	86.0	78.9	80.5
Interest Rates Expectations Indicator	111.1	123.3	116.2	115.5

Consumer price inflation slowed to 6.1% in January, from 6.5% in December...

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...led by a slow down in food prices which fell from 7.3% in December to 6.5% in January.

Economic Landscape

The Russian economy is mired in weak growth and high inflation. In addition, the currency has come under pressure in recent days given the fallout in emerging markets around the world.

Latest data has continued to show the Russia economy mired in weak growth with the growth rate slowing to just 1.3%. Industrial output fell slightly in 2013, although the December data showed the first positive outturn after two months of contraction. Retail sales growth decelerated to 3.8% on the year in December while fixed capital investment rose just 0.3%. Inflation which had been stubbornly high in 2013, eased in January to 6.1%, down from 6.5% in December. Real wage growth, though, rose only 1.9% in December on the year the weakest since February 2011.

The currency has come under pressure in recent days given the fallout in emerging markets around the world. The central bank appears happy to let the rouble depreciate further as it moves towards a fully free floating currency and it sees the potential growth benefits of a fall in the rouble.

Slow economic growth in 2013

According to the first estimate from the Federal Service of State Statistics, Russian economic growth slowed to just 1.3% in 2013 following 3.4% in 2012 and continued to remain reliant on consumer spending.

Private consumption expenditure remained relatively firm at 4.7% in 2013, but considerably down from the 7.9% rate seen in 2012. Government consumption declined 0.1% following growth of 4.2% growth in 2012, while investment growth shrank to 0.3% from 6.4%.

On the positive side, exports rose 3.8% in 2013 following growth of just 1.4% in 2012. Imports of goods and services were less of a drag on the economy as they increased 5.9%, lower than the 8.8% reported in 2012.

Deputy Economic Development Minister Andrei Klepach expects economic growth of 2.5% in 2014 with the Winter Olympics having a small positive effect on economic growth.

With the economy close to its potential, the IMF has warned that structural reforms to reduce oil revenue dependence, improve infrastructure, ease credit access and improve the business climate are urgently needed.

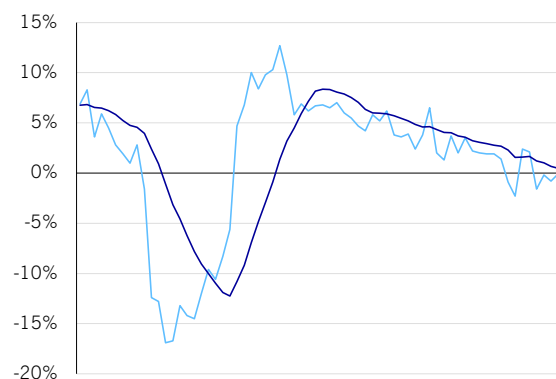### Industrial production contracts in 2013

Industrial production contracted by 0.2% in 2013 compared with 2012, following positive growth in the past three years.

The December data, however, returned into positive territory, a small ray of hope that the economy could be recovering. After a decline of 0.1% in the 12 months to November, industrial production grew in December by 0.8% on the year. The small rise was driven by an improvement in manufacturing, with output rising 1.6% on the year, the first positive monthly growth following seven months of decline.

Utilities output declined for the second consecutive month in December, down 7.9% compared with last year, a deterioration from the decline of 4.6% seen in November.

Mining and quarrying output expanded 1.5% in December compared with a year ago, up from 1.1% in November.

Industrial Production

— Industrial Production Annual Average
— Industrial Production y/y %
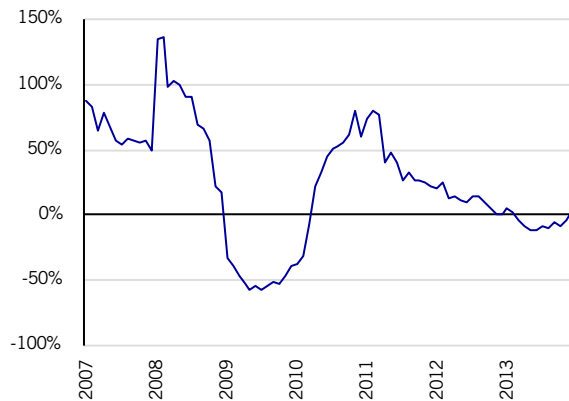
Source: Federal State Statistics Service of Russia

Car Sales Post Surprise Rise

Sales of new cars fell 5.5% in 2013, the first fall in four years, in the second largest car market in Europe. A total of 2.78 million new cars were sold in Russia last year, below the record level of 2.94 million set in 2012, according to the Association of European Businesses (AEB).

Figures for December, however, showed that sales rose a surprisingly strong 4.4% compared with the same period last year, breaking the trend of nine consecutive negative monthly growth rates. The AEB remains cautious about the outlook and have forecasted sales of 2.73 million in 2014. The government offered cheap credit on cars to propel the car industry in the second half of the year, barring which the car sales would have been worse and hence may consider renewing such schemes if the sales disappoint in 2014.
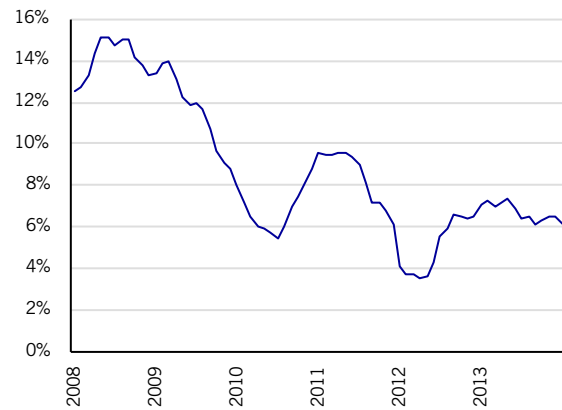
Car Sales

— Car and Light Commercial Vehicles Sales Growth y/y%

Source: Federal State Statistics Service of Russia

Inflation eases in January

Consumer price inflation eased to 6.1% in January from 6.5% in December. Food price inflation fell to 6.5% from 7.3% in December, with fresh fruits and vegetables leading the way with inflation easing to 7.7% from 9.3%.

Inflation

— CPI Growth y/y %

Source: Federal State Statistics Service of Russia

The central bank is targeting an inflation rate of 5% this year, after overshooting its 5-6% range in 2013.

A freeze on fees charged by state monopolies such as natural gas producer Gazprom and Russian Railways in 2014 should help ease inflation further this year.

Monetary policy: Key rates unchanged

The central bank left its key rate – the one-week repo rate at which it lends money to financial institutions – on hold at 5.5% after the policy meeting on December 13. It said that the pace of economic growth remains low and slightly below its potential, with production and investment subdued and business confidence indicators not improving.

The bank says its top priority is to bring annual consumer inflation to record low levels of 4%-5%. That would make borrowing more affordable and lead to a road to longer-term investment, which in turn should support economic growth.

The bank expects inflation to decline this year but warned that inflation expectations need to ease in

order to meet their forecasts for this year. The next monetary policy meeting will be held in February and it is expected that rates will remain unchanged as inflation remains at high level and rouble is under pressure, presumably to which Central Bank would give more importance.

In addition to conducting credit and monetary policy in cooperation with the government, the central bank is now overseeing stock, derivatives and bond markets as well. The central bank has put more effort into clamping down on limiting capital flight by combating money laundering in the banking system, and has revoked more than two dozen bank licenses since Ms. Nabiullina took over and is expected to close more lenders.

Less intervention in the FX market

The central bank took further measures towards a free float of rouble, which is expected in 2015. In December, the bank cut the cumulative volume of interventions in the currency market from $400 million to $350 million. This added to October's decision to halve the bank's daily intervention in the currency market to $60 million from $120 million.

The central bank is shifting its monetary policy to focus completely on controlling stubborn inflation rather than the exchange rate by 2015. The move towards a free float has been pushed by the central bank governor, Elvira Nabiullina, in order to improve the effectiveness of monetary policy. A free-floating rouble could help Russia to proceed with its plan to make the rouble a regional currency. Many neighbouring countries already use rouble to settle big payments. Central Bank Deputy Chair Kseniya Yudayeva recently said that there is a need to develop financial market instruments, financial infrastructure and lower inflation to raise the role of rouble.

The rouble is expected to weaken further in 2014 given the economic trends. It has already fallen around 16% against the US dollar since 2013. Recent gyrations in emerging markets have also put further pressure on the rouble.

Trade surplus rises in November

The trade surplus stood at $16.6 billion in November, up from $12.7 billion in October, and almost 13% above the level seen a year earlier.

Exports rose to $46.7 billion in November, 7.3% up from October. Compared with the same month last year, exports were up by 3.2%. Shipments to countries outside the Commonwealth of Independent States rose 4.2%, while those to the CIS countries fell 1.8%.

Imports dropped 2.2% over the previous month to $30.2 billion in November and fell 1.3% compared with the same period a year back.

The central bank is wary of trade flows and recently said that the current account surplus, which was over 10% of GDP a decade ago, will disappear altogether by 2016.

Labour market

The unemployment rate in December ticked up to 5.6% from 5.4% recorded in November. For the whole year, the unemployment rate was 5.5%, unchanged from 2012, although a considerable improvement from unemployment rate of 10.43% recorded in 2000.

The Russian government has set a goal to create tens of millions of new jobs in high-tech sectors while gradually cutting low-efficient obsolete jobs. Autovaz, Russia's largest carmaker, announced plans to cut 7,500 jobs in 2014 due to shrinking demand in Russia's car market. According to Deputy Prime Minister Olga Golodets, about 150,000 jobs will be cut in Russia in 2014.

A big disappointment was in real wages, which slowed to 1.9% in December , down from 4.1% in November compared with a year earlier. This was the lowest since February 2011 and extended the downward trend seen since August 2013.

Indicators

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Following a lull for the past two months, the MNI Russia Consumer Indicator rose to 99.3 in January from 95.7 in December, as consumers' perceptions about their current conditions improved significantly.

MNI Russia Consumer Indicator
Confidence Rises for Second Month in a Row

99.3

The MNI Russia Consumer Indicator increased for the second consecutive month in January to the highest level since October, as consumers' views about their current conditions improved sharply, partly fuelled by the upcoming winter Olympics.

Following a lull for the past two months, the Consumer Indicator rose 3.8% on the month to 99.3 in January from 95.7 in December. A reading below 100 indicates increasing negativity among consumers, while values above show increasing positivity. Consumer sentiment has remained below the 100 breakeven level since the survey started in March.

The Current Indicator increased sharply by 6.6% on the month to 102.0 from 95.7 in December to the highest level since the series began in March 2013. The survey was taken with a month to go to the Sochi winter Olympics and it seems likely that this has had a positive impact on the results.

The improvement in the Current Indicator was led by Current Personal Finances which increased 7.4% on the month to 99.3 to the highest since August. The Durable Buying Conditions Indicator also rose strongly back into expansion territory, up from 98.9 in December to 104.7 in January.

The Expectations Indicator increased modestly from 95.7 in December to 97.5 in January. The Business Conditions in Five Years component rose 6.2% on the month to 96.4 while Business Conditions in a Year's time remained broadly stable at 95.1 following declines in the previous two months. Expected
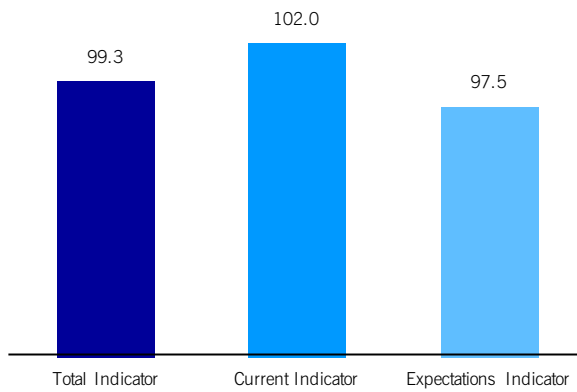
MNI Russia Consumer Indicator
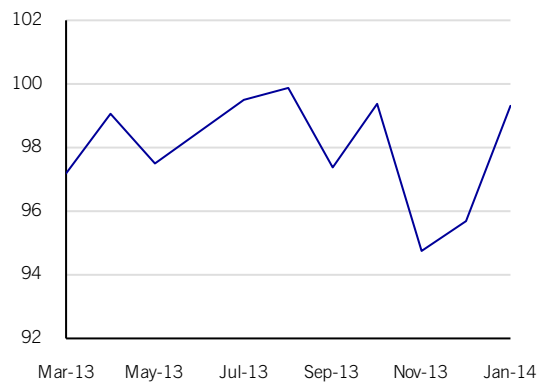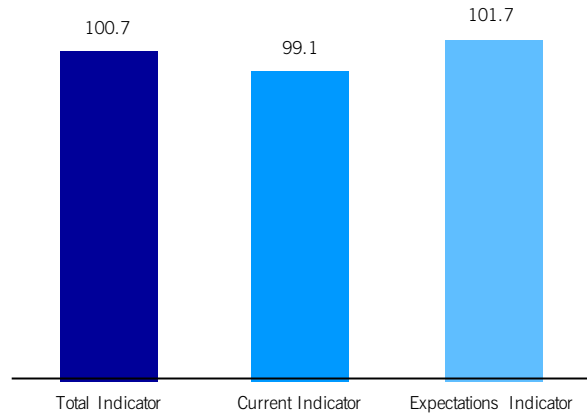

Current and Expectations Indicators

— Current
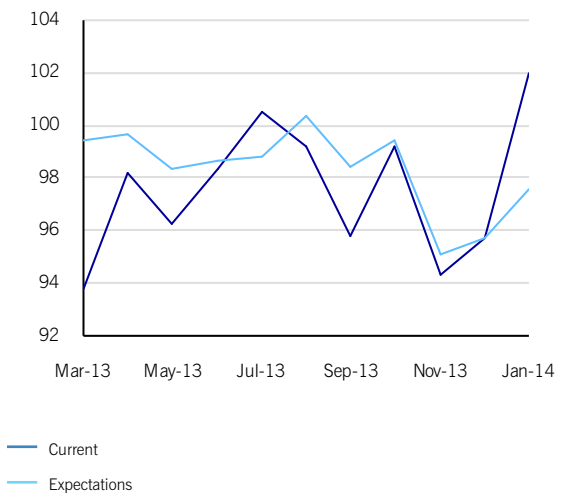
— Expectations

MNI Russia Consumer Indicator

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
MNI Russia Consumer Indicator	99.5	99.9	97.4	99.4	94.8	95.7	99.3
Current	100.5	99.2	95.8	99.2	94.3	95.7	102.0
Expectations	98.8	100.3	98.4	99.5	95.1	95.7	97.5

All Russia

Total Indicator	Current Indicator	Expectations Indicator
99.3	102.0	97.5

West Siberian

Total Indicator	Current Indicator	Expectations Indicator
100.7	99.1	101.7

Central Russia

Total Indicator	Current Indicator	Expectations Indicator
100.9	103.3	99.3

Volga

Total Indicator	Current Indicator	Expectations Indicator
109.5	130.0	95.8

Urals

Total Indicator	Current Indicator	Expectations Indicator
93.2	90.7	94.9

North Caucasus

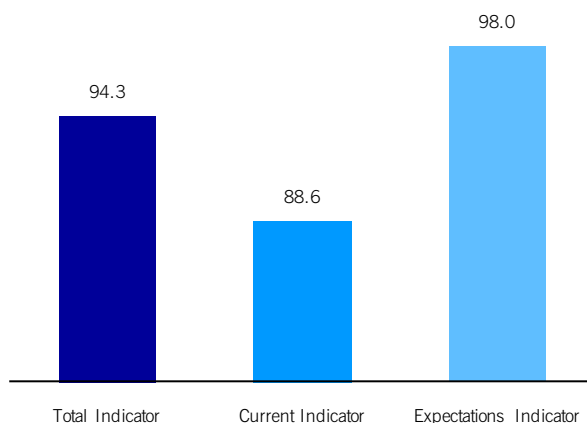| Total Indicator	Current Indicator	Expectations Indicator
94.3	88.6	98.0

Personal Finances, the third component of the Expectations Indicator, fell slightly in January but remained above the breakeven level standing at 101.2 compared with 101.9 in December.

Regions

Consumer sentiment increased in nine out of the 12 regions surveyed, with sentiment falling in the Central, East Siberian and Kaliningrad regions. Respondents from the Volga region were the most optimistic and consumer confidence here posted the largest monthly gain to 109.5 from 97.8 in December.

Consumer confidence in the Urals region rose for the first time in six months by 8.5% on the month to 93.2 from 85.9 in December.

The Consumer Indicator was above the 100 breakeven level in Central, Northern, Volga and West Siberian regions while it was the lowest in the Kaliningrad region.
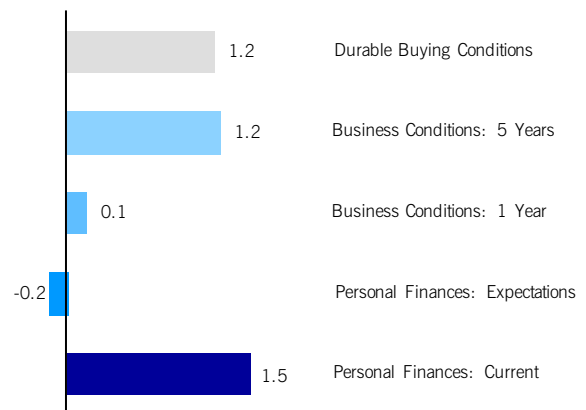
Age

Optimism remained highest among the young in January. Among the 18-34 age range, the Consumer Indicator increased 3.1% from 99.1 in December to 102.2 in January. Much of the increase was driven by the Current Indicator which rose from 100.4 to a series high of 106.8. The Expectations Indicator remained in contraction, though broadly stable at 99.1 compared with 98.3 in December.

Consumer confidence for the 35-54 year age range, increased 4.4% in January to 96.8 from 92.7 in December. Business Conditions in Five Years and Current Personal Finances led the rise, along with smaller increases in Expected Personal Finances and Durable Buying Conditions.

Sentiment rose to the highest since October for the oldest age range of 55-65 year olds, jumping from a record low of 92.3 in December to 96.8 in January, a

Consumer Indicator: Contribution to Monthly Change (% pt.)

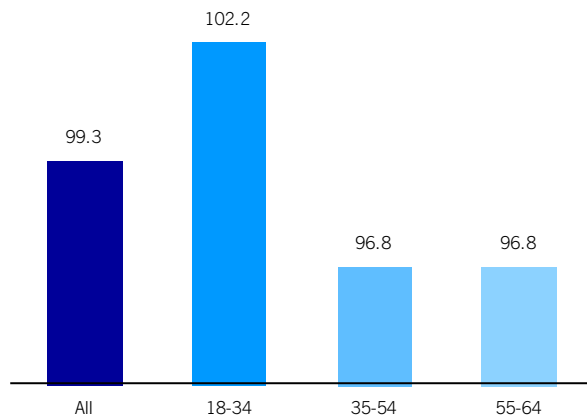|	Contribution	
Durable Buying Conditions	1.2	
Business Conditions: 5 Years	1.2	
Business Conditions: 1 Year	0.1	
Personal Finances: Expectations	-0.2	
Personal Finances: Current	1.5	

rise of 4.8% on the month. The rise in the Consumer Indicator was led by the Current Indicator which rose 15.3% from 83.6 in December to 96.4 in January. Both components of the Current Indicator, Current Personal Finances and Durable Buying Conditions increased, with the latter rising sharply on the month.

Income

Consumer confidence increased in lower income households (average income under RUB 480,000 per annum) by 6.5% to a record high of 99.7 in January from 93.7 in December. For households with an average income over RUB 480,000 per annum, consumer sentiment remained in contraction for the third consecutive month and stood at 98.8 in January compared with 99.2 in December.

Consumer confidence has on average been lower among low income households, with the indicator remaining in contraction since the series started in March 2013.
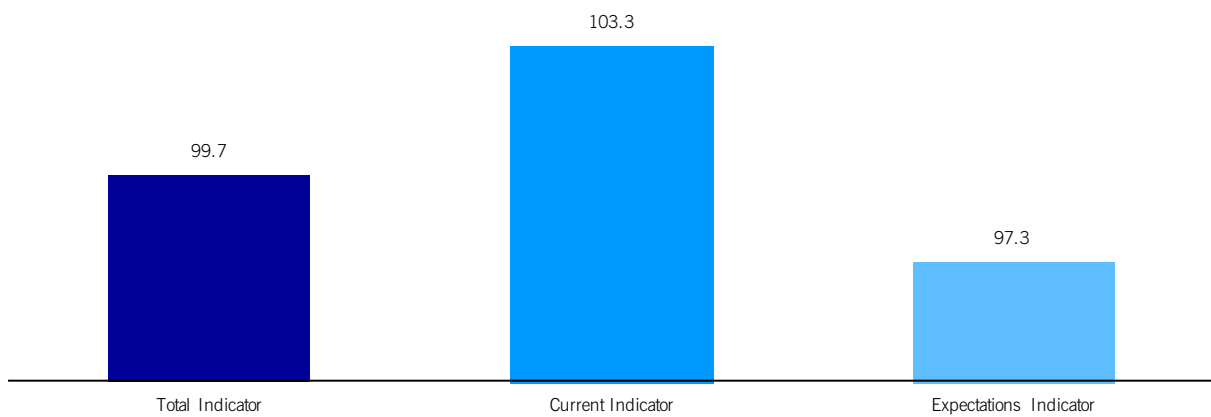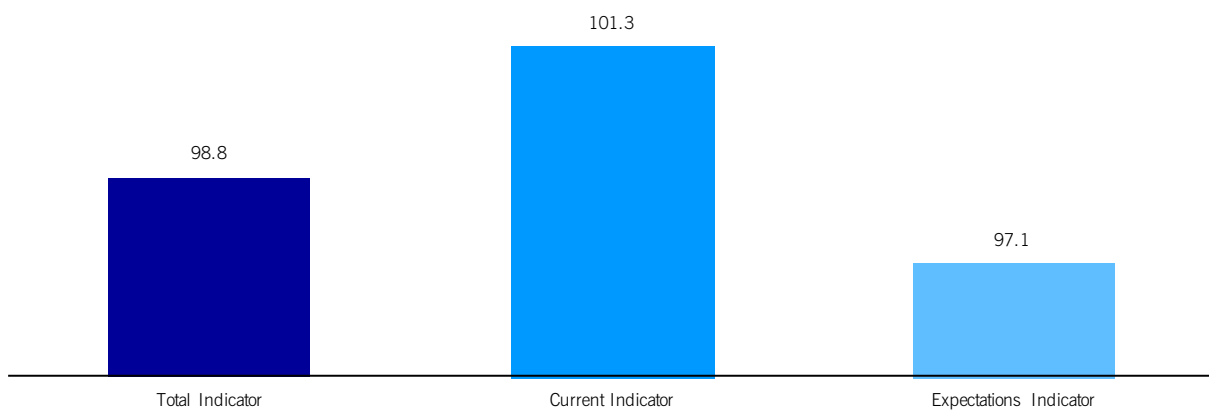
Consumer Indicator: Age Groups

MNI Russia Consumer Indicator
Income Groups

< RUB 480,000 Per Annum

99.7	103.3	97.3
Total Indicator	Current Indicator	Expectations Indicator

> RUB 480,000 Per Annum

98.8	101.3	97.1
Total Indicator	Current Indicator	Expectations Indicator

MNI Russia Consumer Indicator
Main Cities

The Consumer Indicator rose in eight out of the 10 major cities surveyed in January apart from Kazan and Novosibirsk, where consumer sentiment hit a record low.

Moscow remained the most optimistic city in January, with sentiment increasing to 104.0 in January from 102.7 in December, above the series average of 103.1. The rise was led by a 7.2% increase in the Current Indicator to 107.4 from 100.2 previously. Current Personal Finances increased significantly from 98.6 to 112.4, a 14% rise on the month while the Durable Buying Conditions Indicator remained broadly stable at 102.4 in January.

The Expectations Indicator for Moscow fell to 101.7 in January from 104.4 previously as respondents were less optimistic about future Personal Finances which fell to the lowest level since April and Business Conditions in a Year which declined below the 100 breakeven mark to 96.6. Respondents were more optimistic about Business Conditions in Five Years, where the indicator moved into expansion territory at 102.5.

Sentiment rose slightly in Saint Petersburg, the second largest city of Russia, with the Consumer Indicator up from 98.5 in December to 99.4 in January. All three components of the Expectations Indicator were above 100 while both components of the Current Indicator were below the breakeven level. Current Personal Finances remained broadly stable at 94.3 compared with December's 94.5.

In Novosibirsk, the third most populous city in Russia, consumer sentiment fell for the second consecutive month to 88.9 in January, down from 91.8 in December. Respondents were less optimistic about the future as the Expectations Indicator declined 6.5% on the month to 89.8 compared with 96.0 in December. Expected Personal Finances fell further into contraction, declining 7.7% to 91.9 in January from 99.5 previously. Business Conditions in One

Consumer Indicator - Moscow
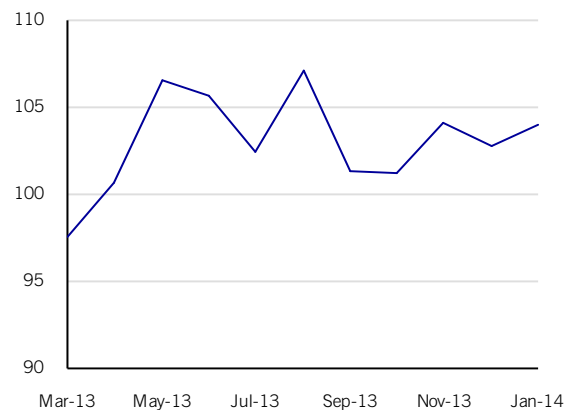
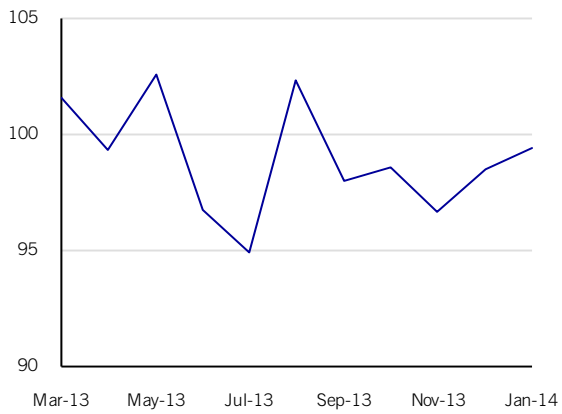### Consumer Indicator Components - Moscow
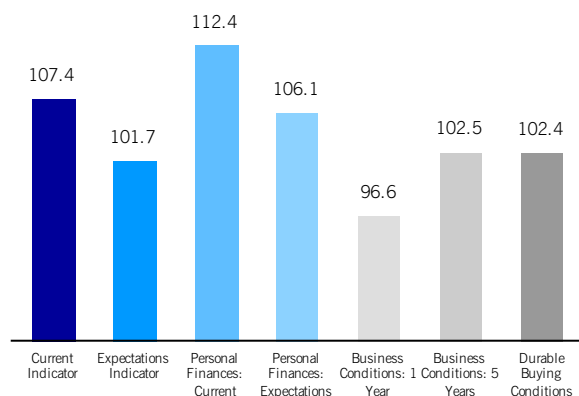
Year suffered a greater decline of 12.1% to 85.1 in January from 96.8 in December.
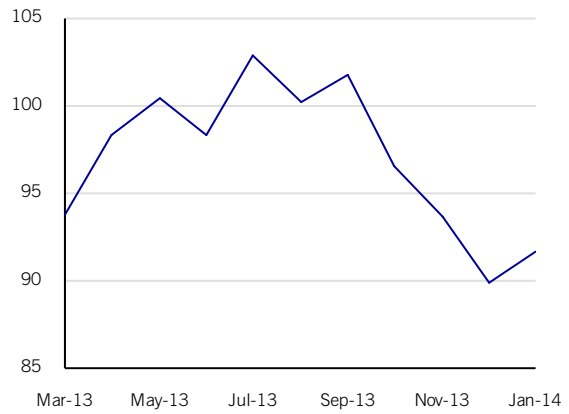
Novosibirsk was the least optimistic city in January. The Consumer Indicator peaked in August and has been falling since then. The January's fall put it below the series average of 97.0.
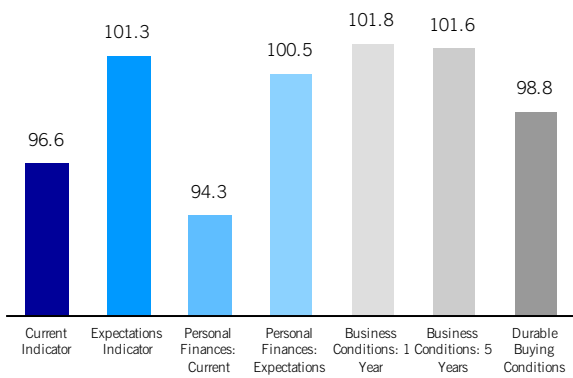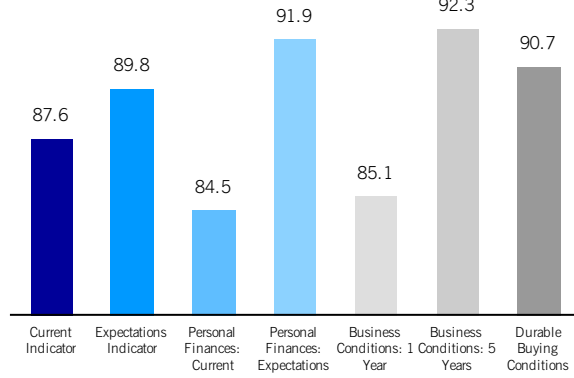
Consumer Indicator - Saint Petersburg

Consumer Indicator - Novosibirsk

Consumer Indicator Components - Saint Petersburg

Current Indicator	Expectations Indicator	Personal Finances: Current	Personal Finances: Expectations	Business Conditions: 1 Year	Business Conditions: 5 Years	Durable Buying Conditions
96.6	101.3	94.3	100.5	101.8	101.6	98.8

Consumer Indicator Components - Novosibirsk

Current Indicator	Expectations Indicator	Personal Finances: Current	Personal Finances: Expectations	Business Conditions: 1 Year	Business Conditions: 5 Years	Durable Buying Conditions
87.6	89.8	84.5	91.9	85.1	92.3	90.7

Current Personal Finances accelerated in January though remained below the 100 breakeven mark.

The percentage of respondents who reported that their current financial situation improved compared with a year ago increased significantly from 28% in December to almost 34% in January.

Personal Finances
Current Financial Situation Improves

99.3

Current Personal Finances accelerated in January to the highest level since August 2013, although remained below the 100 breakeven level for the fifth consecutive month.

The Current Personal Finances Indicator, which measures whether the financial situation of a household is better, the same, or worse than a year ago, increased by 7.4% to 99.3 in January from 92.5 in December.

A reading above 100 indicates more households reported that their financial situation was better than a year ago, while a figure below 100 means more households recorded a worsening.

The percentage of respondents who reported that their current financial situation improved compared with a year ago increased significantly to almost 34% in January from 28% in December. Those reporting financial conditions were the same as last year increased to 30.7% from 28.8%, while those reporting a worsening fell from 43.0% to 35.3%.

The majority of respondents continued to cite better income as the main reason for the improvement in their Current Personal Finances, though a growing proportion of respondents gave credit to better employment.
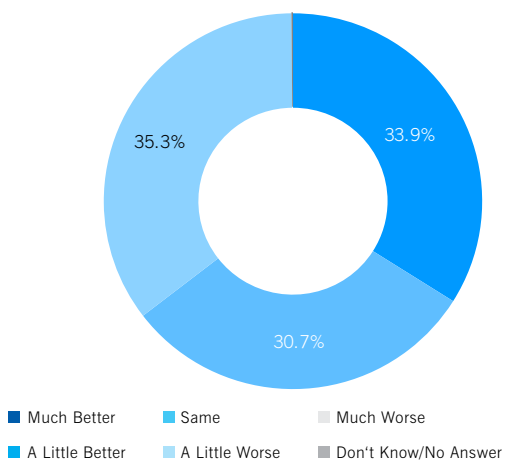
Expected Personal Finances, which measures whether households think their finances will be better in a year's time, stood at 101.2 compared with 101.9 in December, the lowest since October.

Personal Finances
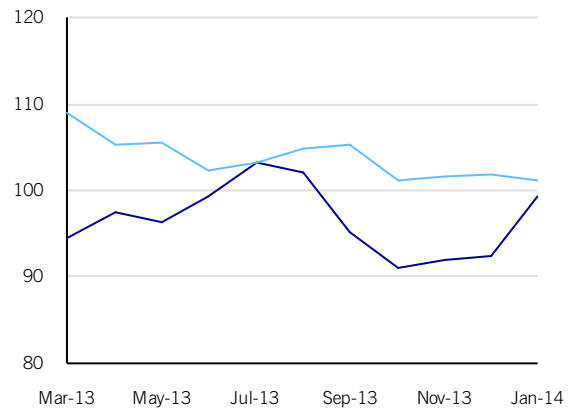
Current
Expectations

### Current Financial Situation Compared with 1 Year Ago (% of Households)

33.9%
30.7%
35.3%

■ Much Better   ■ Same   ▨ Much Worse
■ A Little Better   ■ A Little Worse   ▨ Don't Know/No Answer

Personal Finances

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Current	103.2	102.1	95.3	91.0	92.0	92.5	99.3
Expectations	103.4	104.9	105.4	101.2	101.7	101.9	101.2

How Households Spend their Money

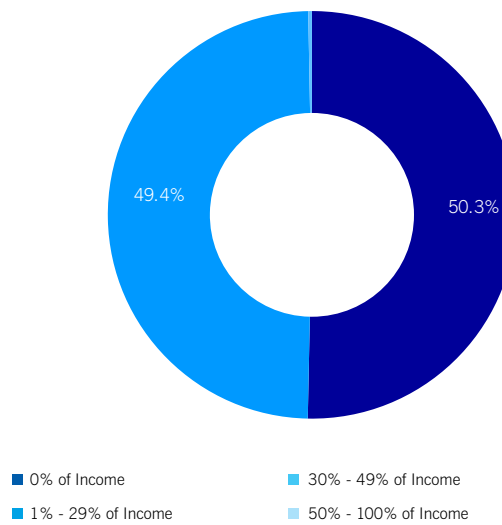## Monthly Household Income Used for Daily Expenses (% of Households)

1.2%
6.2%
92,6%

- 0% - 29% of Income
- 50% - 69% of Income
- 30% - 49% of Income
- 70% - 100% of Income
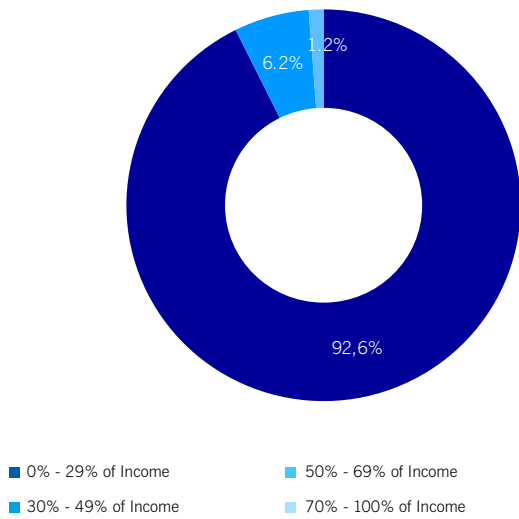
Monthly Household Income Used for Large Loan Repayment (% of Households)

1.2%
6.1%
91.3%

- 0% of Income
- 30% - 49% of Income
- 1% - 29% of Income
- 50% - 100% of Income
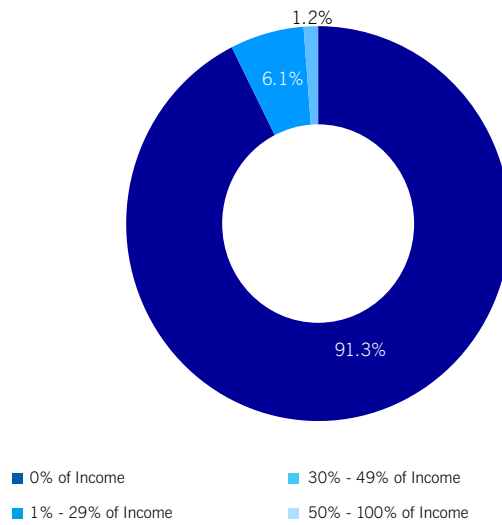
Monthly Household Income Used for Savings (% of Households)

12.9%
86.8%

- 0% of Income
- 30% -49% of Income
- 1% - 29% of Income
- 50% - 100% of Income
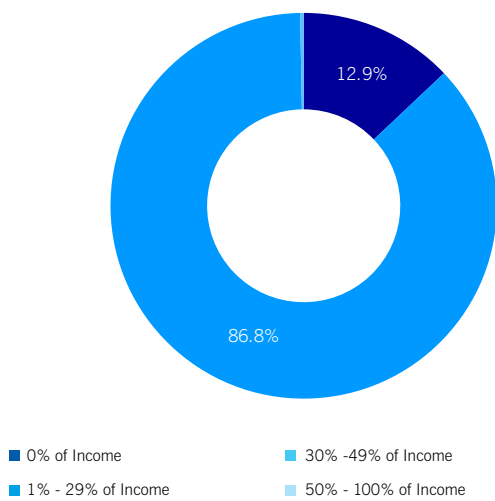
Monthly Household Income Used for Investments (% of Households)

49.4%
50.3%

- 0% of Income
- 30% - 49% of Income
- 1% - 29% of Income
- 50% - 100% of Income

Business Conditions
Optimism Edges Up

100.3 ↑

Perceptions about both the current state of business and longer term expectations for business conditions improved in January.

The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year ago, improved in January to 100.3 from 94.9 in December. It was the first time the indicator has been above the 100 breakeven mark, a possible short-term boost in the run-up to the Sochi Olympics.

The proportion of respondents who believed that business conditions were "excellent" or "good" almost doubled from 5.3% to 10.1%. The majority continued to say that business conditions were "only fair" , though the proportion fell from 76.5% to 74.8%, while the percentage of respondents reporting conditions were "poor" or "very poor" fell from 15.4% to 9.5% in January.

Expectations for Business Conditions in a Year remained broadly stable in January at 95.1 compared with 94.4 in the previous month, the highest since October.

There was a considerable decline in the proportion of respondents who expected business conditions to worsen in a year to 36.7% in January from 41.7% in December, while the proportion of those who felt it would be better fell from 30.6% to 27%. There was also a significant rise in the proportion of respondents who felt business conditions would remain the same

Current Business Conditions Indicator
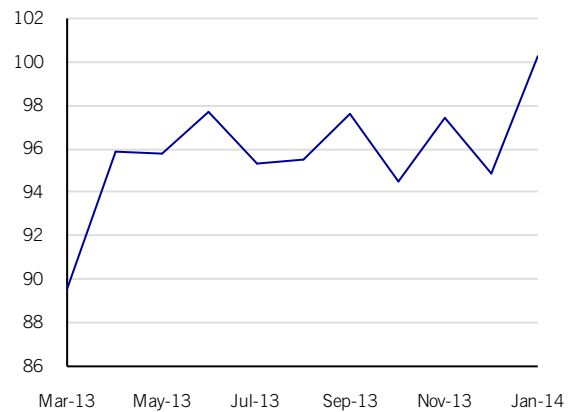
Expected Business Conditions
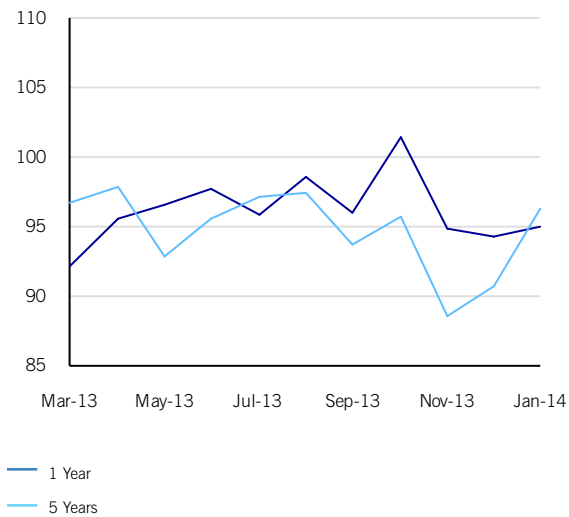
— 1 Year
— 5 Years

Business Conditions

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Current	95.4	95.6	97.6	94.5	97.4	94.9	100.3
In 1 Year	95.9	98.7	96.1	101.5	94.9	94.4	95.1
In 5 Years	97.2	97.5	93.7	95.8	88.7	90.8	96.4

Business Conditions in 1 Year
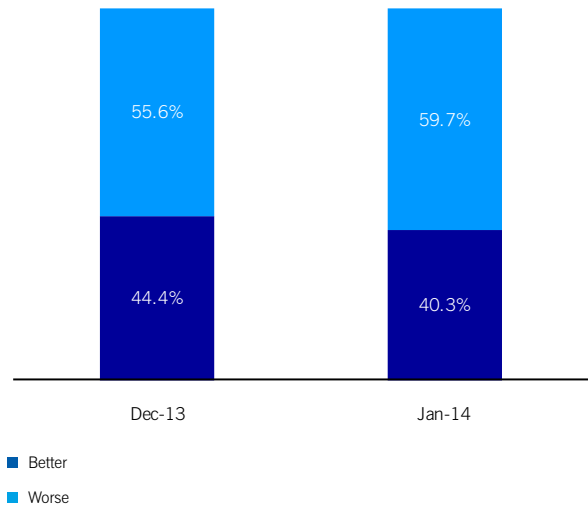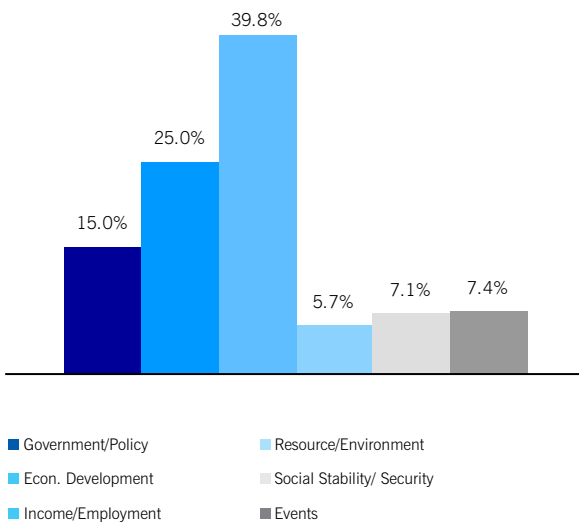## Selected Reasons

from 24.9% to 34%.

Most respondents cited income and employment as the main reasons behind the worsening in their outlook for business conditions in a year's time.

Longer term, Expectations for Business Conditions in Five Years improved further in January following a small increase in December. The indicator increased to 96.4 from 90.8 in December, the highest since August.
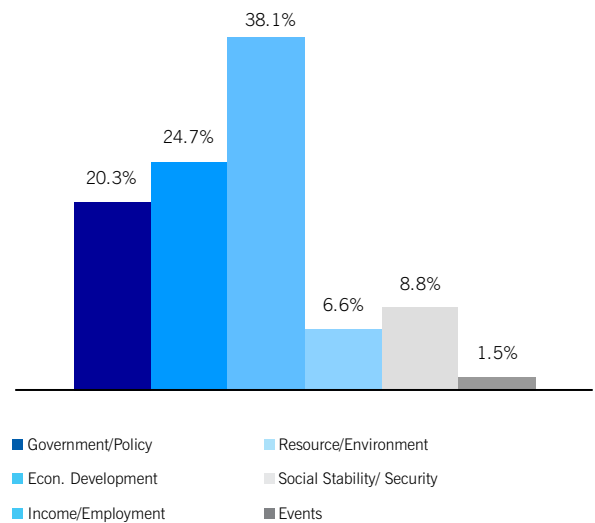
All Russia

	Dec-13	Jan-14
Worse	55.6%	59.7%
Better	44.4%	40.3%

■ Better
■ Worse

All Russia, Reasons for Better

15.0%   25.0%   39.8%   5.7%   7.1%   7.4%

■ Government/Policy   ■ Resource/Environment
■ Econ. Development   ■ Social Stability/ Security
■ Income/Employment   ■ Events

All Russia, Reasons for Worse

20.3%   24.7%   38.1%   6.6%   8.8%   1.5%

■ Government/Policy   ■ Resource/Environment
■ Econ. Development   ■ Social Stability/ Security
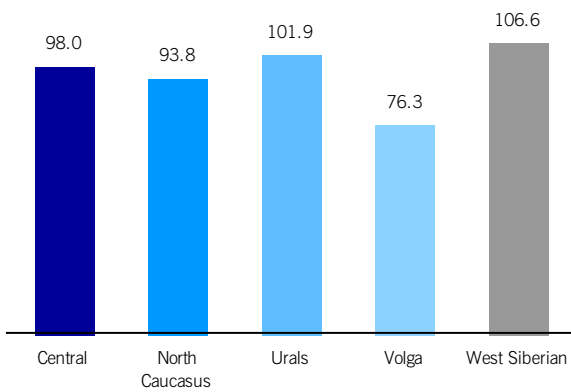■ Income/Employment   ■ Events

Business Conditions in 1 Year
Regions

Business Expectations: Regions

Region	Value
Central	98.0
North Caucasus	93.8
Urals	101.9
Volga	76.3
West Siberian	106.6

Business Expectations: Worse or Better?
(% of Respondents)

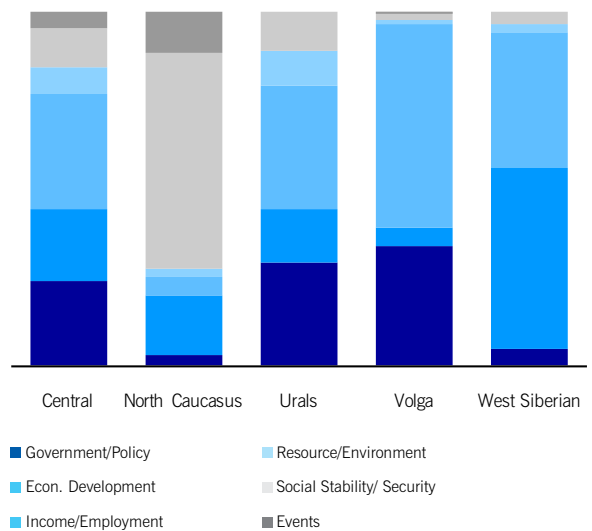| Region	Worse	Better
Central	57.7%	42.3%
North Caucasus	61.0%	39.0%
Urals	49.6%	50.4%
Volga	73.3%	26.7%
West Siberian	58.8%	41.2%
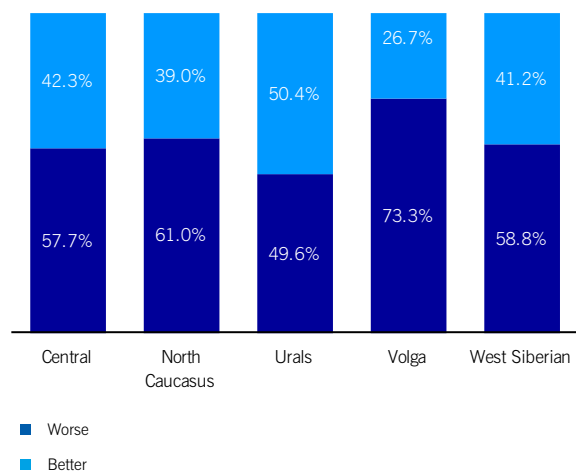
■ Worse
■ Better

Reasons for Better
(% of Respondents)

Central   North Caucasus   Urals   Volga   West Siberian

■ Government/Policy   ■ Resource/Environment
■ Econ. Development   ■ Social Stability/ Security
■ Income/Employment   ■ Events
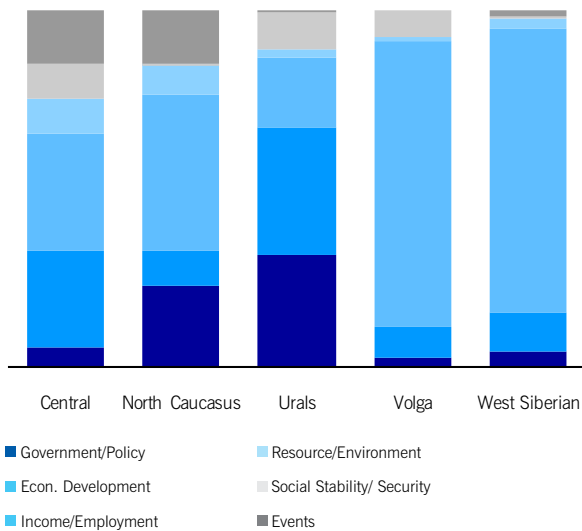
Reasons for Worse
(% of Respondents)

Central   North Caucasus   Urals   Volga   West Siberian

■ Government/Policy   ■ Resource/Environment
■ Econ. Development   ■ Social Stability/ Security
■ Income/Employment   ■ Events

The Employment Indicator hit a record low in January.

The indicator fell to 87.2 in January from 98.2 in December, a drop of 11.2% on the month.

Durable Buying Conditions
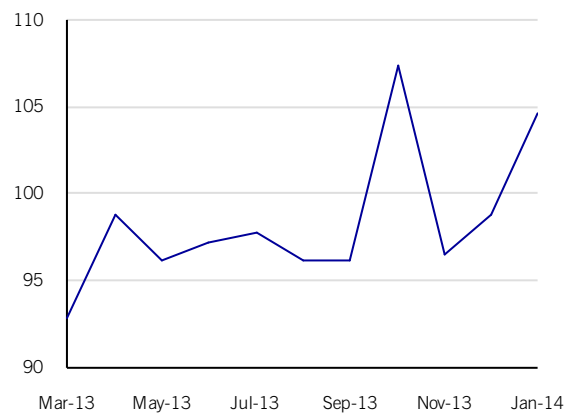## Above 100 Breakeven Mark

104.7

The Durable Buying Conditions Indicator, which measures whether respondents think it is a good or bad time to buy a large household good, rose above the breakeven 100 level in January for the second time since the series began in March 2013.

The indicator increased from 98.9 in December to 104.7 in January, an increase of 5.9% on the month and above the three month average of 100.1.

Of the 10 major cities surveyed, respondents from Samara were the most optimistic about buying a large household item in January, with the indicator increasing to a record high of 120.5 following five months of decline.

The proportion of survey participants saying it was a "good time" to buy a large household durable increased to 37.9% in January from 33.0% in December, while the proportion of those saying it was a "bad time" or "very bad time" fell from 33.0% to 26.9%. There was a slight increase in the percentage of respondents who felt there had been "no change" from 32.1% in December to 33.6% in January.
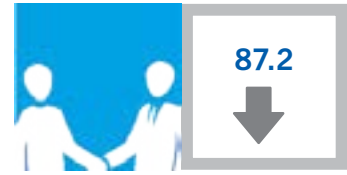
Durable Buying Conditions

Is It a Good or Bad Time to Buy Large Household Goods? (% of Households)

- Excellent Time
- Good Time
- Neutral
- Bad Time
- Very Bad Time
- Don't Know/No Answer
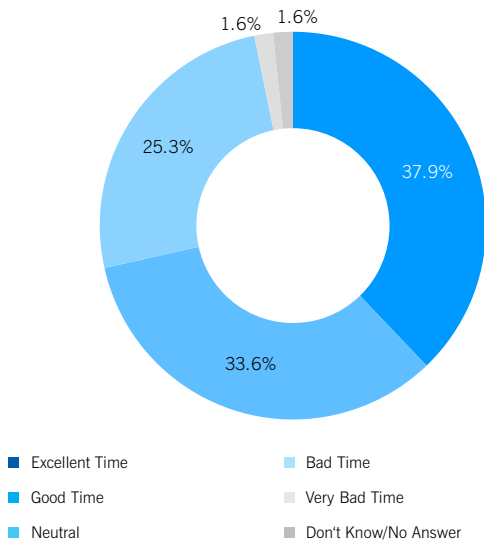
Durable Buying Conditions

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Durable Buying Conditions	97.8	96.2	96.3	107.4	96.6	98.9	104.7

Employment Outlook
Falls Sharply to Record Low

87.2

The Employment Outlook Indicator, which measures opinion on the outlook of the employment market over the next 12 months, worsened considerably in January.
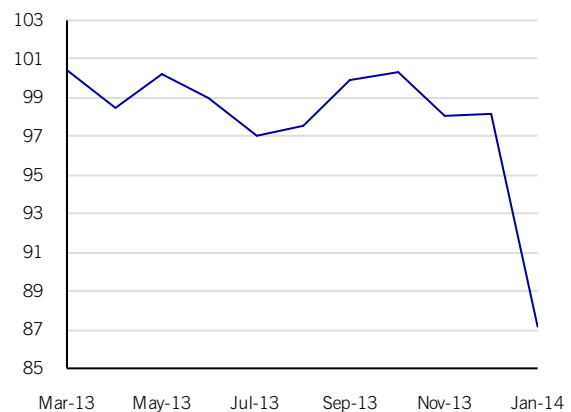
The indicator fell to a series low of 87.2 in January from 98.2 in December, a drop of 11.2% on the month. The indicator has remained in contraction every month since the survey started, with the exception of March and October.

Of the 12 regions surveyed, respondents from Volga were the most concerned with the future employment situation.

The unemployment rate in Russia rose in December to 5.6% from 5.4% in November. Some press reports have pointed to companies laying off workers at the start of the year, with a number of job losses in the Chelyabinsk region. Results from our sister survey on Russian Businesses showed the employment situation has worsened noticeably over the past three months.

Survey participants forecasting an improvement in the employment market totalled 6.8% in January, down from 8.4% in December. The proportion of those forecasting a worsening increased significantly from 11.8% in December to 27.1% in January. The majority of respondents forecast no change in the employment situation, though this fell from 78.6% in December to 62.7% in January.

Employment Outlook Indicator

Employment Outlook for the Next 12 Months (% of Households)

- Much Better
- A Little Better
- Same
- A Little Worse
- Much Worse
- Don't Know/No Answer
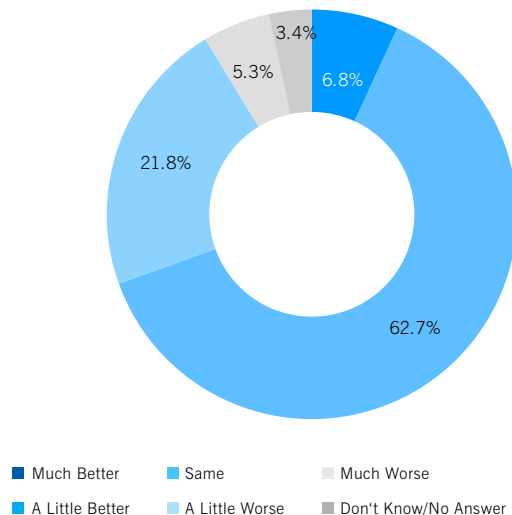
Employment Outlook

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Employment Outlook	97.1	97.5	99.9	100.4	98.1	98.2	87.2

Prices Sentiment
Dissatisfaction Hits a New Record Low

69.4

Concerns over inflation continued to worsen in January as the number of respondents who were dissatisfied with the current level of prices increased further, in spite of a slowdown in the official inflation data.
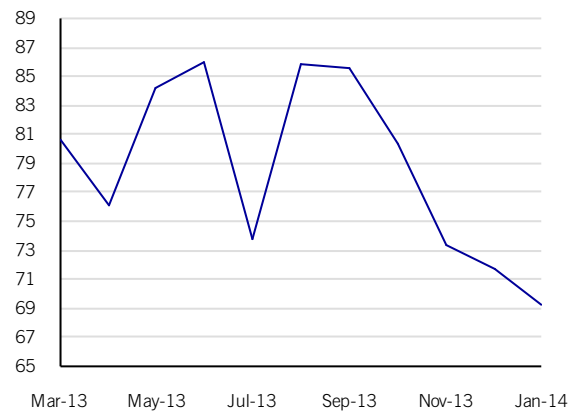
The Current Prices Satisfaction Indicator fell for the fifth consecutive month and hit a new record low in January. The indicator declined by 3.3% to 69.4 from 71.8 in December. A figure below 100 indicates wider dissatisfaction with current prices, and the further below 100 the greater the dissatisfaction. The indicator has remained below the breakeven level since the survey started.

Consumer price inflation slowed to 6.1% in January, down from 6.5% in December. Food inflation slowed from 7.3% in December to 6.5% in January, with fresh fruits and vegetables leading the way, down to 7.7% from 9.3% in December. The central bank is targeting inflation of 5% in 2014.

The Inflation Expectations Indicator, which measures whether respondents think prices will be higher or lower in 12 months' time, fell slightly in January to 136.9, down from 138.2 in December, although was still above the series average of 136.5.

The majority of respondents (70.1%) believed prices would be higher in a year's time, while those saying prices would be unchanged remained almost broadly unchanged at 28.8%. None of the respondents thought prices would be lower in a year's time.

Satisfaction with Current Prices Indicator

Inflation Expectations Indicator
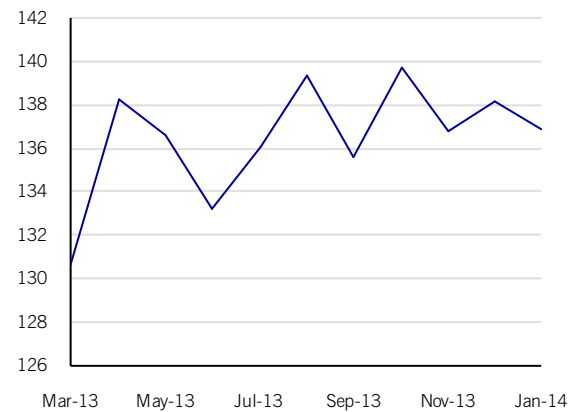
Prices Sentiment

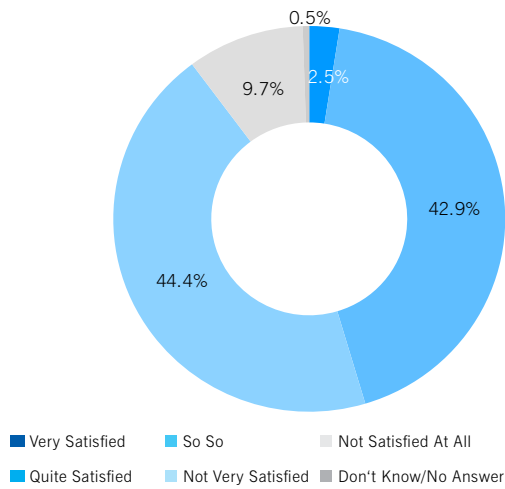|	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Satisfaction with Current Prices	73.9	85.9	85.6	80.5	73.5	71.8	69.4
Inflation Expectations	136.1	139.4	135.7	139.7	136.8	138.2	136.9

Prices Sentiment
Regions

Asked about how much prices would rise over the next year, the proportion of respondents who thought they would rise by more than 25% increased compared with December, while most respondents continued to expect a rise of between 11%-24% in a year.
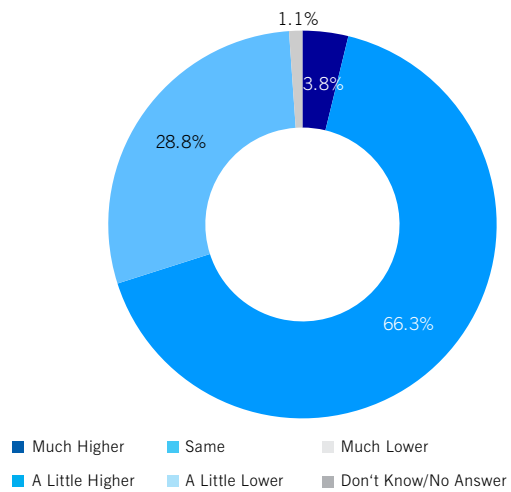
Regions

All regions showed wide dissatisfaction with the current level of prices. The West Siberian region showed the greatest dissatisfaction, while Volga-Vyatka suffered the largest fall in the Current Prices Satisfaction Indicator from December. The only region to show a noticeable improvement in its satisfaction levels was East Siberian, where the indicator climbed 5.2 points to 79.2 after four months of declines.

Respondents from the Central Black Earth region had the highest inflationary expectations over the next 12 months.

Satisfaction with Current Prices
(% of Households)

0.5%
2.5%
42.9%
44.4%
9.7%

- Very Satisfied
- So So
- Not Satisfied At All
- Quite Satisfied
- Not Very Satisfied
- Don't Know/No Answer

Inflation Expectations in 12 Months
(% of Households)

1.1%
3.8%
28.8%
66.3%

- Much Higher
- Same
- Much Lower
- A Little Higher
- A Little Lower
- Don't Know/No Answer

Inflation Expectations Indicator

All Russia	138.2
Central	139.8
North Caucasus	127.6
Urals	146.9
Volga	134.7
West Siberian	122.3
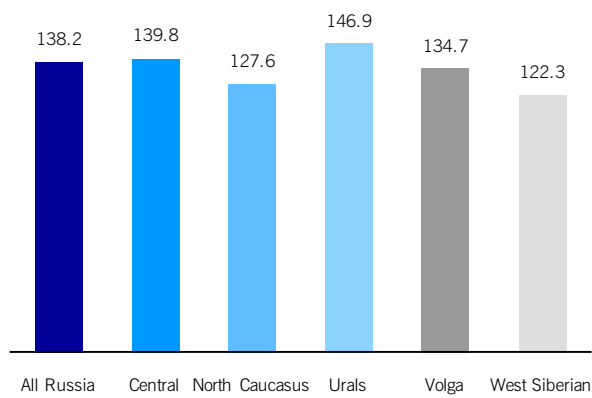
Expected Change in Prices in 1 Year
(% of Households)
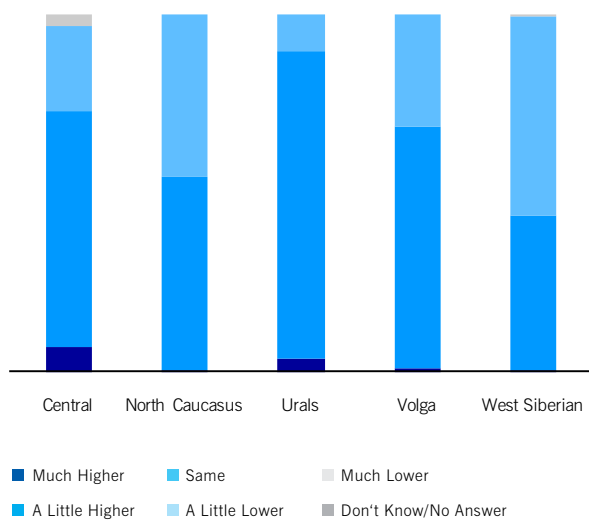
Central North Caucasus Urals Volga West Siberian

■ Much Higher   ■ Same   ▨ Much Lower
■ A Little Higher   ■ A Little Lower   ■ Don't Know/No Answer

Satisfaction with Current Prices Indicator

All Russia	71.8
Central	69.0
North Caucasus	66.0
Urals	75.6
Volga	70.7
West Siberian	45.6

Satisfaction with Current Prices
(% of Households)

All Russia Central North Caucasus Urals Volga West Siberian

■ Very Satisfied   ■ Neutral   ▨ Not Satisfied At All
■ Quite Satisfied   ■ Not Very Satisfied   ■ Don't Know/No Answer
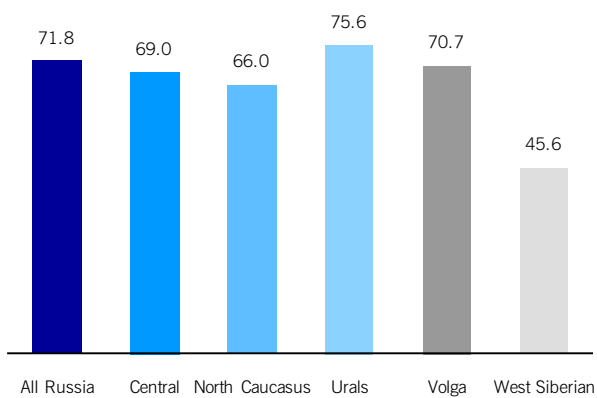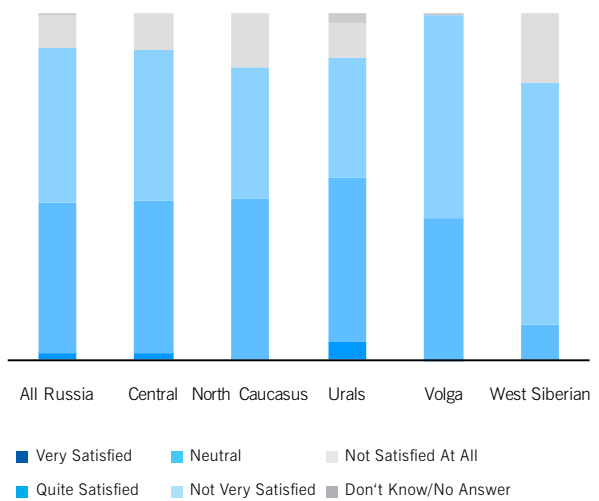
Interest Rate Expectations
Remain Broadly Stable

115.9

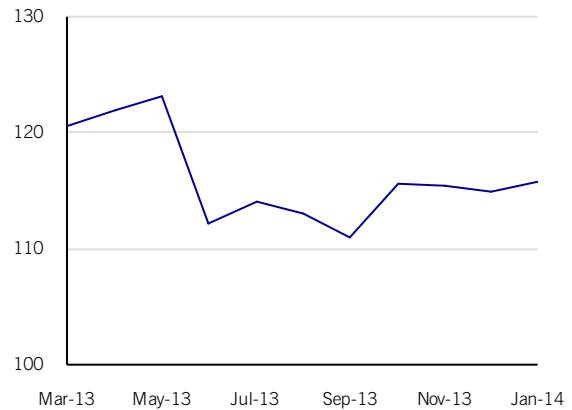The Interest Rate Expectations Indicator rose to 115.9 in January from 114.9 in December, the highest since May last year.

The indicator has remained above 100 since the survey started in March. A reading above 100 indicates more households expected interest rates to rise over the coming year, while a figure below means more households expected to see a fall.
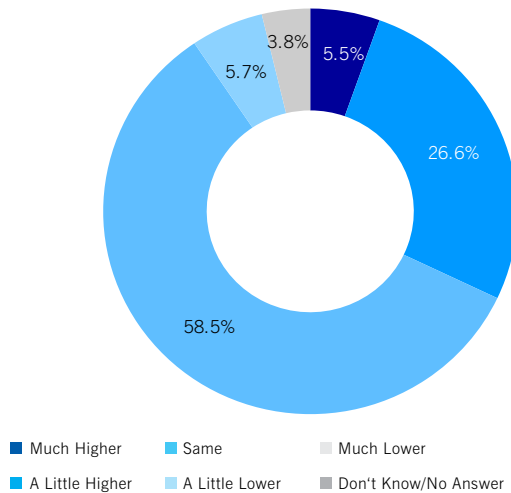
The central bank left its key rate - the one week repo rate at which it lends money to financial institutions - on hold at 5.5% at its December meeting. While the bank expects inflation to decline this year it has warned that inflation expectations also need to ease. The next monetary policy meeting will be held on February 14 and it is expected that rates will remain unchanged as inflation remains at a high level and the rouble is under pressure given the turmoil in emerging markets.

Survey participants forecasting that interest rates on home and car loans would be higher in a year remained broadly stable at 32%. Those forecasting lower rates fell from 6.8% in December to 5.7% in January. The percentage of respondents expecting interest rates would be about the same remained in the majority at 58.5%.

Interest Rate Expectations Indicator

Expected Change in Interest Rate in 1 Year
(% of Households)

- Much Higher
- A Little Higher
- Same
- A Little Lower
- Much Lower
- Don't Know/No Answer

5.5%
26.6%
58.5%
5.7%
3.8%

Interest Rate Expectations

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Interest Rate Expectations	114.1	113.2	111.1	115.6	115.5	114.9	115.9

House Price Expectations increased to the highest level since May 2013.

Price expectations troughed last summer, partly reflecting a seasonal downturn, and have subsequently risen.

Real Estate Investment
House Price Expectations Hit Series High

112.1

Following two consecutive monthly declines, the Real Estate Investment Indicator rose in January to 112.1 from 106.9 in December, the highest since October.
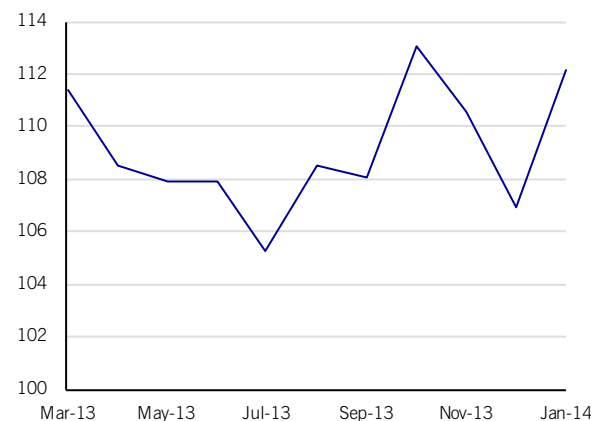
The Real Estate Investment Indicator is comprised of three sub-indicators to gauge sentiment on the housing market; House Price Expectations, House Buying Sentiment and House Selling Sentiment.

House Price Expectations increased to the highest level since the series began in May 2013, increasing to 135.7 in January from 130.9 previously. Price expectations troughed last summer, partly reflecting a seasonal downturn, and have subsequently risen, with the January rise putting it well above the series average of 127.4. A value above 100 indicates more people expect prices to increase in the next six months.

The percentage of respondents who said prices will go up in the next six months increased from 58% in December to 64.6% in January, while those saying prices would go down remained unchanged at 0.4%. Those who said prices would "stay the same" fell from 38.6% to 29.2%.

House Buying Sentiment, a measure of whether it is a good time in the next six months to buy a house, increased by 8.2% on the month, partly compensating for the decline towards the end of last year. Sentiment remained below the breakeven mark but rose to 99.7 from 92.1 in December.

Real Estate Investment Indicator

Real Estate Investment Indicator: Contribution to Monthly Change (% pt.)

House Selling Sentiment	1.0
House Buying Sentiment	2.4
House Price Expectations	1.5
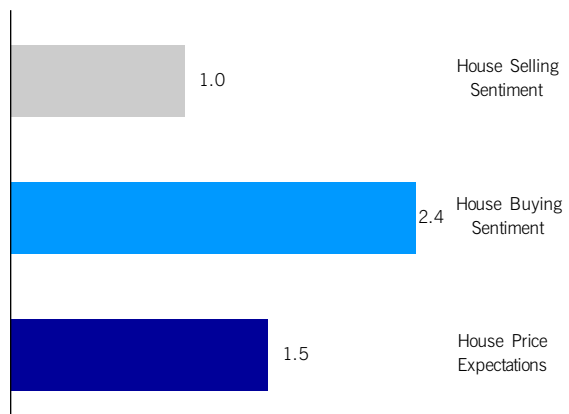
Real Estate Investment Sentiment

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Real Estate Investment Sentiment	105.3	108.5	108.0	113.0	110.5	106.9	112.1
Price Expectations	120.7	128.4	121.6	127.7	128.1	130.9	135.7
House Buying	96.6	96.7	101.8	109.8	105.0	92.1	99.7
House Selling	101.4	99.5	99.3	98.4	101.5	102.3	99.0

Real Estate Investment
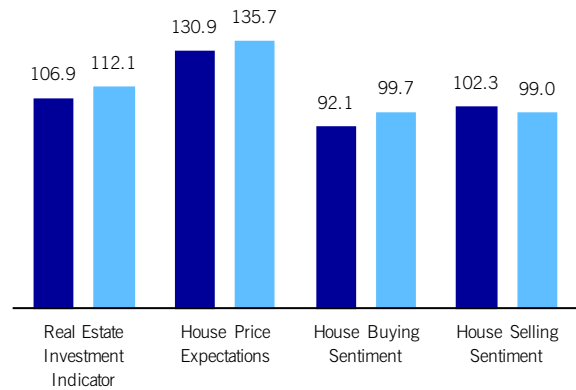## Components and Balances

House Selling Sentiment is a measure of whether it is a good time in the next six months to sell a house and has a negative impact on the overall Real Estate Investment Indicator. The Indicator declined first time in three months to 99.0 in January, down from 102.3 in December.
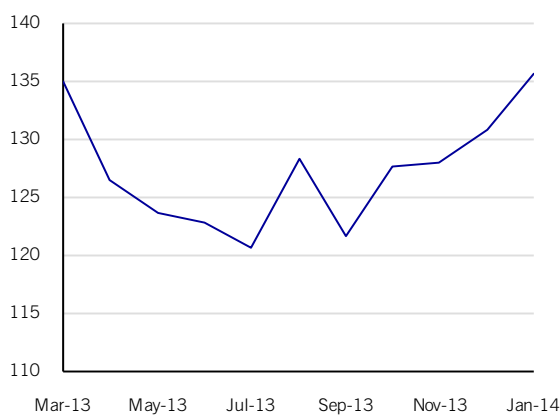
Regions

The Real Estate Investment Indicator increased significantly in the Volga region following two large monthly falls, while optimism increased in the Central, North Caucasus and West Siberian regions. Sentiment in the Urals region fell to the lowest level since July.

Real Estate Investment Indicator - Components

106.9 112.1	130.9 135.7	92.1 99.7

Real Estate Investment Indicator

House Price Expectations

House Buying Sentiment

House Selling Sentiment — 102.3 99.0

■ December 2013
■ January 2014

Real Estate Prices: Expected Changes

140
135
130
125
120
115
110

Mar-13   May-13   Jul-13   Sep-13   Nov-13   Jan-14

Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

All Russia   Central   North Caucasus   Urals   Volga
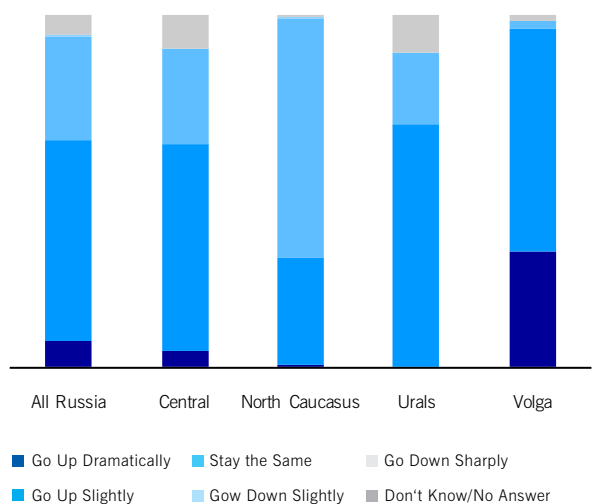
■ Go Up Dramatically   ■ Stay the Same   ■ Go Down Sharply
■ Go Up Slightly   ■ Gow Down Slightly   ■ Don't Know/No Answer

House Buying Sentiment
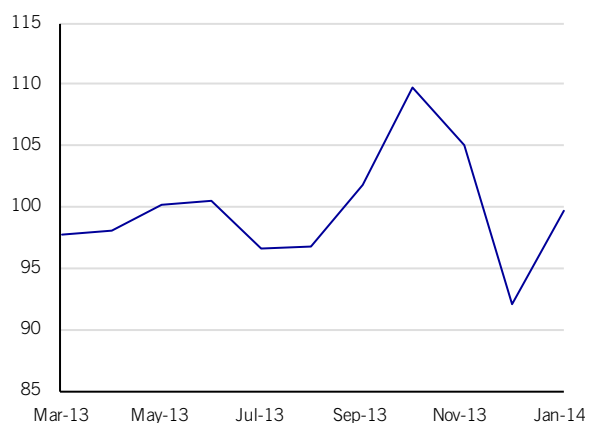
Reasons for Buying Houses (% of Households)

- Prices — 18.7%
- Investment Value — 17.4%
- Supply and Quality — 26.7%
- Income/Purchasing Power — 28.1%
- Policy/Interest Rate — 0.8%
- Others — 8.3%
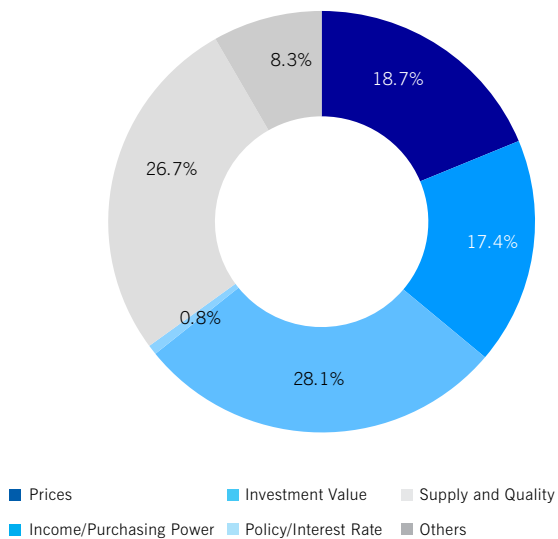
House Selling Sentiment
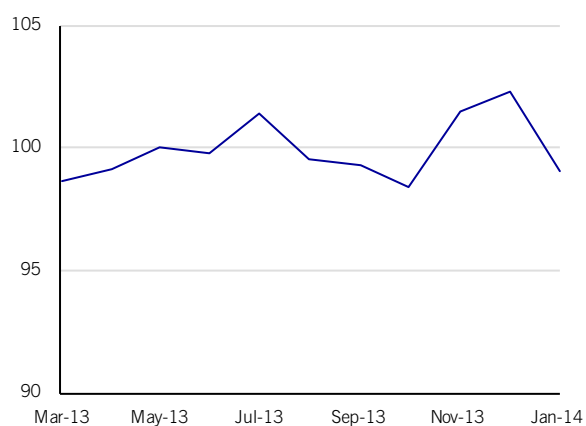
Timing for Selling Houses (% of Households)

- Excellent Time — 10.3%
- Neutral
- Very Bad Time — 0.2%
- Good Time — 71.0%
- Bad Time — 11.9%
- Don't Know/No Answer — 6.6%
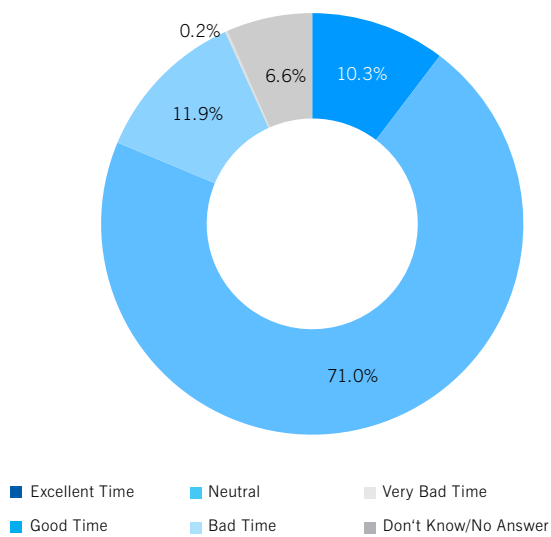
Survey participants forecasting gasoline prices would "go up" in a year totalled 72% in January.

...while the proportion of those saying gasoline prices would "go down" remained in a minority, although rose to 0.5% from 0.2% in December.

Car Purchase
First Rise in Five Months

83.3 ↑

The Car Purchase Indicator increased for the first time in five months led by a rise in car purchase expectations, which more than offset a negative impact from increased expectations that gasoline prices will rise. The indicator assesses whether consumers believe it is a good or bad time to purchase a car.

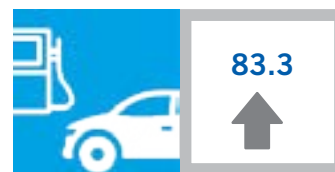The indicator rose by 2.9% to 83.3 in January, up from a record low of 81.0 in December. The Car Purchase Indicator has remained broadly stable averaging 85.3 since the series began in March 2013, although it fell considerably in the last two months of 2013.

The Car Purchase Expectations component, which measures the willingness to buy a car, rose above the 100 breakeven mark in January after four consecutive declines. The indicator increased to 104.4, 6.3% up from a series low of 98.2 in December. A growing proportion of respondents cited higher income and purchasing power as reasons for being a good time to purchase a car.

The car industry shrunk in 2013 as a total of 2.8 million new passenger cars and light and commercial vehicles were sold, 5.5% below the record level set in 2012, according to the Association of European Businesses.

The Indicator on Gasoline Prices, which measures expectations for the price of gasoline in a year, rose for the third consecutive month to a new high of 137.7 from 136.2 in December.

Car Purchase Indicator
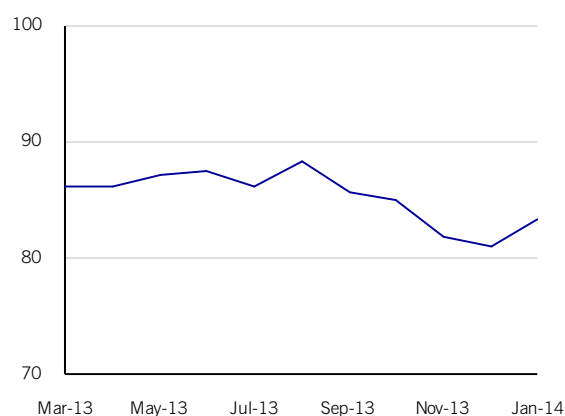
Car Purchase Indicator - Components

— Car Purchase Expectations
— Price of Gasoline Expectations
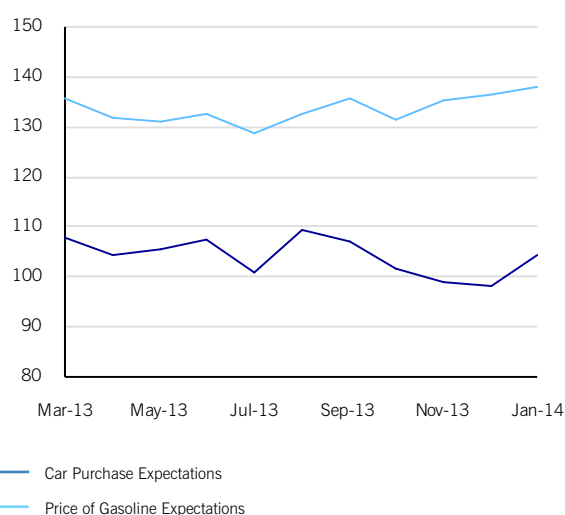
Car Purchase Sentiment

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
Car Purchase Sentiment	86.2	88.4	85.7	85.1	81.9	81.0	83.3
Car Purchase Expectations	101.0	109.4	107.1	101.4	98.9	98.2	104.4
Price of Gasoline	128.6	132.7	135.6	131.3	135.2	136.2	137.7

Reasons for a Good Time to Buy a Car
(% of Households)

All Russia   Central   North Caucasus   Urals   Volga   West Siberian

- Prices
- Income/Purchasing Power
- Policy/Interest Rate
- Supply and Quality
- Cost of Use/Upkeep
- Others
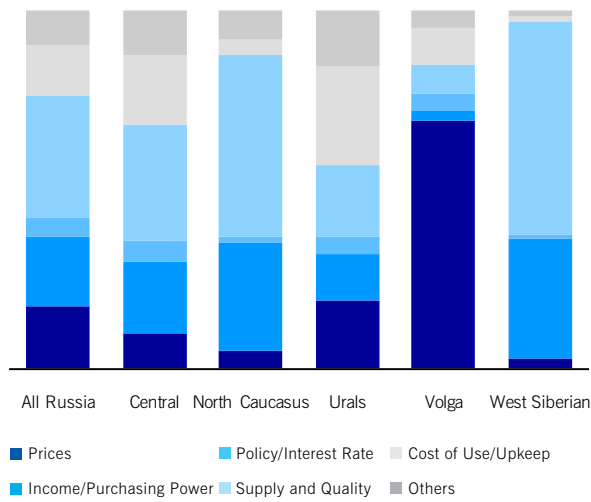
Reasons for a Bad Time to Buy a Car
(% of Households)

All Russia   Central   North Caucasus   Urals   Volga   West Siberian

- Prices
- Income/Purchasing Power
- Policy/Interest Rate
- Supply and Quality
- Cost of Use/Upkeep
- Others
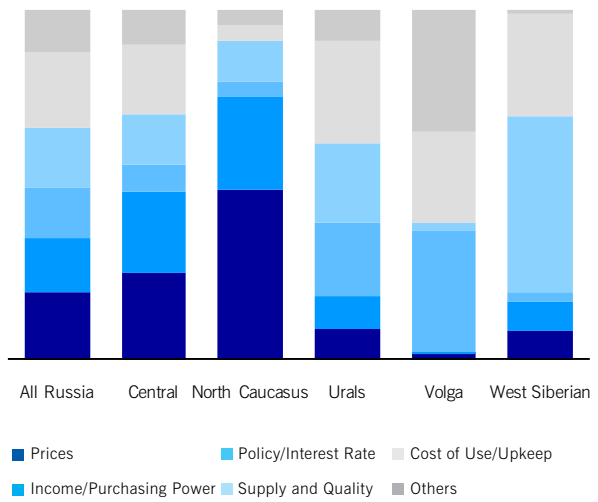
Expected Change in the Price of Gasoline
(% of Households)

0.9%
4.3%
27.2%
37.8%
29.7%

- Go Up Dramatically
- Go Up Slightly
- Stay the Same
- Gow Down Slightly
- Go Down Sharply
- Don't Know/No Answer
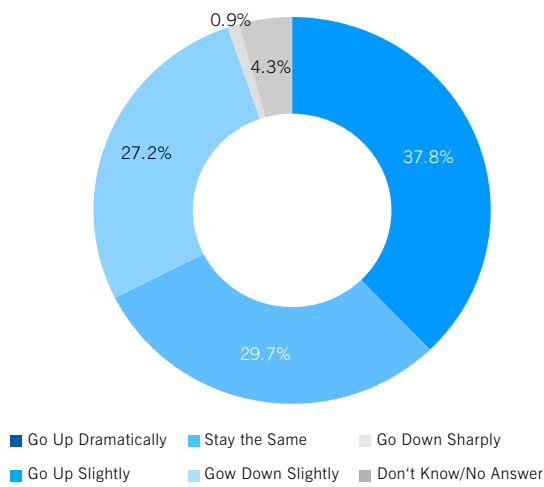
Car Purchase Expectations Indicator - Regions

Central	North Caucasus	Urals	Volga	West Siberian
110.9	84.0	106.7	90.8	108.7
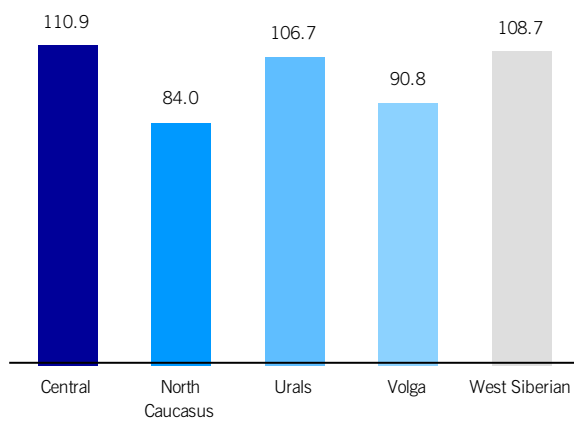
MNI Russia Consumer Indicator
Regions

Consumer Indicator: North Caucasus
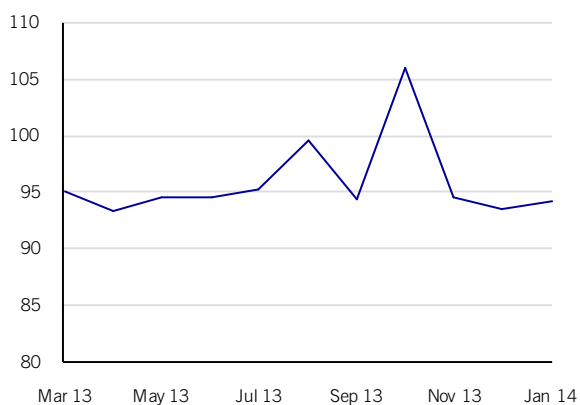
Consumer Indicator Components: North Caucasus
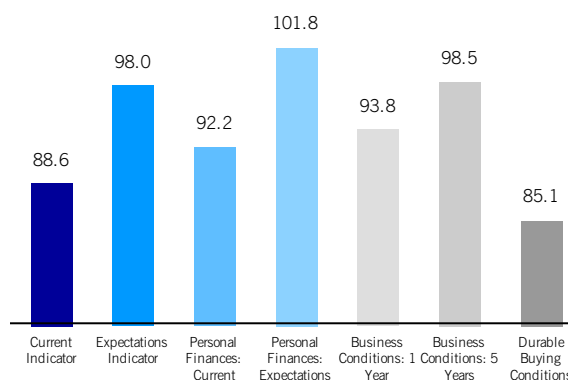
Consumer Indicator: West Siberian
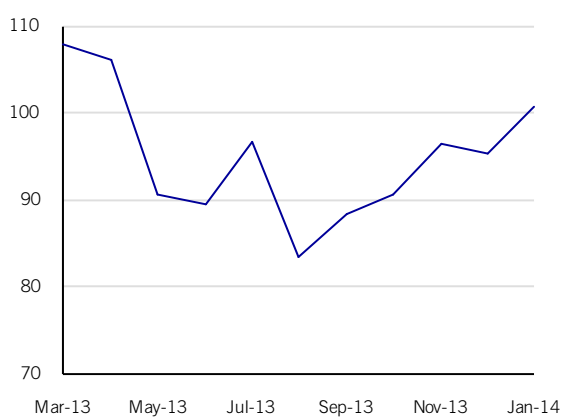
Consumer Indicator Components: West Siberian
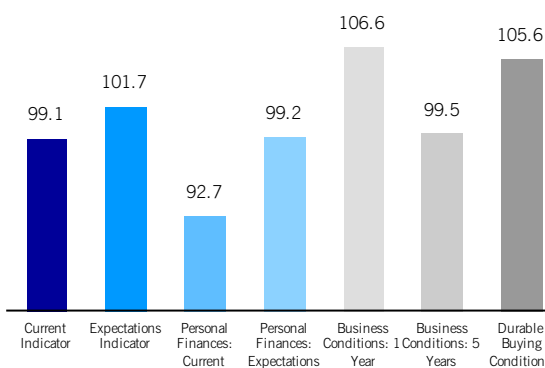
Consumer Indicator: Volga
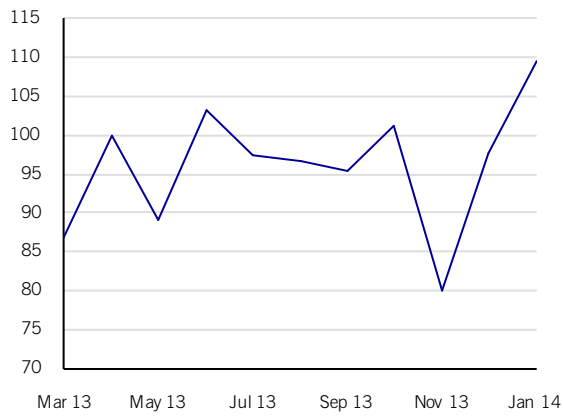
Consumer Indicator Components: Volga
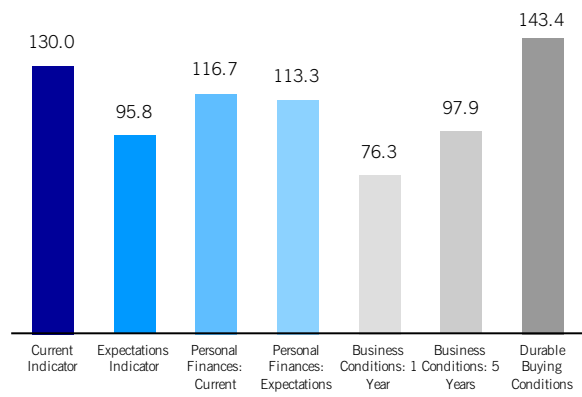
Consumer Indicator: Central
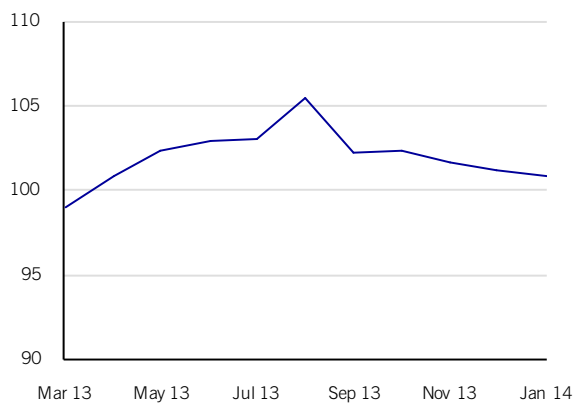
Consumer Indicator Components: Central
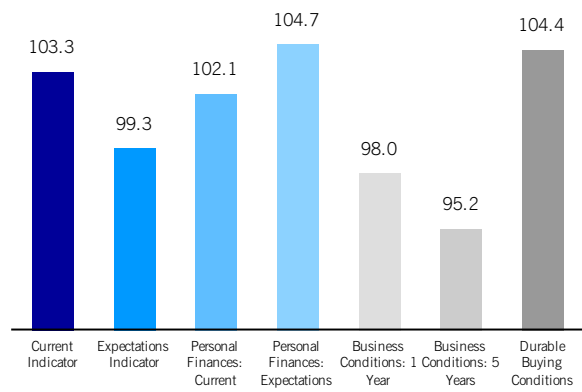
Consumer Indicator: Urals
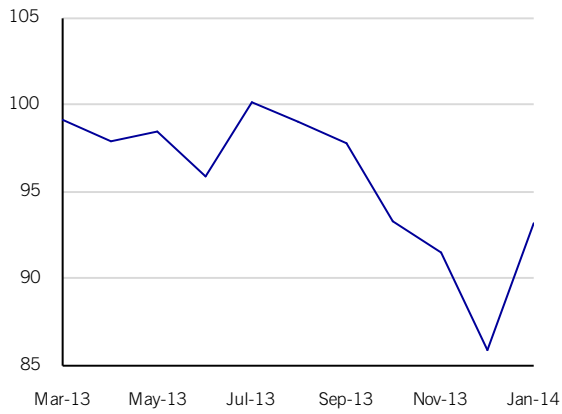
Consumer Indicator Components: Urals
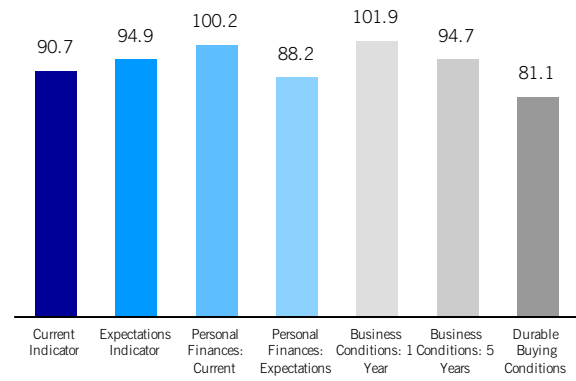
Employment Outlook Indicator for the Next 12 Months (% of Households)

- Much Better
- A Little Better
- About the Same
- A Little Worse
- Much Worse
- Don't Know/No Answer
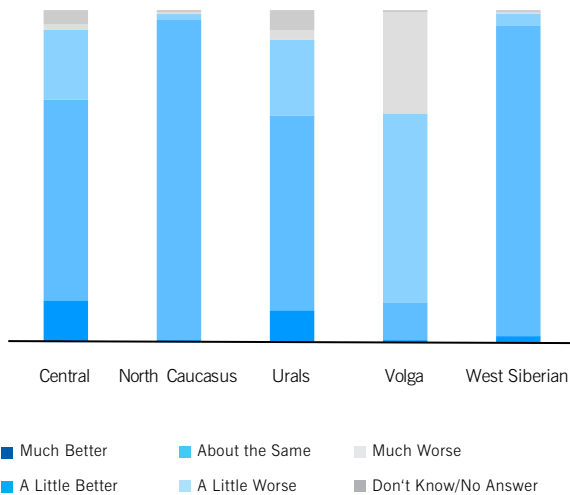
Interest Rates Expectations Indicator (% of Households)

- Much Better
- A Little Better
- About the Same
- A Little Worse
- Much Worse
- Don't Know/No Answer

MNI Russia Consumer Indicator
Income Groups

< RUB 480,000 Per Annum

93.7 | 99.7 | 94.6 | 103.3 | 93.0 | 97.3

Total Indicator | Current Indicator | Expectations Indicator

■ December 2013
■ January 2014

< RUB 480,000 - Components

102.2 | 101.4 | 91.4 | 99.2 | 104.5

Personal Finances: Current | Personal Finances: Expectations | Business Conditions: 1 Year | Business Conditions: 5 Years | Durable Buying Conditions

> RUB 480,000 Per Annum

99.2 | 98.8 | 98.1 | 101.3 | 100.0 | 97.1

Total Indicator | Current Indicator | Expectations Indicator

■ December 2013
■ January 2014

> RUB 480,000 - Components

100.1 | 101.3 | 96.9 | 93.2 | 102.4

Personal Finances: Current | Personal Finances: Expectations | Business Conditions: 1 Year | Business Conditions: 5 Years | Durable Buying Conditions

What the Panel Said

—

A selection of comments from the panel of consumers surveyed in January.

"We received New Year bonus."

"Wage was not paid in December."

"The new foreign makes of cars are expensive."

"Property tax for individuals is increasing."

"If you have money, it is always better to invest in real estate."

"I have found a temporary job."

"Milk product prices went up in December."

"Rouble is going down and prices are growing."

"It is expensive to maintain a car."

"The difference between rich and poor people is rising."

"My salary is not high enough to buy real estate."

"Many construction sites can be seen and there are many offers of apartment sales in the market."

"Situation at work is bad."

"It is expensive to purchase a house, it is better to rent."

"The car market is growing and new models come quickly to the country."

"My family income does not allow me to buy a flat."

"Luxury goods' prices are fixed and high."

"There are high interests on loans."

"Unemployment in Russia is rising."

Data Tables

A closer look at the data from the January consumer survey.

Russia - Central Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Central Consumer Indicator	101.7	101.2	100.9	-	Mar-13	101.2	-0.3	-0.3%
Current Indicator	102.2	100.7	103.3	Aug-13	-	102.1	2.6	2.5%
Expectations Indicator	101.3	101.5	99.3	-	Apr-13	100.7	-2.2	-2.1%
Personal Finance: Current	101.2	96.9	102.1	Aug-13	-	100.1	5.2	5.4%
Personal Finance: Expected	106.6	108.3	104.7	-	series low	106.5	-3.6	-3.3%
Business Condition: 1 Year	98.9	101.3	98.0	-	Sep-13	99.4	-3.3	-3.3%
Business Condition: 5 Year	98.4	94.8	95.2	Nov-13	-	96.1	0.4	0.4%
Durable Buying Conditions	103.3	104.5	104.4	-	Nov-13	104.1	-0.1	-0.1%
Current Business Conditions Indicator	97.2	95.3	98.0	series high	-	96.8	2.7	2.9%
Real Estate Investment Indicator	112.7	110.4	113.2	Oct-13	-	112.1	2.8	2.5%
Car Purchase Indicator	80.4	83.0	85.9	Sep-13	-	83.1	2.9	3.5%
Employment Outlook Indicator	103.2	101.8	93.9	-	series low	99.6	-7.9	-7.8%
Inflation Expectations Indicator	140.9	137.4	139.8	Nov-13	-	139.4	2.4	1.7%
Current Prices Satisfaction Indicator	72.7	72.1	69.0	-	series low	71.3	-3.1	-4.4%
Interest Rates Expectations Indicator	111.5	113.0	114.6	Oct-13	-	113.0	1.6	1.4%

Russia - Urals Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Urals Consumer Indicator	91.5	85.9	93.2	Oct-13	-	90.2	7.3	8.5%
Current Indicator	94.6	86.0	90.7	Nov-13	-	90.4	4.7	5.5%
Expectations Indicator	89.4	85.9	94.9	Sep-13	-	90.1	9.0	10.6%
Personal Finance: Current	82.7	82.3	100.2	Sep-13	-	88.4	17.9	21.9%
Personal Finance: Expected	94.9	93.0	88.2	-	series low	92.0	-4.8	-5.2%
Business Condition: 1 Year	94.8	82.9	101.9	Oct-13	-	93.2	19.0	23.0%
Business Condition: 5 Year	78.6	81.7	94.7	Aug-13	-	85.0	13.0	15.9%
Durable Buying Conditions	106.5	89.6	81.1	-	series low	92.4	-8.5	-9.6%
Current Business Conditions Indicator	98.5	87.5	93.9	Nov-13	-	93.3	6.4	7.3%
Real Estate Investment Indicator	113.0	114.2	107.7	-	Jul-13	111.7	-6.5	-5.7%
Car Purchase Indicator	88.9	76.2	81.9	Nov-13	-	82.4	5.7	7.5%
Employment Outlook Indicator	93.2	101.4	90.5	-	Jul-13	95.1	-10.9	-10.8%
Inflation Expectations Indicator	145.0	141.2	146.9	Oct-13	-	144.4	5.7	4.0%
Current Prices Satisfaction Indicator	80.5	80.2	75.6	-	series low	78.8	-4.6	-5.7%
Interest Rates Expectations Indicator	131.0	127.4	135.6	May-13	-	131.3	8.2	6.4%

Russia - Volga Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Volga Consumer Indicator	80.0	97.8	109.5	series high	-	95.8	11.7	12.0%
Current Indicator	77.8	101.6	130.0	series high	-	103.2	28.4	28.0%
Expectations Indicator	81.4	95.2	95.8	Oct-13	-	90.8	0.6	0.6%
Personal Finance: Current	65.6	96.6	116.7	series high	-	93.0	20.1	20.7%
Personal Finance: Expected	100.3	100.1	113.3	Sep-13	-	104.6	13.2	13.1%
Business Condition: 1 Year	88.7	117.1	76.3	-	series low	94.0	-40.8	-34.8%
Business Condition: 5 Year	55.4	68.5	97.9	Oct-13	-	73.9	29.4	43.0%
Durable Buying Conditions	90.0	106.6	143.4	series high	-	113.3	36.8	34.5%
Current Business Conditions Indicator	98.3	79.3	109.6	series high	-	95.7	30.3	38.3%
Real Estate Investment Indicator	123.1	100.8	126.7	Oct-13	-	116.9	25.9	25.7%
Car Purchase Indicator	77.0	82.5	79.3	-	Nov-13	79.6	-3.2	-3.9%
Employment Outlook Indicator	89.2	78.9	41.4	-	series low	69.8	-37.5	-47.5%
Inflation Expectations Indicator	150.1	168.2	134.7	-	series low	151.0	-33.5	-19.9%
Current Prices Satisfaction Indicator	76.4	76.9	70.7	-	Apr-13	74.6	-6.2	-8.1%
Interest Rates Expectations Indicator	126.5	143.9	116.7	-	Sep-13	129.0	-27.2	-18.9%

Russia - North Caucasus Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - North Caucasus Consumer Indicator	94.7	93.6	94.3	Nov-13	-	94.2	0.7	0.7%
Current Indicator	86.8	83.0	88.6	Oct-13	-	86.1	5.6	6.7%
Expectations Indicator	100.0	100.6	98.0	-	Sep-13	99.5	-2.6	-2.6%
Personal Finance: Current	91.1	89.3	92.2	Oct-13	-	90.9	2.9	3.2%
Personal Finance: Expected	102.3	102.2	101.8	-	Oct-13	102.1	-0.4	-0.4%
Business Condition: 1 Year	98.6	101.1	93.8	-	Sep-13	97.8	-7.3	-7.2%
Business Condition: 5 Year	99.1	98.5	98.5	-	Sep-13	98.7	0.0	0.0%
Durable Buying Conditions	82.5	76.7	85.1	Oct-13	-	81.4	8.4	10.9%
Current Business Conditions Indicator	101.1	101.3	102.0	Apr-13	-	101.5	0.7	0.8%
Real Estate Investment Indicator	95.7	94.0	98.7	Oct-13	-	96.1	4.7	5.0%
Car Purchase Indicator	80.1	78.8	75.9	-	series low	78.3	-2.9	-3.7%
Employment Outlook Indicator	101.2	100.1	99.0	-	series low	100.1	-1.1	-1.1%
Inflation Expectations Indicator	125.9	127.5	127.6	Oct-13	-	127.0	0.1	0.1%
Current Prices Satisfaction Indicator	73.9	66.6	66.0	-	series low	68.8	-0.6	-1.0%
Interest Rates Expectations Indicator	108.3	109.9	108.9	-	Nov-13	109.0	-1.0	-0.9%

Russia - West Siberian Overview

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - West Siberian Consumer Indicator	96.4	95.3	100.7	Apr-13	-	97.5	5.4	5.7%
Current Indicator	93.6	101.0	99.1	-	Nov-13	97.9	-1.9	-1.9%
Expectations Indicator	98.3	91.4	101.7	Apr-13	-	97.1	10.3	11.3%
Personal Finance: Current	109.3	95.1	92.7	-	Oct-13	99.0	-2.4	-2.5%
Personal Finance: Expected	100.3	100.2	99.2	-	series low	99.9	-1.0	-1.0%
Business Condition: 1 Year	95.2	74.6	106.6	Apr-13	-	92.1	32.0	42.8%
Business Condition: 5 Year	99.3	99.4	99.5	Aug-13	-	99.4	0.1	0.1%
Durable Buying Conditions	77.9	107.0	105.6	-	Nov-13	96.8	-1.4	-1.3%
Current Business Conditions Indicator	100.0	99.5	100.3	Jun-13	-	99.9	0.8	0.8%
Real Estate Investment Indicator	100.3	108.3	113.8	Oct-13	-	107.5	5.5	5.1%
Car Purchase Indicator	79.6	72.8	81.2	Oct-13	-	77.9	8.4	11.6%
Employment Outlook Indicator	99.2	100.4	98.6	-	Aug-13	99.4	-1.8	-1.8%
Inflation Expectations Indicator	108.3	121.2	122.3	Oct-13	-	117.3	1.1	0.9%
Current Prices Satisfaction Indicator	47.8	45.5	45.6	Nov-13	-	46.3	0.1	0.2%
Interest Rates Expectations Indicator	103.3	95.8	95.5	-	series low	98.2	-0.3	-0.3%

All Russia Overview by Age

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI Russia Consumer Indicator	95.5	99.1	102.2	Aug-13	-	98.9	3.1	3.1%
Current Indicator	92.4	100.4	106.8	series high	-	99.9	6.4	6.4%
Expectations Indicator	97.6	98.3	99.1	Oct-13	-	98.3	0.8	0.8%
Personal Finance: Current	90.9	101.3	108.4	series high	-	100.2	7.1	7.0%
Personal Finance: Expected	103.3	104.6	102.8	-	Oct-13	103.6	-1.8	-1.7%
Business Condition: 1 Year	98.0	95.1	96.4	Nov-13	-	96.5	1.3	1.4%
Business Condition: 5 Year	91.4	95.1	97.9	Aug-13	-	94.8	2.8	3.0%
Durable Buying Conditions	93.9	99.5	105.2	Oct-13	-	99.5	5.7	5.7%
Age 35-54								
MNI Russia Consumer Indicator	93.9	92.7	96.8	Oct-13	-	94.5	4.1	4.4%
Current Indicator	96.3	93.8	98.2	Sep-13	-	96.1	4.4	4.6%
Expectations Indicator	92.4	92.0	95.9	Oct-13	-	93.4	3.9	4.2%
Personal Finance: Current	93.2	85.4	93.6	Sep-13	-	90.7	8.2	9.6%
Personal Finance: Expected	100.7	100.3	101.8	Oct-13	-	100.9	1.5	1.5%
Business Condition: 1 Year	91.6	91.5	90.7	-	Aug-13	91.2	-0.8	-0.9%
Business Condition: 5 Year	84.8	84.2	95.2	Oct-13	-	88.1	11.0	13.1%
Durable Buying Conditions	99.4	102.3	102.8	series high	-	101.5	0.5	0.5%
Age 55-64								
MNI Russia Consumer Indicator	94.1	92.3	96.8	Oct-13	-	94.4	4.5	4.8%
Current Indicator	95.8	83.6	96.4	Oct-13	-	91.9	12.8	15.3%
Expectations Indicator	93.0	98.2	97.0	-	Nov-13	96.1	-1.2	-1.2%
Personal Finance: Current	92.5	82.1	84.4	Nov-13	-	86.4	2.3	2.8%
Personal Finance: Expected	96.8	97.1	93.9	-	Jun-13	96.0	-3.2	-3.3%
Business Condition: 1 Year	91.9	101.5	102.9	Jun-13	-	98.8	1.4	1.4%
Business Condition: 5 Year	90.4	95.9	94.3	-	Nov-13	93.5	-1.6	-1.7%
Durable Buying Conditions	99.1	85.1	108.4	series high	-	97.5	23.3	27.5%

All Russia - Overview by Income

	Nov-13	Dec-13	Jan-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	90.5	93.7	99.7	series high	-	94.6	6.0	6.5%
Current Indicator	90.1	94.6	103.3	series high	-	96.0	8.7	9.2%
Expectations Indicator	90.8	93.0	97.3	Oct-13	-	93.7	4.3	4.6%
Personal Finance: Current	82.7	89.8	102.2	series high	-	91.6	12.4	13.7%
Personal Finance: Expected	98.7	99.0	101.4	Oct-13	-	99.7	2.4	2.4%
Business Condition: 1 Year	93.1	90.7	91.4	Nov-13	-	91.8	0.7	0.8%
Business Condition: 5 Year	80.6	89.4	99.2	Mar-13	-	89.7	9.8	10.9%
Durable Buying Conditions	97.6	99.4	104.5	series high	-	100.5	5.1	5.1%
> RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	99.9	99.2	98.8	-	Sep-13	99.3	-0.4	-0.4%
Current Indicator	98.8	98.1	101.3	Oct-13	-	99.4	3.2	3.2%
Expectations Indicator	100.7	100.0	97.1	-	series low	99.3	-2.9	-2.8%
Personal Finance: Current	102.6	98.6	100.1	Nov-13	-	100.4	1.5	1.6%
Personal Finance: Expected	105.7	106.5	101.3	-	Oct-13	104.5	-5.2	-4.9%
Business Condition: 1 Year	96.8	100.3	96.9	-	Nov-13	98.0	-3.4	-3.4%
Business Condition: 5 Year	99.5	93.0	93.2	Nov-13	-	95.2	0.2	0.2%
Durable Buying Conditions	95.0	97.7	102.4	Oct-13	-	98.4	4.7	4.9%

Methodology

The MNI Russia Consumer Sentiment Survey is a wide ranging monthly survey of consumer confidence across Russia.

Data is collected through computer aided telephone interviews (CATI), with each interviewee selected randomly by computer. At least 1,000 interviews are conducted each month.

The survey adopts a similar methodology to the University of Michigan survey of U.S. consumer sentiment.

The MNI Russia Consumer Indicator is derived from five questions, two on current conditions and three on future expectations:

1) Current personal financial situation compared to a year ago
2) Current willingness to buy major household items
3) Personal financial situation one year from now
4) Overall business conditions one year from now
5) Overall business conditions for the next 5 years

Indicators relating to specific questions in the report are diffusion indices with 100 representing a neutral level, meaning positive and negative answers are equal. Values above 100 indicate increasing positivity while values below show increasing negativity.

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