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MNI Russia Consumer Report March 2014

Insight and data for better decisions

About MNI Indicators

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 - March 2014

Contents

4	Editorial
6	Executive Summary
12	Economic Landscape
16	Indicators
17	MNI Russia Consumer Indicator
24	Personal Finances
26	Business Conditions
29	Durable Buying Conditions
30	Employment Outlook
31	Prices Sentiment
34	Interest Rates Expectations
35	Real Estate Investment
38	Car Purchase
40	Consumer Indicator - Regions
43	Consumer Indicator - Income Groups
44	What The Panel Said
46	Data Tables
54	Methodology



Counting the Cost...

Russia's growth in recent years has been driven by consumption at the expense of investment. It has relied on its vast reserves of gas and other commodities for years, while its industrial base has been left to wither.

I've written previously that Russia needs to change its growth model. Russia's growth in recent years has been driven by consumption at the expense of investment. It has relied on its vast reserves of gas and other commodities for years, while its industrial base has been left to wither.

With growth of just 1.3% in 2013 and productivity at weak levels, even the government finally recognised that the current model wasn't working.

In recent years, Russia has tried to present itself as an investable country and a place to do business. Holding the Sochi Olympics this year and the World Cup in 2018 would show the world that Russia is open for business and help to attract the investment it badly needs.

Whatever the rights and wrongs of Russia's lightning annexation of Crimea, it has wiped out any hopes of attracting foreign investment and potentially set back Russia's economy years. Our consumer survey shows sentiment falling more than 10% since the start of the year. Our business survey evidence this month showed sentiment among Russia's largest companies fell sharply in March. Barring a resolution in the situation, it is difficult to see anything but a further worsening in April as well.

And having previously expected growth to maybe increase a little this year from 2013's paltry gain, this is now looking unlikely, with the possibility that the Russian economy could at some point slip into recession. Should actions against Russia from the US

and EU escalate further to include wider financial and trade sanctions, then it will cause serious harm to the economy especially in the short-term.

And if the EU is determined to seek alternative sources of energy and wean itself off of its dependence on Russia's vast gas and oil supplies, then Russia's long-term growth potential could be even lower.

Philip Uglow

Chief Economist

MNI Indicators



Executive Summary

The MNI Russia Consumer Indicator fell to the lowest level since the survey started in March 2013 as worries over household finances, short-term business conditions and the spending climate all rose sharply.

The MNI Russia Consumer Indicator fell to the lowest level since the survey started in March 2013 as worries over household finances, short-term business conditions and the spending climate, all rose sharply.

This was the second consecutive monthly fall and left confidence down more than 10% since the start of the year as concerns over Russia's actions in Ukraine have mounted. Asset freezes and travel bans have raised fears of wider sanctions against the country, leaving consumers very uncertain about their economic circumstances, denting sentiment significantly.

The Consumer Indicator declined 5.4% on the month to 89.1 in March from 94.1 in February.

The Current Indicator fell by 9.3% to 89.4 from 98.6 in February, following a pick-up in sentiment in January in the run up to the Olympics. The deterioration in the Current Indicator was led by Current Personal Finances which declined 8.9% on the month to a series low of 79.5. Durable Buying Conditions also fell sharply to 99.3 from 109.9 in February, as the current economic and political situation hit discretionary spending. The Expectations Indicator decreased to 88.8 in March from 91.2 in February.

The fall in consumer confidence in March was led by higher income households who likely have more to lose from the current tensions in Ukraine which have caused a sharp fall in the stock market and the currency.

Perceptions about business conditions in a year deteriorated sharply, as fears of further sanctions on Russian businesses grew. Current and longer term business conditions remained in contraction.

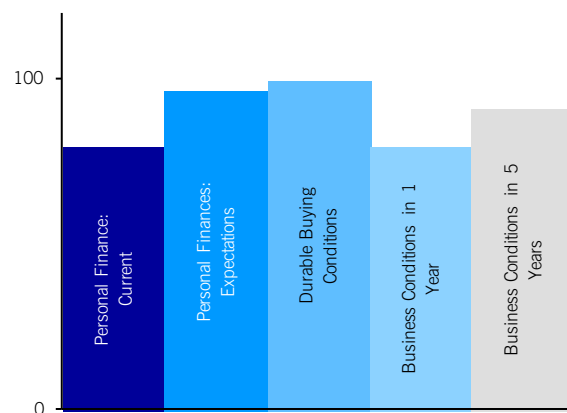
In spite of the current situation with Ukraine and the economic downturn, the Employment Outlook Indicator, improved for the first time in three months.

Concerns over the current price level increased slightly in March, while expectations for the future remained at an elevated level.

The Real Estate Investment Indicator declined to 110.0 in March from 111.4 in February, as a growing number of respondents said that it was not a good time to purchase a house.

The Car Purchase Indicator declined in March after rising for two consecutive months, driven by a decline in Car Purchase Expectations and a small rise in Expectations for Gasoline Prices.

MNI Russia Consumer Indicator - Components



All Russia - Overview

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI Russia Consumer Indicator	99.3	94.1	89.1	-	series low	94.2	-5.0	-5.4%
Current Indicator	102.0	98.6	89.4	-	series low	96.7	-9.2	-9.3%
Expectations Indicator	97.5	91.2	88.8	-	series low	92.5	-2.4	-2.6%
Personal Finance: Current	99.3	87.3	79.5	-	series low	88.7	-7.8	-8.9%
Personal Finance: Expected	101.2	96.3	96.3	Jan-14	-	97.9	0.0	0.0%
Business Condition: 1 Year	95.1	87.8	79.4	-	series low	87.4	-8.4	-9.6%
Business Condition: 5 Year	96.4	89.4	90.7	Jan-14	-	92.2	1.3	1.5%
Durable Buying Conditions	104.7	109.9	99.3	-	Dec-13	104.6	-10.6	-9.7%
Current Business Conditions Indicator	100.3	97.5	99.2	Jan-14	-	99.0	1.7	1.7%
Real Estate Investment Indicator	112.1	111.4	110.0	-	Dec-13	111.2	-1.4	-1.2%
Car Purchase Indicator	83.3	88.3	85.1	-	Jan-14	85.6	-3.2	-3.7%
Employment Outlook Indicator	87.2	86.5	92.9	Dec-13	-	88.9	6.4	7.4%
Inflation Expectations Indicator	136.9	140.9	139.2	-	Jan-14	139.0	-1.7	-1.2%
Current Prices Satisfaction Indicator	69.4	74.4	76.3	Oct-13	-	73.4	1.9	2.5%
Interest Rates Expectations Indicator	115.9	122.6	119.2	-	Jan-14	119.2	-3.4	-2.7%

All Russia - Summary

	2013									2014			
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
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	94.1	89.1
Current Indicator	93.8	98.2	96.2	98.4	100.5	99.2	95.8	99.2	94.3	95.7	102.0	98.6	89.4
Expectations Indicator	99.4	99.7	98.3	98.6	98.8	100.3	98.4	99.5	95.1	95.7	97.5	91.2	88.8
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	87.3	79.5
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	96.3	96.3
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	87.8	79.4
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	89.4	90.7
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	109.9	99.3
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	97.5	99.2
Real Estate Investment Indicator	108.0	107.5	106.0	107.9	105.3	108.5	108.0	113.0	108.4	106.9	112.1	111.4	110.0
House Price Expectations	124.9	123.5	117.9	122.9	120.7	128.4	121.6	127.7	121.6	130.9	135.7	139.0	140.1
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	96.8	87.3
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	101.6	97.4
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	88.3	85.1
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	110.5	106.0
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	133.8	135.8
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	86.5	92.9
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	140.9	139.2
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	74.4	76.3
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	122.6	119.2

All Russia - Records

	2013- Current			
	Minimum	Maximum	Mean	Median
MNI Russia Consumer Indicator	89.1	99.9	97.0	97.5
Current Indicator	89.4	102.0	97.0	98.2
Expectations Indicator	88.8	100.3	97.0	98.4
Personal Finance: Current	79.5	103.2	94.6	95.3
Personal Finance: Expected	96.3	109.2	102.7	102.4
Business Condition: 1 Year	79.4	101.5	94.3	95.7
Business Condition: 5 Year	88.7	98.0	94.1	95.7
Durable Buying Conditions	92.9	109.9	99.4	97.8
Current Business Conditions Indicator	89.6	100.3	96.3	95.9
Real Estate Investment Indicator	105.3	113.0	108.7	108.0
House Price Expectations	117.9	140.1	127.3	124.9
House Buying Sentiment	87.3	109.8	98.6	98.1
House Selling Sentiment	97.4	102.3	99.8	99.5
Car Purchase Indicator	81.0	88.4	85.5	86.1
Car Purchase expectations	98.2	110.5	104.7	105.5
Price of Gasoline expectations	128.6	137.7	133.7	133.8
Employment Outlook Indicator	86.5	100.5	96.6	98.2
Inflation Expectations Indicator	130.7	140.9	137.1	136.9
Current Prices Satisfaction Indicator	69.4	86.0	78.3	76.3
Interest Rates Expectations Indicator	111.1	123.3	117.0	115.6

Russian consumer sentiment fell to the lowest level since the survey started in March 2013...

...as worries over household finances, short-term business conditions and the spending climate, all rose sharply.



Economic Landscape

Russia's annexation of Crimea has thrown the country into economic turmoil. The stock market has plunged and the rouble has come under intense pressure, forcing the central bank of Russia to raise its key policy rate from 5.5% to 7%.

Russia's annexation of Crimea has thrown the country into economic turmoil. The stock market has plunged and the rouble has come under increased pressure, forcing the central bank of Russia to raise its key policy rate from 5.5% to 7%. Forecasters are now rapidly revising down forecasts of growth for 2014, with some highlighting the possibility that Russia could slip into recession. Russia's Central Bank governor expects growth of sub 1% in 2014. Credit rating agencies have downgraded Russia's outlook to negative over the impact of sanctions from the United States and the European Union.

Economic data has been mixed with manufacturing output posting the highest growth in three months. The trade surplus showed an improvement from the previous year but fell on the month, due to the depreciation in the rouble.

Lowest economic growth since 2009

Following meagre growth in 2013, growth has remained extremely weak at the beginning of 2014. Russia's GDP grew by just 0.3% on the year in February, marginally up from 0.1% in January. The Economy Ministry anticipates GDP growth of around zero for the first quarter as a whole.

According to the latest data from the Federal Service of State Statistics, economic growth accelerated in the fourth quarter of 2013 while the full year growth was left unchanged at 1.3% in 2013, down from 3.4% in 2012 to be the lowest since 2009. Growth remained reliant on consumer spending although this failed to make up for sagging investment and a drop in global demand for oil and natural gas.

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% in 2012, while investment growth shrank sharply to 0.3% in 2012 from 6.4% a year earlier.

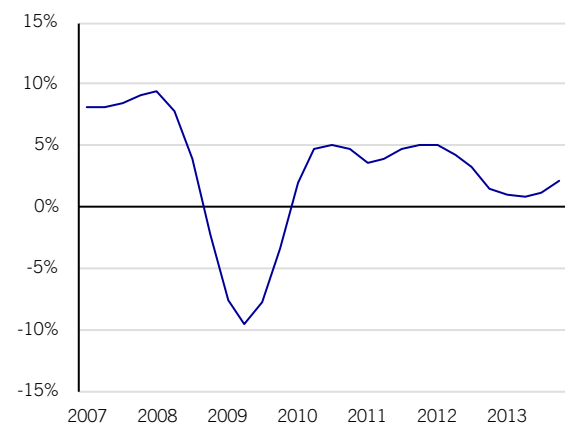
On the positive side, exports rose 3.8% in 2013, recovering from growth of just 1.4% in 2012. Imports

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.

According to the economy minister Alexei Ulyukayev, Russia's 2014 economic growth is likely to be close to 2013's level if economic trends seen early this year remain intact. Growth forecasts will be revised in April from the previously published expectation of 2.5% this year.

Central Bank governor Elvira Nabiullina recently revised the growth rates for 2014 to below 1% from 1.5-1.8% previously.

Economic Growth



— GDP Growth y/y %

Source: Federal State Statistics Service of Russia

Industrial production expands in February

Industrial production increased 2.1% on the year in February, the highest growth in three months following a decline of 0.2% in January. The latest increase was driven by manufacturing output which grew by 3.4% in February after remaining flat in January.

In spite of the cold weather, utilities output continued to decline, although by a smaller 0.3% on the year, compared with 3.9% in the previous month. Mining

and quarrying output rose by 0.8% compared with a growth of 0.9% in February.

Car sales continue to decline

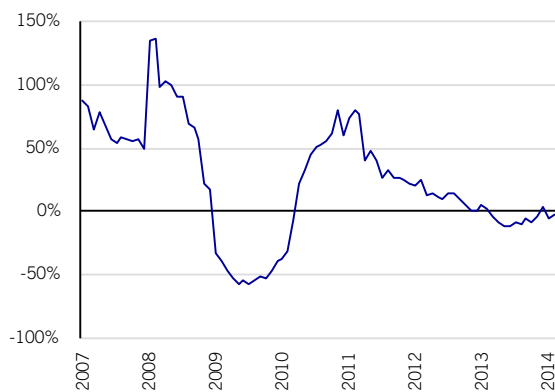
In February, 206,476 cars were sold, 2% down from the same month a year earlier, according to the Association of European Businesses (AEB). Russia is the second largest market for cars in Europe and last year saw the first annual fall in sales in four years.

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 2013, barring which car sales would have been even worse. It is possible the scheme could be launched again should sales disappoint in 2014.

Russia plans to support its struggling auto industry with subsidies of up to 271 billion roubles (\$8 billion) in the three years to 2016 for research and development, to support jobs and to compensate for some costs related to meeting tighter exhaust emission standards.

According to the deputy industry minister, Russian car sales may fall between 2.8% and 6.5% this year due to a weaker rouble and falling oil prices.

Car Sales



— Car and Light commercial vehicles y/y %

Source: Federal State Statistics Service of Russia

Higher inflation in March

Consumer price inflation rose sharply to 6.9% in March from 6.2% in February. Food prices rose by 8.4% from a year earlier, compared with 6.9% in the previous month.

The central bank is targeting an inflation rate of 5% this year, after overshooting its 5-6% range in 2013. The central bank has said that it will not lower borrowing costs until at least June as inflationary risks remain high and a slowdown in inflation is possible only in the second half of 2014.

Inflation



— CPI Growth y/y %

Source: Federal State Statistics Service of Russia

The recent fall in the rouble has made the central bank's job far more difficult. Russia imports a large amount of consumer goods and the depreciation will push up prices over the coming months.

Monetary policy: key rate increased

The central bank raised its key rate – the one-week repo rate at which it lends money to financial institutions – to 7% from 5.5% at a surprise meeting on March 3 aimed at limiting inflationary risks that stemmed from the rouble weakening to an all-time low.

The central bank left all interest rates unchanged at its scheduled meeting on March 14 and said it will maintain a tight monetary policy stance well into the foreseeable future. While the central bank framed the surprise tightening in policy as a move to offset the inflationary impact of the weaker rouble, a key aim was to try and avert a damaging run on the currency.

Deputy Economy Minister Andrey Klepach said a temporary increase in the key rate would not hurt the economy, but rouble depreciation would increase inflation.

The bank has made it clear that its top priority is to limit the inflationary implication of exchange rate dynamics and to support financial stability. Low inflation would make borrowing more affordable and lead to a road of longer-term investment, which in turn would support economic growth.

Depreciation in the rouble

So far this year, the rouble has been one of the worst performing emerging market currencies. It fell to an all time low of 36.6 versus the US Dollar on March 14, following Russia's actions in Ukraine and fears of an escalation in the situation.

The central bank spent \$10 billion of its reserves on a single day on March 3 to prop up the rouble's sudden fall and has indicated that it would make major interventions due to the increased volatility. The bank has spent \$23 billion in currency markets in the first two weeks of March alone, although there is no imminent cash danger as the bank has \$440 billion in foreign exchange reserves.

Even before tensions intensified in Ukraine, the rouble had been weakening. The Russian authorities denied engaging in a deliberate policy to devalue the currency in order to raise export revenue or to provide a windfall gain for the state budget. Currency turmoil has been seen throughout most emerging market economies, although the move in Russia to a fully free floating currency has meant reduced currency intervention from the central bank which has put further pressure on the rouble.

The Economy Ministry has forecast that the net capital outflow during the first quarter will be \$65-70 billion. That compares with an outflow of \$62.7 billion during the whole of 2013. The Economy Minister Alexei Ulyukayev ascertains that worsening political relations is a negative factor for economic growth and correspondingly influences the capital outflow.

Trade surplus narrows in February

Russia's trade surplus narrowed to \$17.6 billion in February, down from \$18.9 billion a month earlier but up from \$15.3 billion in the same month last year, as imports fell by the most since 2009 due to the sharp depreciation of the rouble.

Exports stood at \$41.8 billion in February, broadly unchanged from a year earlier and imports stood at \$24.2 billion, down by 9.1% on the year.



Indicators

The MNI Russia Consumer Indicator fell for the second consecutive month and left confidence well below the start of the year as concerns over Russia's actions in Ukraine have mounted.

MNI Russia Consumer Indicator Tumbles amid Tension



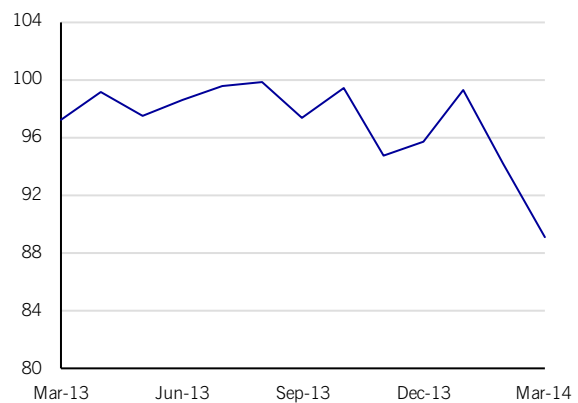
The MNI Russia Consumer Indicator fell to the lowest level since the survey started in March 2013 as worries over household finances, short-term business conditions and the spending climate, all rose sharply.

This was the second consecutive monthly fall and left confidence down more than 10% since the start of the year as concerns over Russia’s actions in Ukraine have mounted. Asset freezes and travel bans have raised fears of wider sanctions against the country, leaving consumers very uncertain about their economic circumstances, denting sentiment significantly.

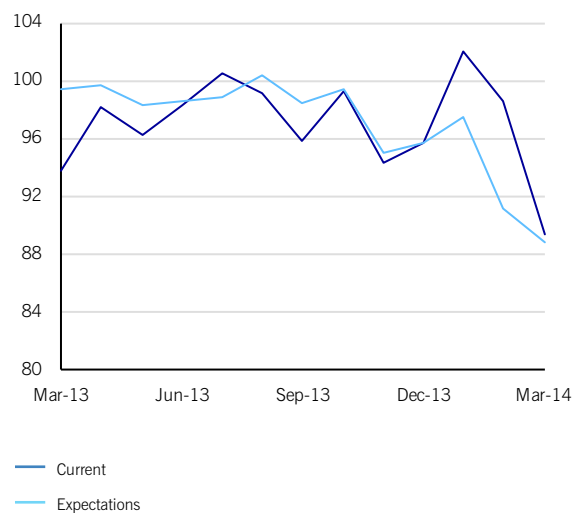
The Consumer Indicator declined 5.4% on the month to 89.1 in March from 94.1 in February. A reading below 100 indicates increasing negativity among consumers, while values above show increasing positivity. Consumer sentiment has remained below the 100 breakeven level since the series began in March 2013 but the first quarter of 2014 was the weakest on record.

The Current Indicator fell by 9.3% to 89.4 from 98.6 in February, following a pick-up in sentiment in January in the run up to the Olympics. The deterioration in the Current Indicator was led by Current Personal Finances which declined 8.9% on the month to a series low of 79.5. Durable Buying Conditions fell to 99.3 from 109.9 in February, as the current economic and political situation hit discretionary spending.

MNI Russia Consumer Indicator



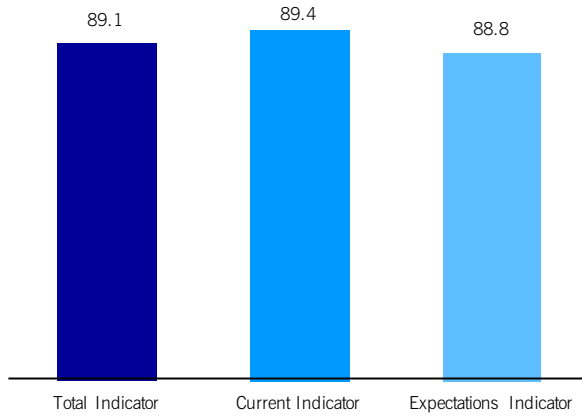
Current and Expected Indicators



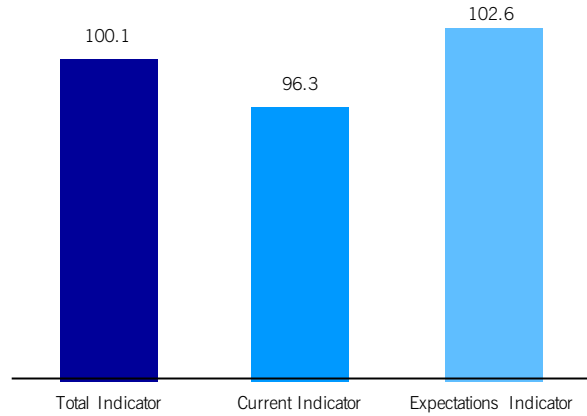
MNI Russia Consumer Indicator

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
MNI Russia Consumer Indicator	97.2	99.4	94.8	95.7	99.3	94.1	89.1
Current	93.8	99.2	94.3	95.7	102.0	98.6	89.4
Expectations	99.4	99.5	95.1	95.7	97.5	91.2	88.8

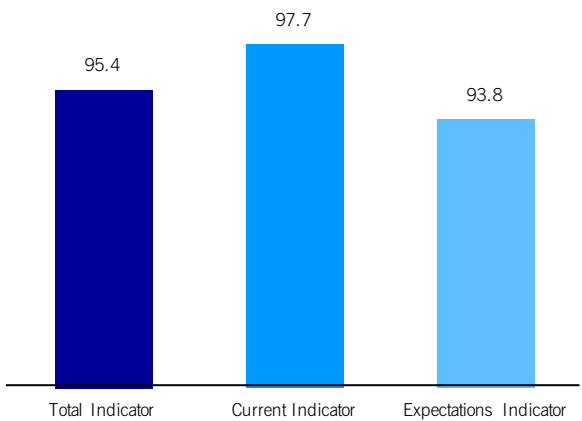
All Russia



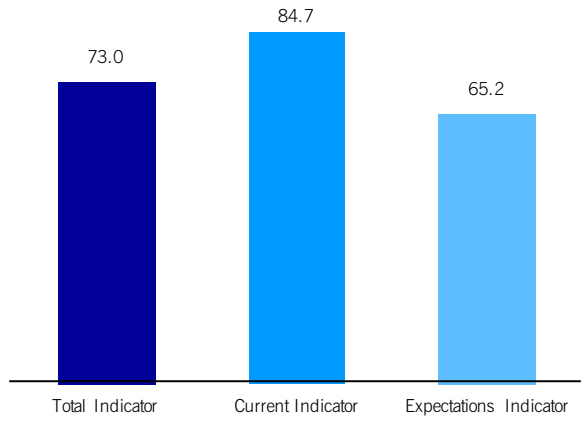
West Siberian



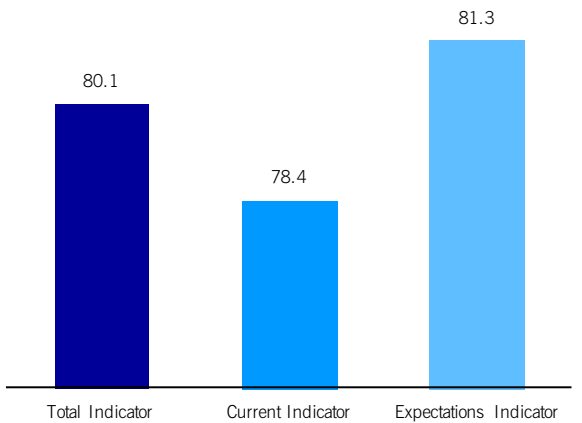
Central Russia



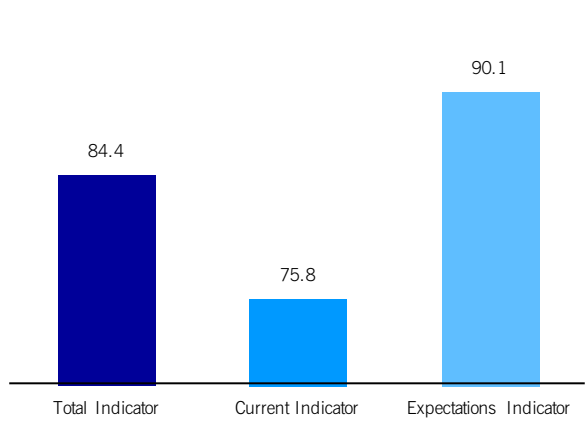
Volga



Urals



North Caucasus





The Expectations Indicator decreased to 88.8 in March from 91.2 in February. Business Conditions in One Year fell sharply by 9.6% to 79.4, while Business Conditions in Five Years increased slightly to 90.7 from 89.4 previously. The third component of the Expectations Indicator, Expected Personal Finances, which has trended downwards, remained stable and was below the 100 breakeven level for the second month in a row.

Regions

Consumer sentiment declined in 9 out of the 12 regions surveyed, with sentiment rising only in the East Siberian, Kaliningrad and Northern regions. Respondents from the West Siberian region were the most optimistic, although less positive than February as consumer confidence fell by 6.2% to 100.1 from 106.7.

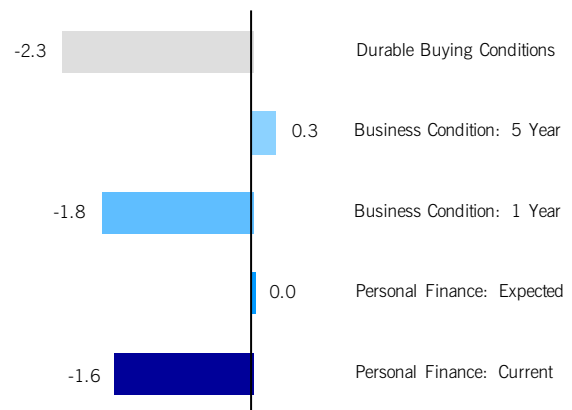
Confidence declined the most in the Volga region, making the region the least optimistic, as the Consumer Indicator fell to 73.0 from 87.8 in February. Large declines were witnessed in all five components that make up the Consumer Indicator, apart from Business Conditions in Five Years which increased.

Age

Consumer sentiment fell for the second consecutive month among the youngest age group (18-34 year olds). The Consumer Indicator declined to a series low of 90.1 from 96.2 in February. The Current Indicator fell by almost 12% to 91.8 while the Expectations Indicator posted a smaller fall of 2.2% to 89.0.

Consumer sentiment was lowest among the middle age range in March, where the Consumer Indicator declined 5.2% to 87.3 from 92.0 in February. All five components of the Consumer Indicator fell apart from Expected Personal Finances. The largest fall was seen in expectations about Business Conditions in a Year which hit a series low. Consumers were also

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





highly dissatisfied with their Current Personal Finances which impacted their willingness to buy large household items.

Consumer sentiment among the oldest age range of 55-65 year olds remained broadly stable at 90.3 compared with 90.9 in February. Consumers were less optimistic about Business Conditions in Five Years and did not see it as a good time to purchase large household items. Personal Finances improved, although they remained below the 100 breakeven mark.

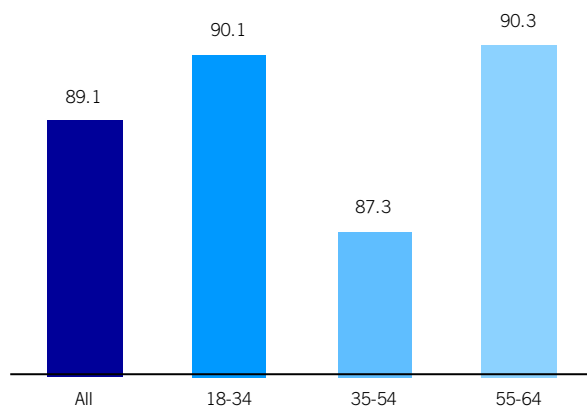
Income

The fall in confidence in March was led by higher income households who likely have more to lose from the current tensions in Ukraine which have caused a sharp fall in the stock market and the currency.

For households with an average income under RUB 480,000 per annum, sentiment declined for the second month in a row to a series low of 87.6 from 89.8 in the previous month. For households with an average income over RUB 480,000 per annum, consumer sentiment declined significantly by 8.8% to 91.5 in March from 100.4 in February, the lowest since the start of the survey in March 2013.

Consumer confidence was almost 9% down on the year among low income households, and was 9.5% down for higher income households. In March, it was the first time since September that the Consumer Indicator fell more in higher income households than in lower income households.

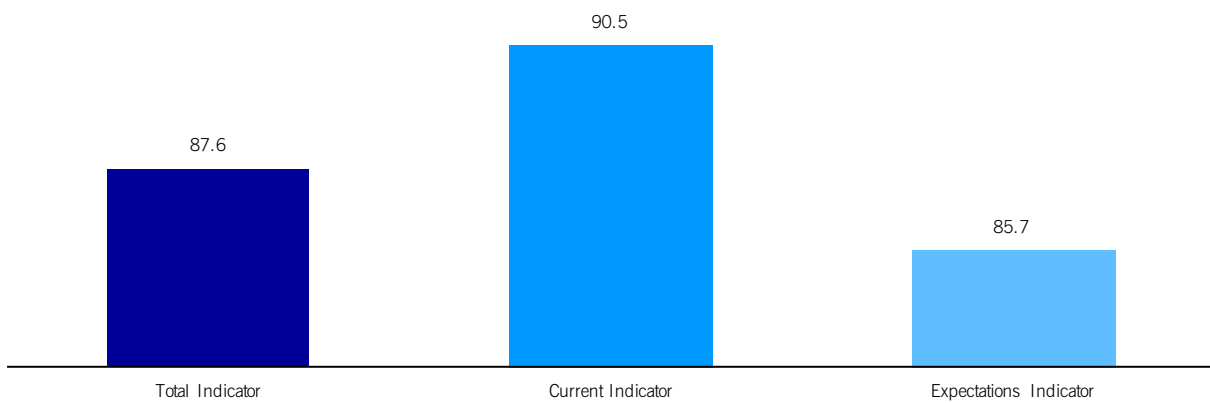
Consumer Indicator: Age Groups



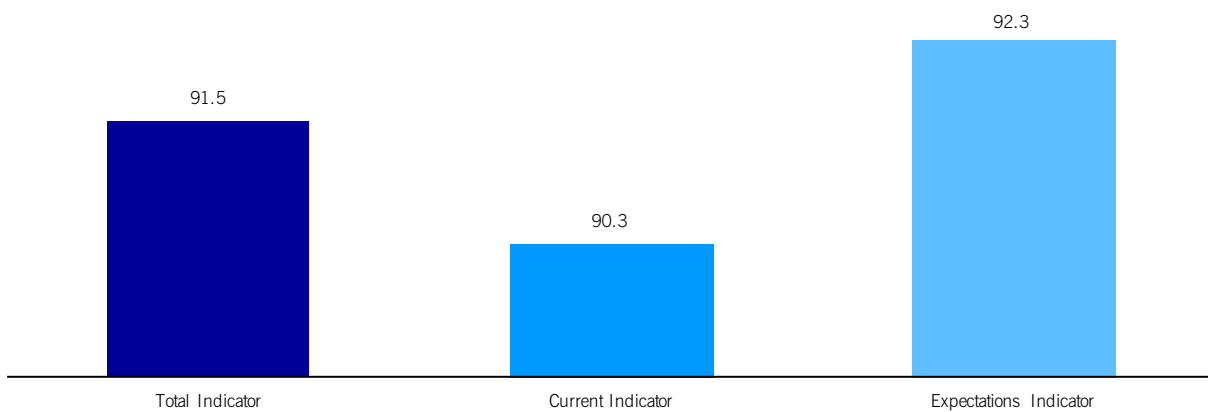
MNI Russia Consumer Indicator Income Groups



< RUB 480,000 Per Annum



> RUB 480,000 Per Annum



MNI Russia Consumer Indicator

Main Cities



The Consumer Indicator declined in six out of the 10 major cities surveyed in March and hit a series low in five of them.

In Moscow, consumer sentiment remained broadly stable at 96.9, compared with 96.2 in February, when it hit a series low. The small gain on the month made Moscow the most optimistic city in March. The Current Indicator remained broadly stable around the 100 mark, while the Expectations Indicator increased by 1.1% but remained in contraction.

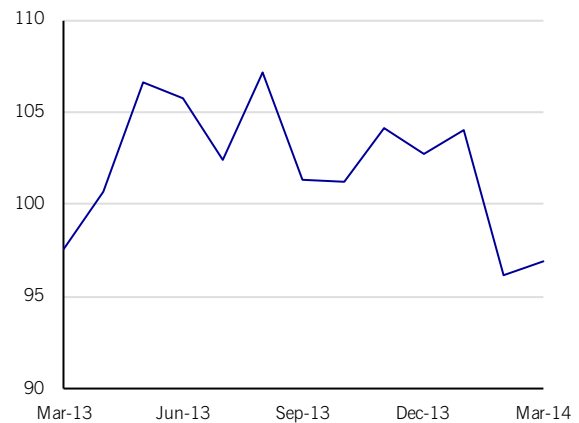
Moscow consumers were more confident about their Personal Finances compared with the previous month but fewer found it a good time to buy a large household item. Consumers were less optimistic about Business Conditions in One and Five Years, with the latter hitting a record low.

Consumer sentiment fell in Saint Petersburg, the second largest city of Russia, for the second consecutive month. The Consumer Indicator declined to 90.7 from 94.6 in February. Much of the decline was led by Current Personal Finances which fell more than 10% on the month. Consumers were also less confident about future business conditions. The Durable Buying Conditions Indicator remained in contraction and fell to the lowest since November.

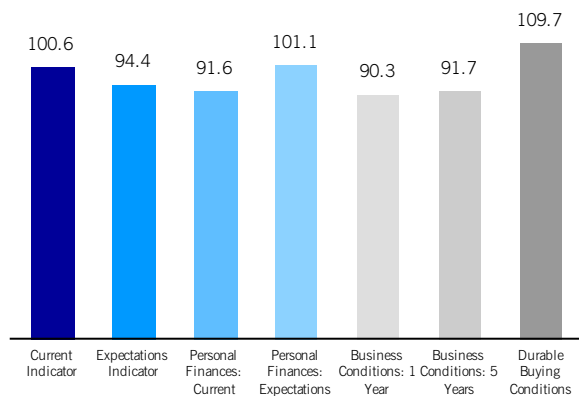
In Novosibirsk, the third most populous city in Russia, consumer sentiment rose to 88.5 after falling for three consecutive months, hitting a series low in February of 84.2. Respondents were more optimistic about both their Current and Future Expectations. More consumers thought it was a good time to buy a large household item as the indicator rose by 13.5% on the month. Business Conditions in One Year declined, but those for Five Years hit a series high.

Samara was the least optimistic city in March. The Consumer Indicator fell to a series low of 84.1 compared with 86.5 in February. Consumer sentiment has trended downwards since June 2013 and the loss

Consumer Indicator - Moscow



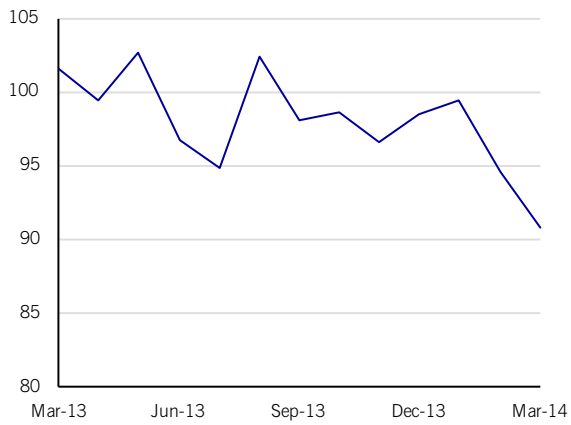
Consumer Indicator Components - Moscow



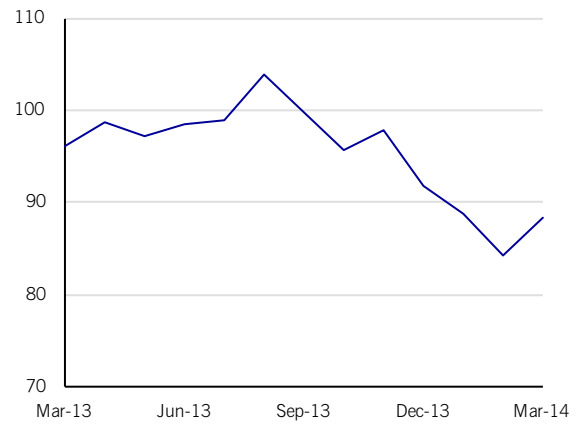
in sentiment in March put the indicator well below the level seen a year ago.



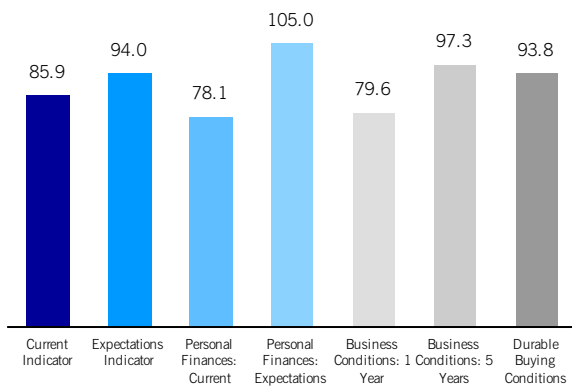
Consumer Indicator - Saint Petersburg



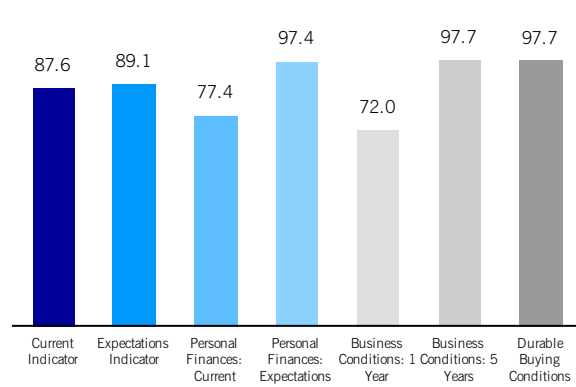
Consumer Indicator - Novosibirsk



Consumer Indicator Components - Saint Petersburg



Consumer Indicator Components - Novosibirsk



Personal Finances

Current Finances Sink



Current Personal Finances decelerated sharply in March while consumers' expectations about the future remained in contraction.

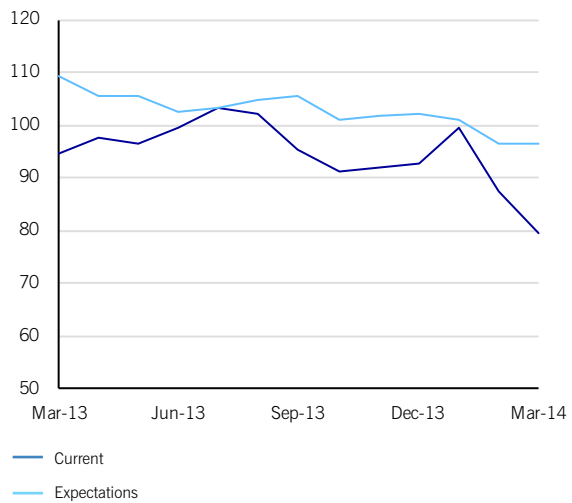
The Current Personal Finances Indicator, which measures whether the financial situation of a household is better, the same, or worse than a year ago, declined by almost 9% to hit a series low of 79.5 compared with 87.3 in February.

The percentage of respondents who reported that their current financial situation improved compared with a year ago decreased for the second month in a row to 25.7% from 30.7% in February. Those reporting financial conditions were the same as last year fell to 7.5% from 13.4% previously while those reporting a worsening increased from almost 56% to 66.7%.

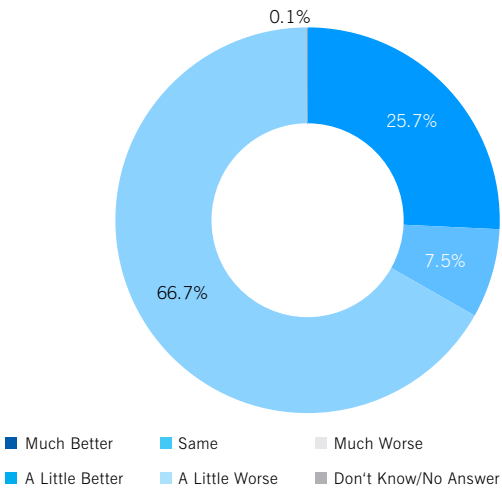
A growing number of respondents said that the downturn in their finances was due to their current employment situation. Russia's two largest banks, Sberbank and VTB, have announced significant cuts in their headcount and salaries of staff in order to improve business efficiency and cut costs. General comments from respondents have also pointed to the negative impact from the current tensions in Ukraine.

Expected Personal Finances, which measures whether households think their finances will be better in a year's time, remained flat at 96.3, below the 100 breakeven mark.

Personal Finances



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



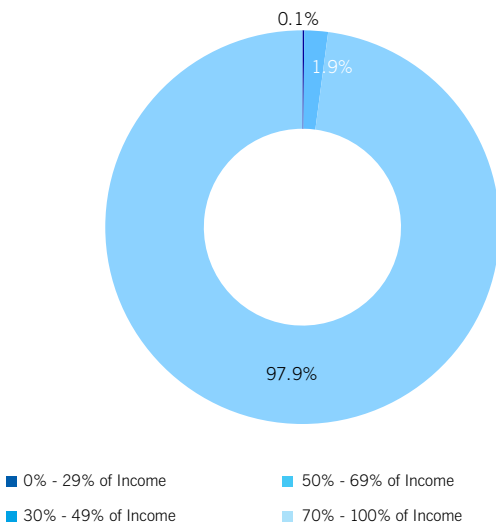
Personal Finances

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Current	94.7	91.0	92.0	92.5	99.3	87.3	79.5
Expectations	109.2	101.2	101.7	101.9	101.2	96.3	96.3

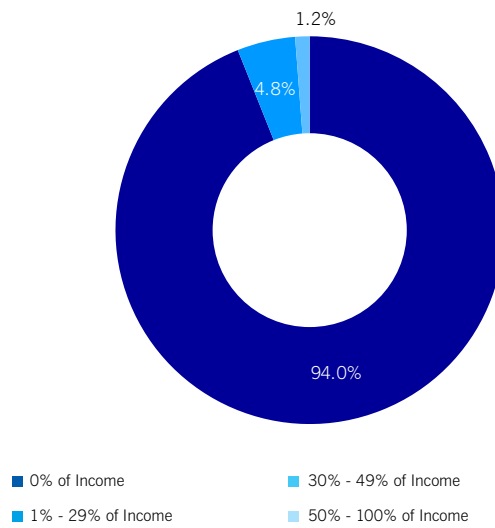
How Households Spend their Money



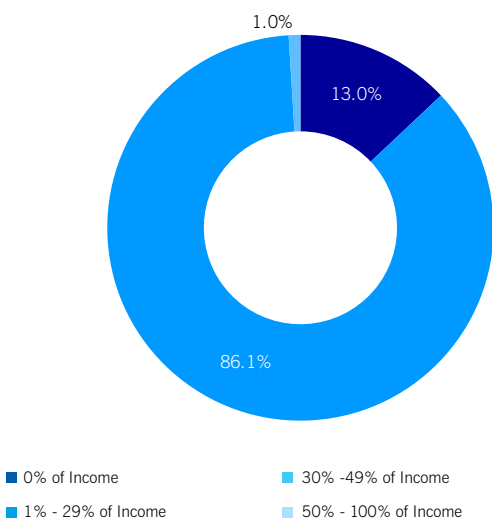
Daily Expenses
(% of Households)



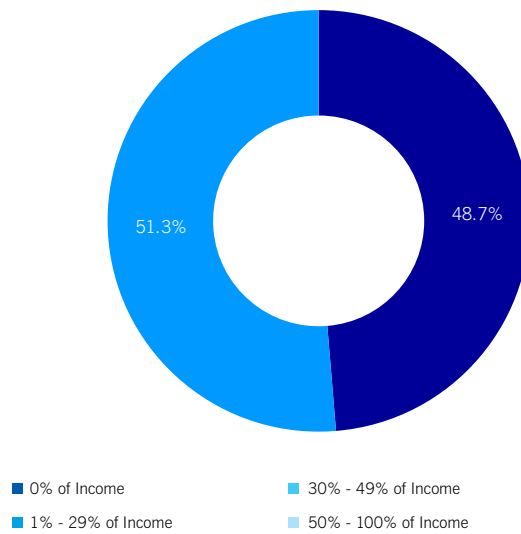
Monthly Household Income Used for Large Loan Repayment (% of Households)



Monthly Household Income Used for Savings (% of Households)



Monthly Household Income Used for Investments (% of Households)



Business Conditions

Short Term Expectations Worsen



Increasing concerns that wider sanctions could be levied against Russian businesses prompted a sharp fall in short term expectations for business conditions.

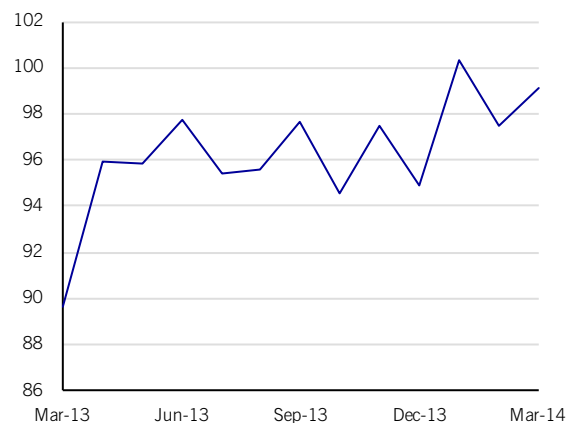
Current and longer term business conditions remained in contraction, below the 100 breakeven level.

Expectations for Business Conditions in a Year declined sharply to a series low of 79.4 from 87.8 in February. The majority of the respondents expected business conditions to deteriorate, with the proportion increasing from 54.6% to 66.7%. The proportion who thought conditions would be better fell from 30.3% to 25.5%. There was also a significant decline in the proportion of respondents who felt business conditions would remain the same from 12.6% to 5.2%.

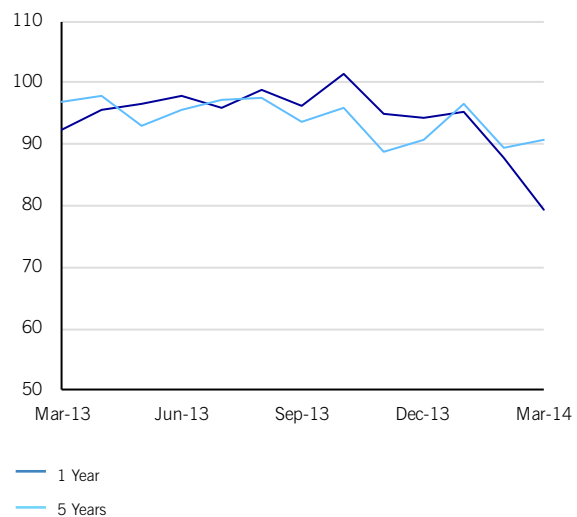
Respondents cited government policy, economic development and income as the main reasons for the deterioration in their outlook. General comments also cited the current tensions in Ukraine and their negative impact on the economy.

The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year ago, increased to 99.2 compared with 97.5 in February. Consumer sentiment about the current business environment has remained weak since the start of the survey in March 2013 and the only time it has been above the breakeven level was in January, a possible short-term boost in the run-up to the Sochi Olympics.

Current Business Conditions Indicator



Expected Business Conditions



Business Conditions

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Current	89.6	94.5	97.4	94.9	100.3	97.5	99.2
In 1 Year	92.3	101.5	94.9	94.4	95.1	87.8	79.4
In 5 Years	96.8	95.8	88.7	90.8	96.4	89.4	90.7

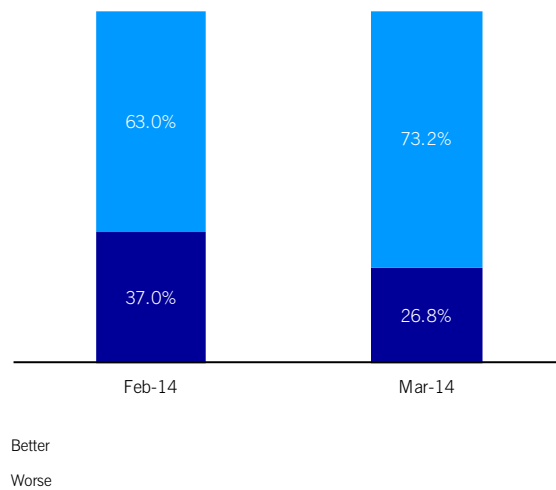
Business Conditions in 1 Year Selected Reasons



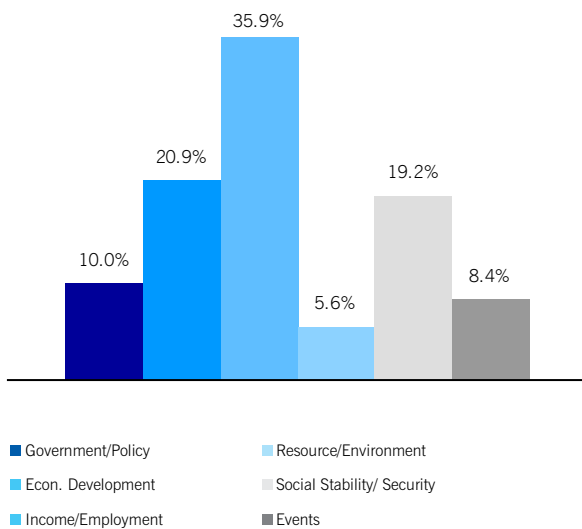
The proportion of respondents who believed that business conditions were “excellent” or “good” remained broadly stable at 9.4%. The majority continued to say that business conditions were “only fair”, and this proportion increased to 73.7% from 72.2% in the previous month, while the percentage of respondents reporting conditions were “poor” or “very poor” fell from 14.1% to 11.1%.

Longer term, Expectations for Business Conditions in Five Years increased slightly following a sharp decline in February. It rose to 90.7 from 89.4, about 6.3% below the same period a year ago.

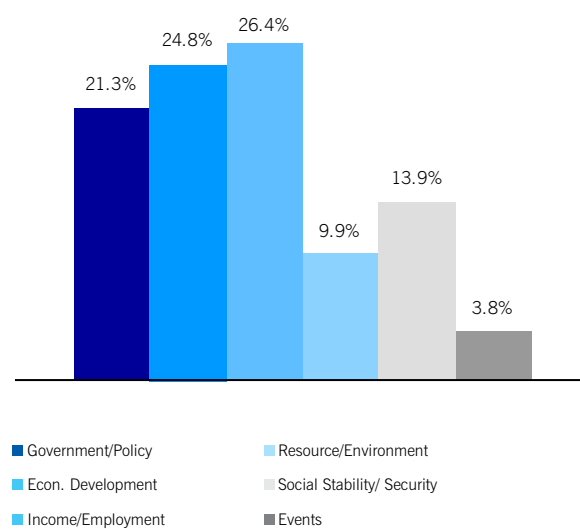
All Russia



All Russia, Reasons for Better



All Russia, Reasons for Worse



Durable Buying Conditions Decline Significantly

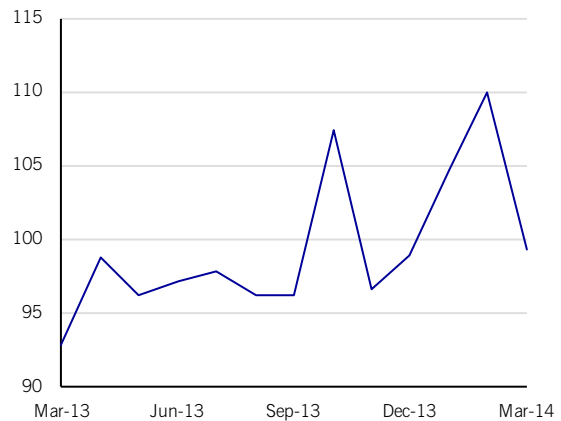


The Durable Buying Conditions Indicator, which measures whether respondents think it is a good or bad time to buy a large household good, declined sharply for the first time in four months to the lowest since December.

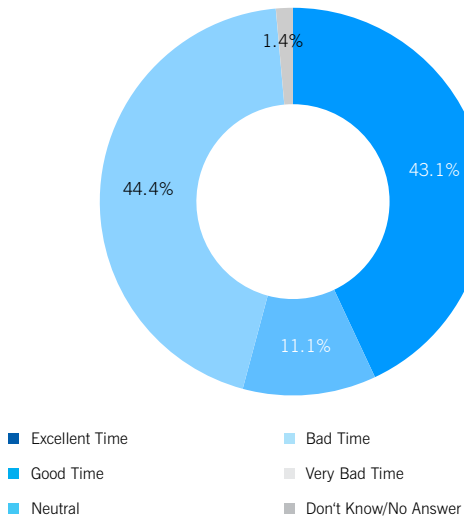
The indicator fell to 99.3 from 109.9 in February, a fall of 9.7% on the month, as the tension in Ukraine coupled with the current economic malaise saw consumers rein in their discretionary spending. Many respondents pointed to the high cost of household durable goods and that they could not afford to purchase more.

The proportion of survey participants saying it was a “good time” to buy a large household durable declined to 43.1% from 48% in February, while the proportion of those saying it was a “bad time” or “very bad time” also increased significantly from 27.2% to 44.4%. There was a decline in the percentage of respondents who felt there had been “no change” to 11.1% from 23.3% in February.

Durable Buying Conditions



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



Durable Buying Conditions

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Durable Buying Conditions	92.9	107.4	96.6	98.9	104.7	109.9	99.3

Employment Outlook Highest Since December



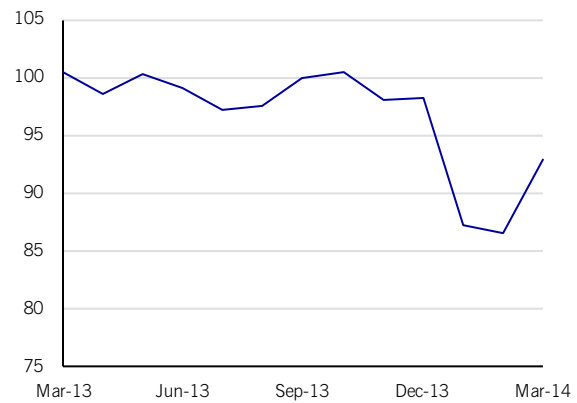
The Employment Outlook indicator which measures opinion on the outlook of the employment market over the next 12 months, increased to 92.9 in March from 86.5 in February. It has remained in contraction every month since the survey started, with the exception of March and October 2013.

Of the 12 regions surveyed, respondents from Central Black Earth were the most perturbed about the future employment situation, as the indicator dropped for the fourth month to hit a series low of 68.1. Respondents from the Volga region were highly optimistic about their employment situation as compared with the previous month with only 9.1% of them expecting the Employment Outlook to worsen as opposed to almost 40% in the previous month. The most optimistic respondents were from the Far Eastern region where the indicator was above the breakeven mark.

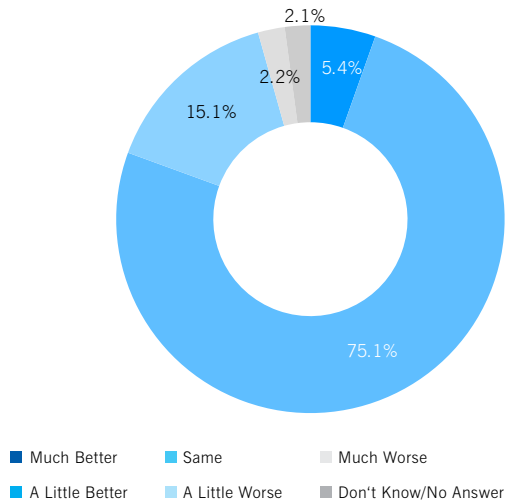
Official statistics showed that the unemployment rate remained steady in February at 5.6%, unchanged from the previous two months. Results from the March edition of our sister survey on Russian Businesses showed that majority of the companies reported that the current number of employees they had was just right and were not hiring currently, although they were a little more optimistic about future employment conditions.

Survey participants forecasting an improvement in the employment market totalled 5.4%, down from 6% in February; while the proportion of those forecasting a worsening also declined from 26.2% to 17.3%. The majority of respondents forecasted no change in the employment situation.

Employment Outlook Indicator



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



Employment Outlook

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Employment Outlook	100.5	100.4	98.1	98.2	87.2	86.5	92.9

Prices Sentiment Remains Worrisome



Concerns over the current price level increased slightly in March, while expectations for the future remained at an elevated level.

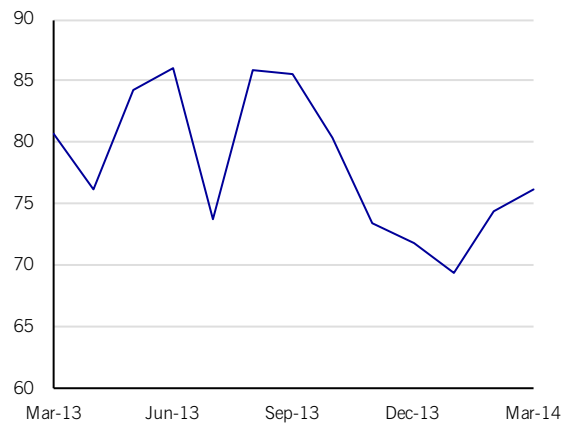
The Current Prices Satisfaction Indicator increased for the second month in a row after hitting a record low in January. The indicator rose by 2.5% to 76.3 in March from 74.4 in February. A figure below 100 indicates wider dissatisfaction with current prices, and the further below 100, the greater the dissatisfaction. The indicator has remained below the breakeven level since the survey started. In spite of the latest monthly gain, the Current Prices Satisfaction Indicator averaged 73.3 in the first quarter, the lowest since the survey started.

Consumer price inflation rose to 6.9% in March, up from 6.2% in February. Food price inflation accelerated to 8.4% from 6.9% in the previous month. The central bank is targeting inflation of 5% in 2014, but expects the recent weakening of the rouble to fuel inflation further.

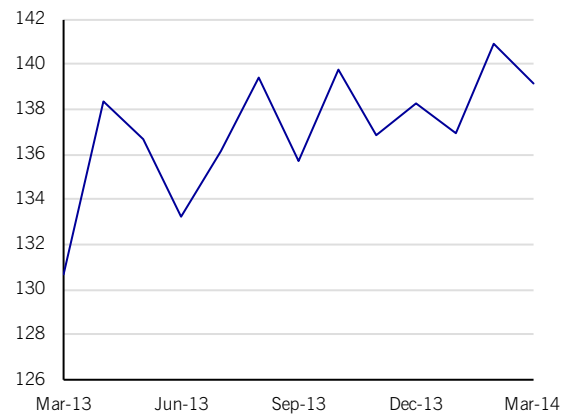
The Inflation Expectations Indicator, which measures whether respondents think prices will be higher or lower in 12 months' time, has trended upwards since the survey started in March 2013. It eased slightly to 139.2 from a series high of 140.9 in February.

The majority of respondents, 70.3%, believed prices would be higher in a year's time, while those saying prices would be unchanged rose to 28.5% from 26.4%. Only 0.5% of respondents thought prices would be lower in a year's time.

Satisfaction with Current Prices



Inflation Expectations Indicator



Prices Sentiment

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Satisfaction with Current Prices	80.6	80.5	73.5	71.8	69.4	74.4	76.3
Inflation Expectations	130.7	139.7	136.8	138.2	136.9	140.9	139.2

Prices Sentiment Regions



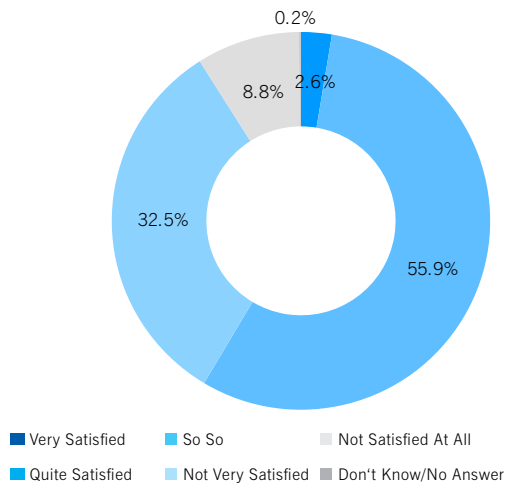
Since November, most respondents thought prices would rise between 11-24% over the next year, but this changed in March. The proportion of respondents who thought they would rise by over 25% increased significantly and represented the majority, likely due to fears that the depreciation in the currency will push up inflation.

Regions

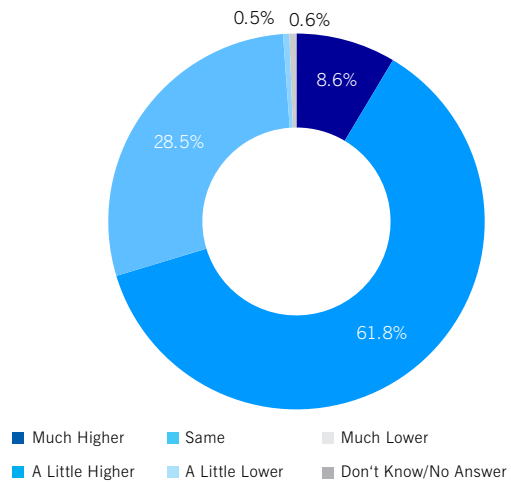
All regions showed wide dissatisfaction with the current level of prices. Among the five major regions, the Central region showed the greatest dissatisfaction, although the indicator improved for the first time following six monthly declines.

Respondents from the Volga region had the highest inflationary expectations over the next 12 months as almost all the respondents thought prices would be higher in March.

Satisfaction with Current Prices (% of Households)

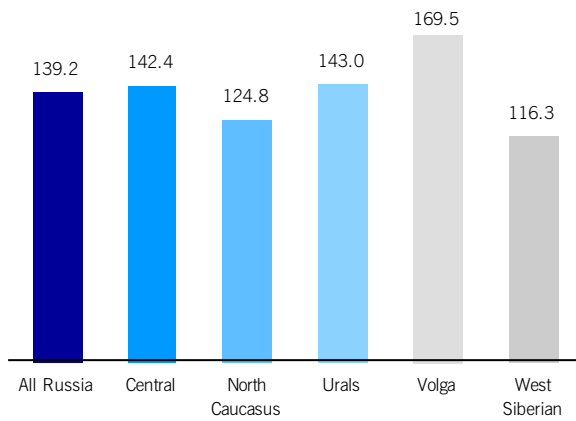


Inflation Expectations in 12 Months (% of Households)

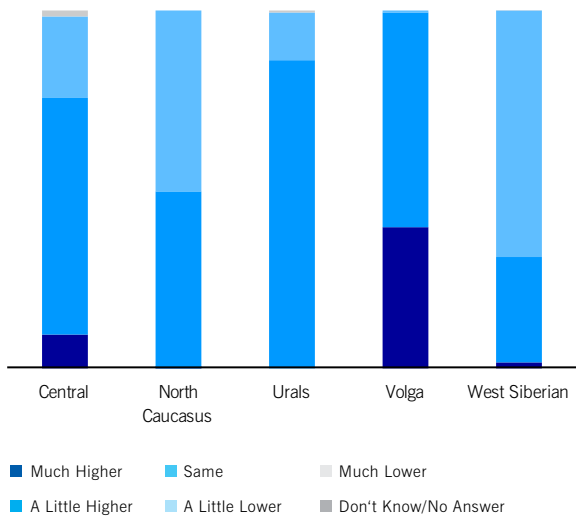




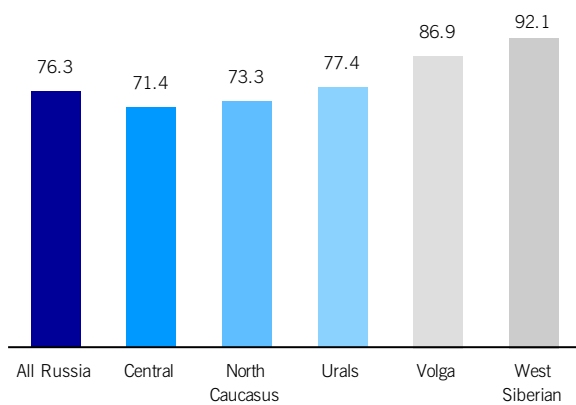
Inflation Expectations Indicator



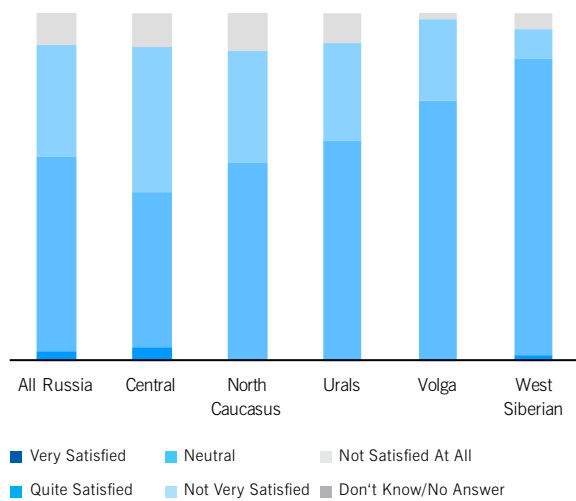
Expected Change in Prices in 1 Year
(% of Households)



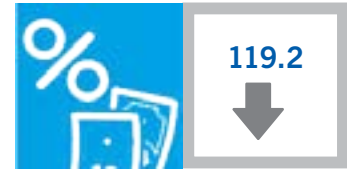
Current Prices Satisfaction Indicator



Satisfaction with Current Prices
(% of Households)



Interest Rate Expectations Decline in March



Expectations for Interest Rates on Car and Home Loans declined in March compared with the previous month and the majority of the respondents continued to expect them to stay at the same level next year.

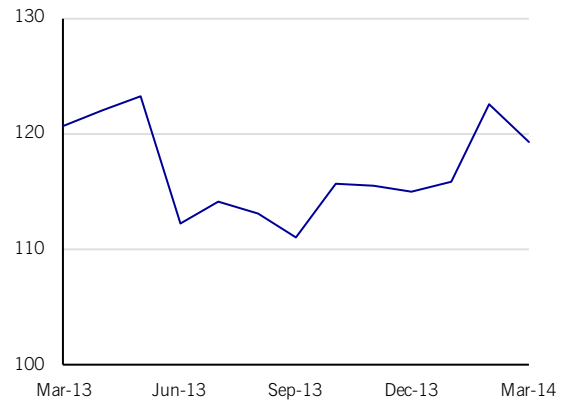
The Interest Rate Expectations Indicator fell 2.7% to 119.2 from 122.6 in February, bang in line with the three month average.

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 100 means more households expected to see a fall.

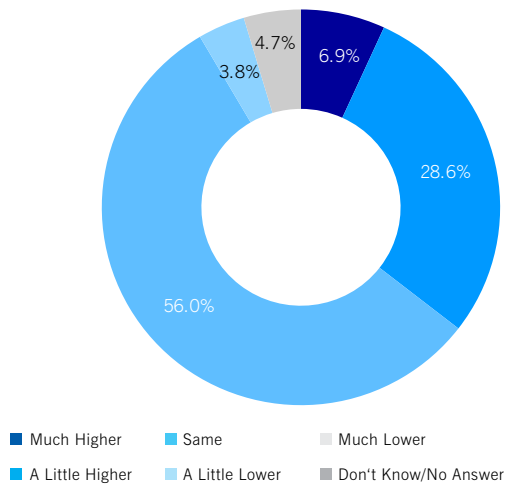
In an emergency meeting on March 3, the Central Bank raised its key rate to 7% from 5.5% previously. The decision to hike rates was a response to heightened volatility in financial markets and aimed at stemming the fall in the exchange rate and its impact on inflation.

Survey participants forecasting that interest rates on home and car loans would be higher in a year's time fell from 37.7% to 35.5%. Those forecasting lower rates remained broadly stable at 3.8% compared with 3.6% previously. The percentage of respondents expecting interest rates would be the same increased to 56% from 54.1%.

Interest Rate Expectations Indicator



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



Interest Rate Expectations

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Interest Rate Expectations	120.6	115.6	115.5	114.9	115.9	122.6	119.2

Real Estate Investment House Buying Sentiment Declines Sharply



The Real Estate Investment Indicator declined to 110.0 in March from 111.4 in the previous month, the lowest since December 2013, as a growing number of respondents said that it was not a good time to purchase a house.

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.

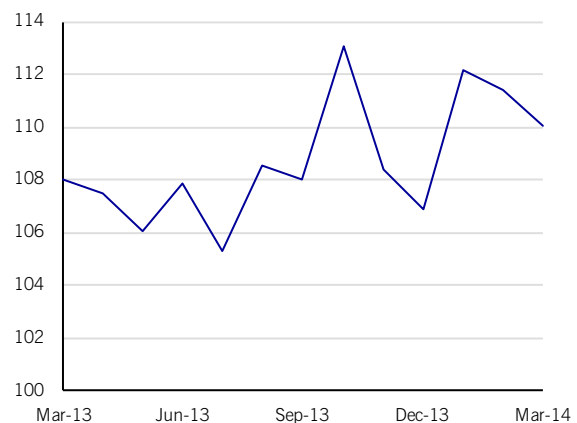
House Price Expectations increased slightly to 140.1 in March from 139.0 in February. Price Expectations have risen sharply since November and they are over 12% above the same month last year. A value above 100 indicates more people expect prices to increase in the next six months.

The percentage of respondents who said prices will go up in the next six months increased from 68.4% to 69.4%, while those saying prices would go down fell to 0.2%, the lowest since the survey started in March 2013. Those who said prices would “stay the same” remained broadly stable at 26% in March.

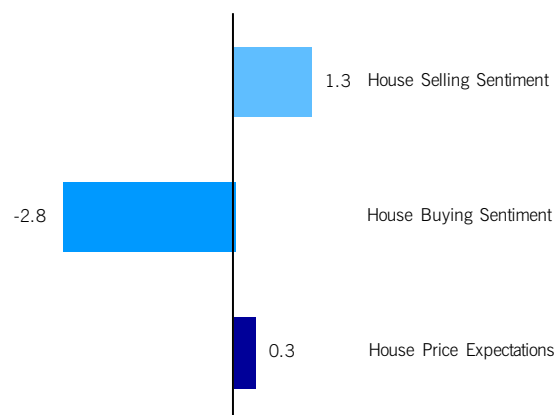
House Buying Sentiment, a measure of whether it is a good time in the next six months to buy a house, declined for the second month in a row, and by a sharp 9.8%. Sentiment fell to a series low of 87.3 from 96.8 in February.

The third component, House Selling Sentiment, is a measure of whether it is a good time in the next six

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Real Estate Investment Sentiment	108.0	113.0	108.4	106.9	112.1	111.4	110.0
Price Expectations	124.9	127.7	121.6	130.9	135.7	139.0	140.1
House Buying	97.7	109.8	105.0	92.1	99.7	96.8	87.3
House Selling	98.6	98.4	101.5	102.3	99.0	101.6	97.4



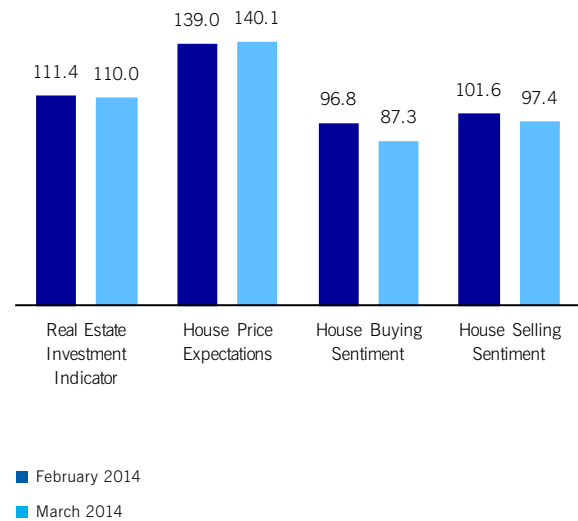
Real Estate Investment Components and Balances

months to sell a house and has a negative impact on the overall Real Estate Investment Indicator. The Indicator fell below the breakeven level to 97.4 from 101.6 in February.

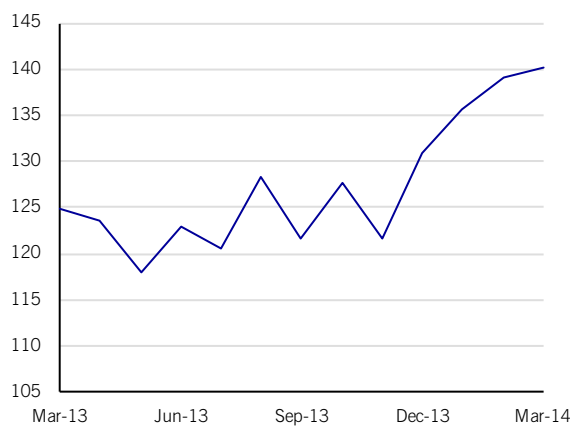
Regions

The Real Estate Investment Indicator declined in the Central, North Caucasus, Urals and West Siberian regions. In the Volga region, respondents were more optimistic about housing sentiment, which was driven by a rise in Price Expectations and House Buying Sentiment and fall in House Selling Sentiment.

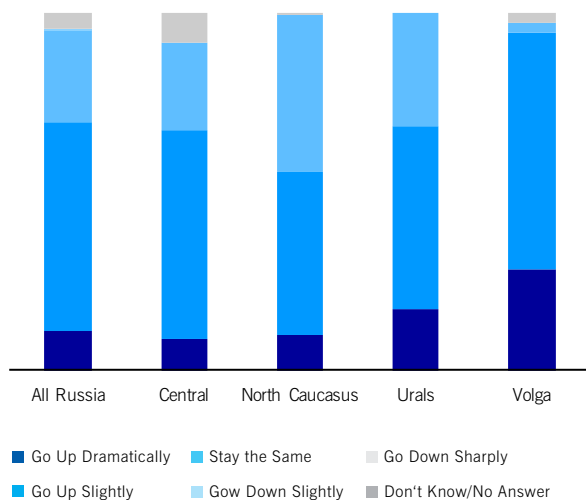
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes

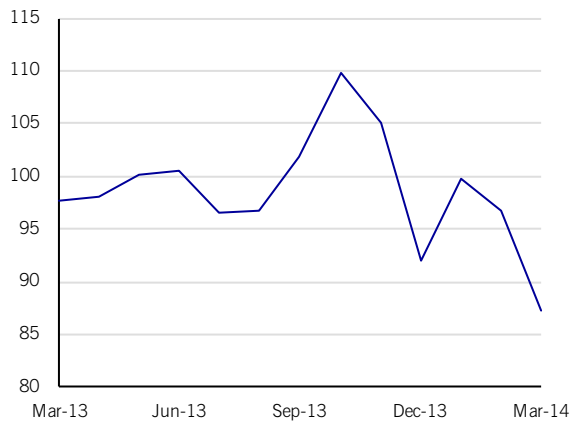


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

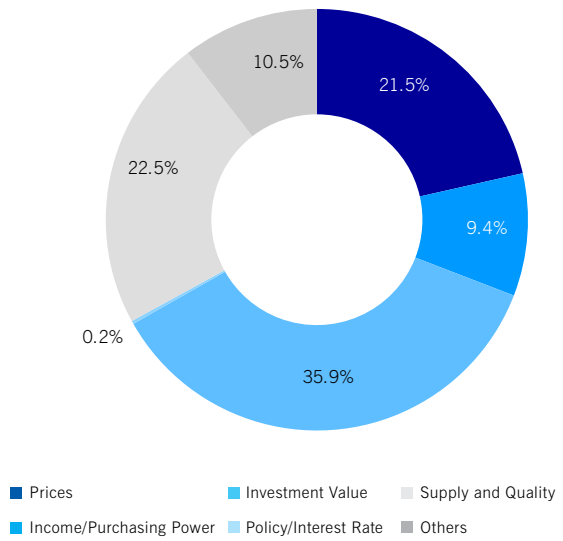




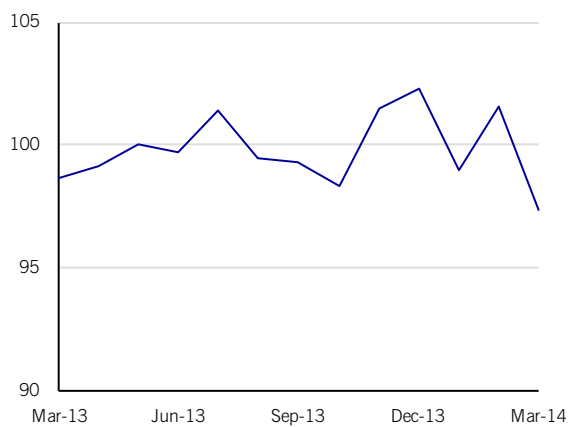
House Buying Sentiment



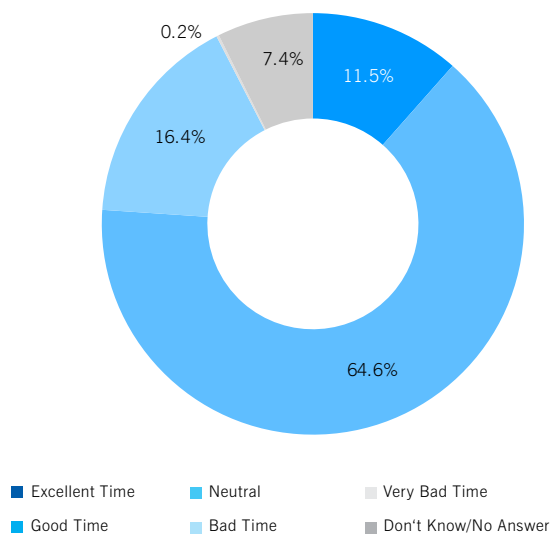
Reasons for Buying Houses (% of Households)



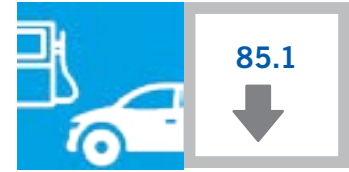
House Selling Sentiment



Timing for Selling Houses (% of Households)



Car Purchase Lowest Since January



The Car Purchase Indicator declined in March after rising for two consecutive months, driven by a decline in Car Purchase Expectations and a small rise in Expectations for Gasoline Prices.

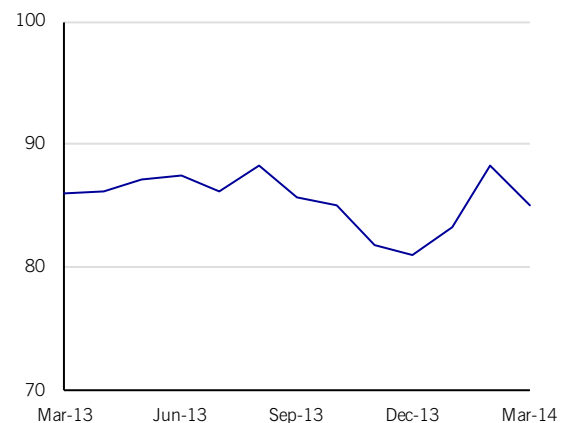
The indicator fell 3.7% to 85.1 in March from 88.3 in February. The Car Purchase Indicator declined sharply in the second half of the previous year and the fall on the month put it 1.2% below the level of March 2013.

The indicator assesses whether consumers believe it is a good or bad time to purchase a car and is composed of two components. The Car Purchase Expectations component, which measures the willingness to buy a car, declined from a series high of 110.5 in February to 106.0 in March, a fall of 4.1% on the month. Of those who felt it was a bad time to purchase a car, a growing proportion cited poor purchasing power and high interest rates as the reasons.

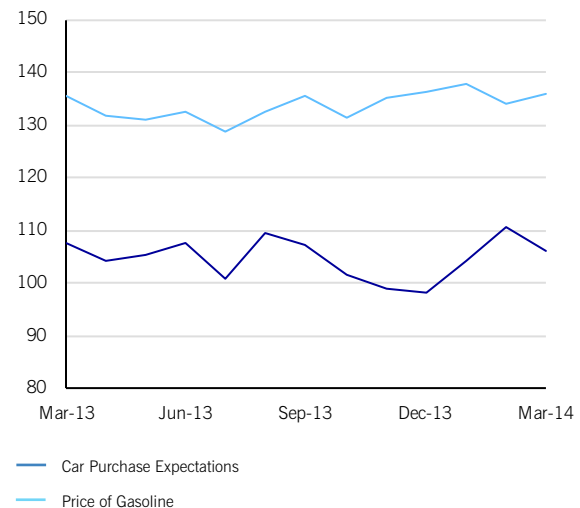
According to the Association of European Businesses, sales of new cars fell 2% in February compared with a year ago. 206,476 vehicles were sold, 35% more than January's 152,662, but due to a seasonal boost.

The Indicator on Gasoline Prices, which measures expectations for the price of gasoline in a year and impacts the Car Purchase Indicator negatively, rose slightly to 135.8 after declining for the first time in February for four months to 133.8. Expectations about future gasoline prices have trended upwards after hitting a series low in July 2013.

Car Purchase Indicator



Car Purchase Indicator - Components

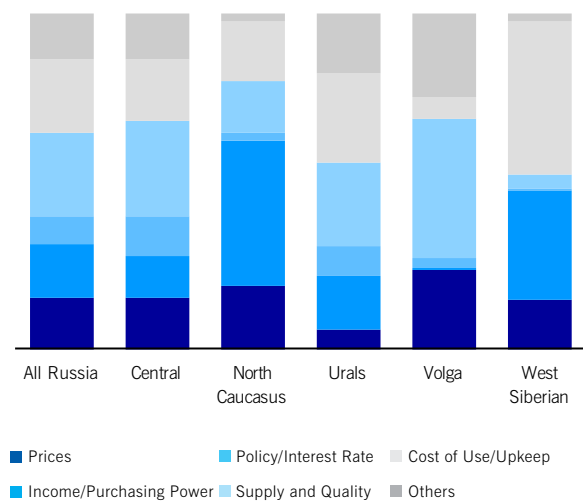


Car Purchase Sentiment

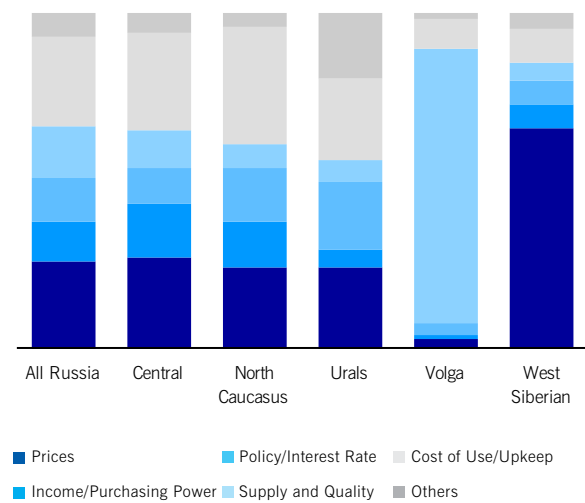
	Mar-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Car Purchase Sentiment	86.1	85.1	81.9	81.0	83.3	88.3	85.1
Car Purchase Expectations	107.6	101.4	98.9	98.2	104.4	110.5	106.0
Price of Gasoline	135.4	131.3	135.2	136.2	137.7	133.8	135.8



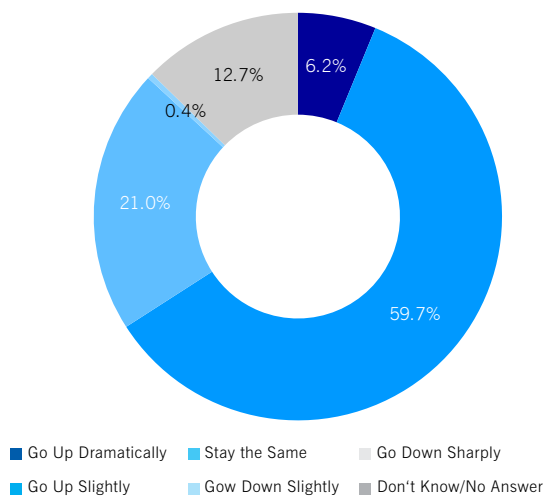
Reasons for a Good Time to Buy a Car
(% of Households)



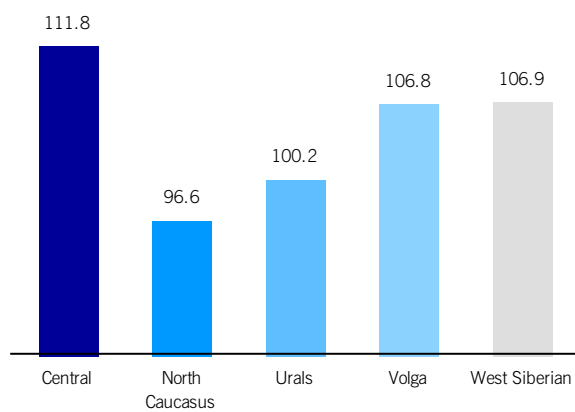
Reasons for a Bad Time to Buy a Car
(% of Households)



Expected Change in the Price of Gasoline
(% of Households)



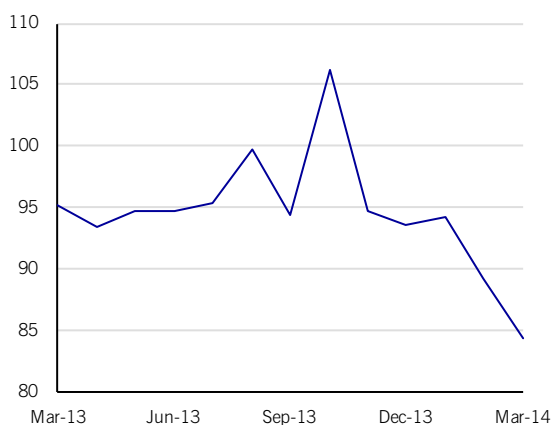
Car Purchase Expectations - Regions



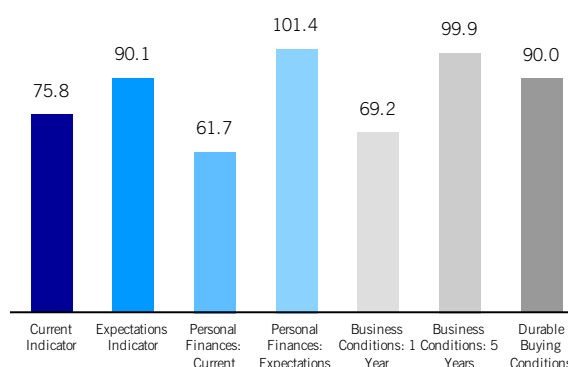
MNI Russia Consumer Indicator Regions



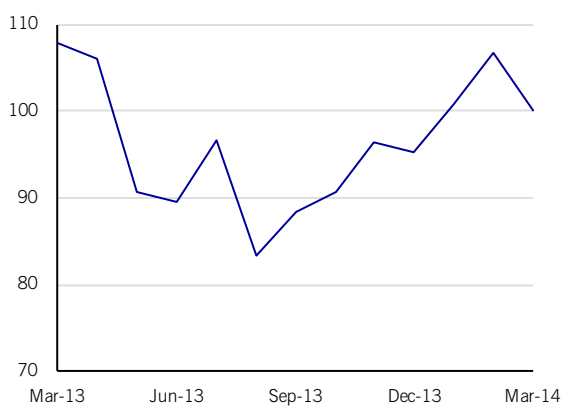
Consumer Indicator: North Caucasus



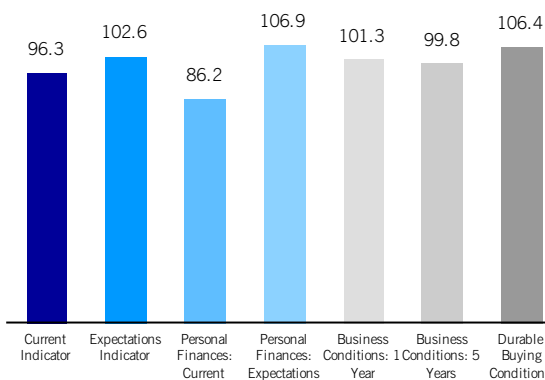
Consumer Indicator Components: North Caucasus



Consumer Indicator: West Siberian

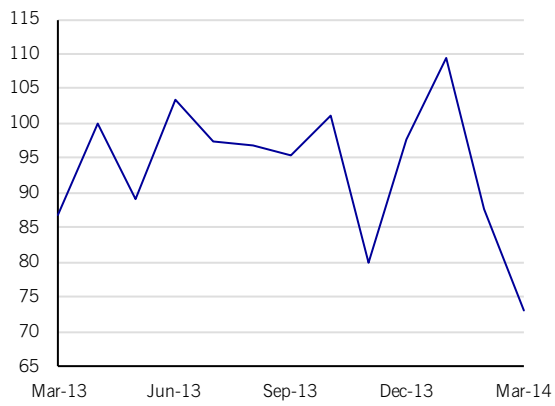


Consumer Indicator Components: West Siberian

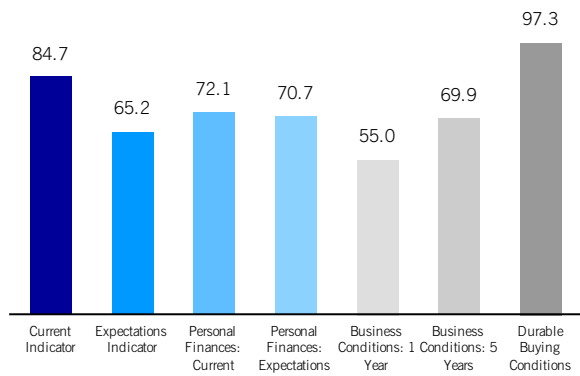




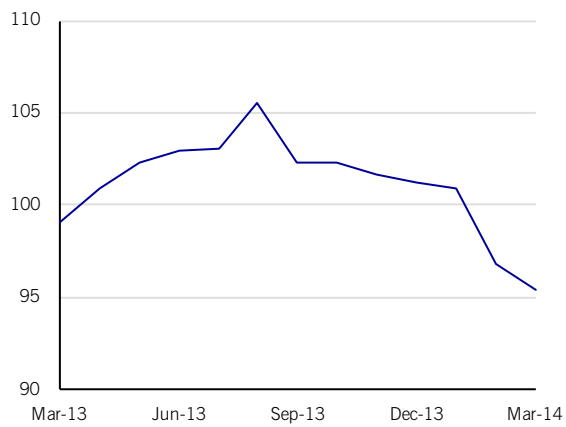
Consumer Indicator: Volga



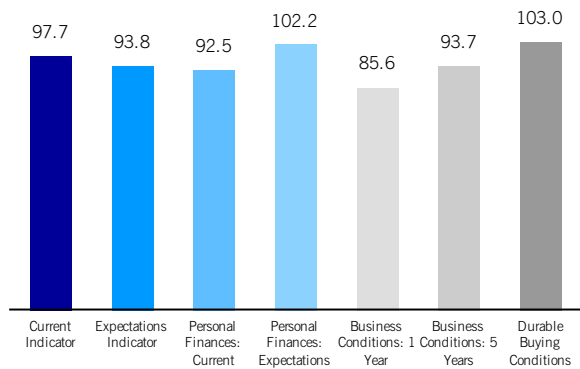
Consumer Indicator Components: Volga



Consumer Indicator: Central

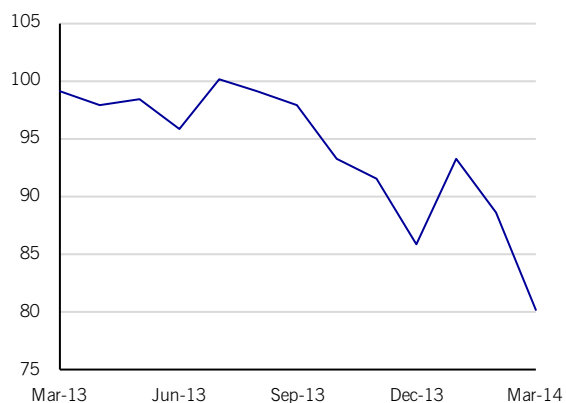


Consumer Indicator Components: Central

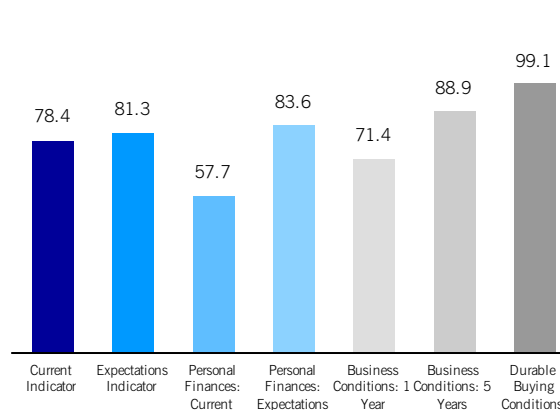




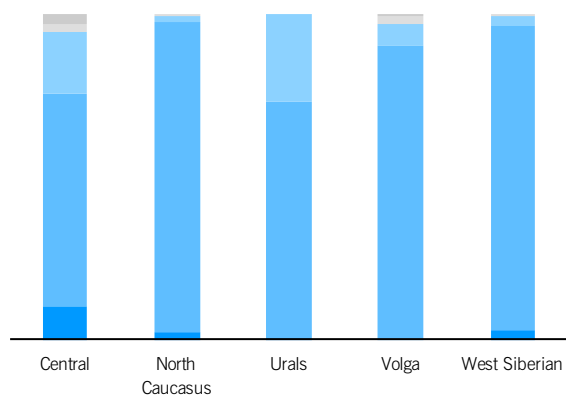
Consumer Indicator: Urals



Consumer Indicator Components: Urals

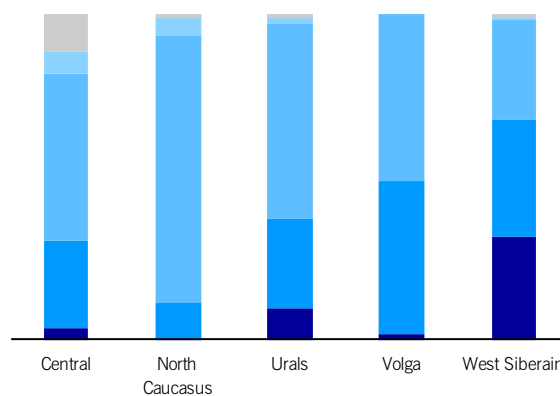


Employment Indicator Outlook for the Next 12 Months (% of Households)



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

Interest Rates Expectations Indicator (% of Households)



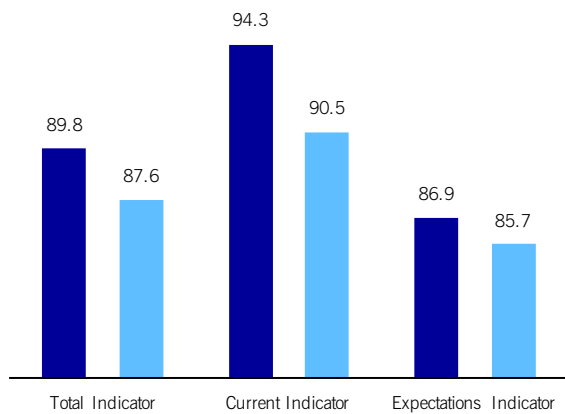
■ Much Better
 ■ A Little Better
 ■ About the Same
 ■ A Little Worse
 ■ Much Worse
 ■ Don't Know/No Answer

MNI Russia Consumer Indicator

Income Groups

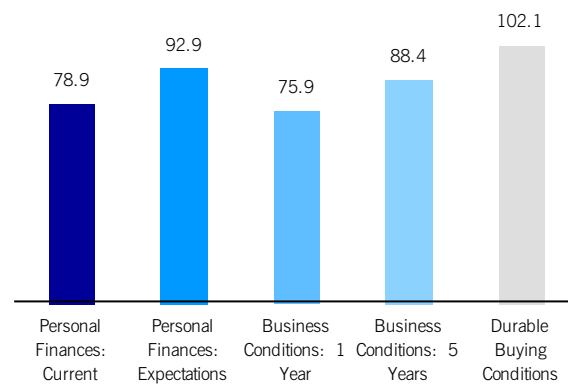


< RUB 480,000 Per Annum

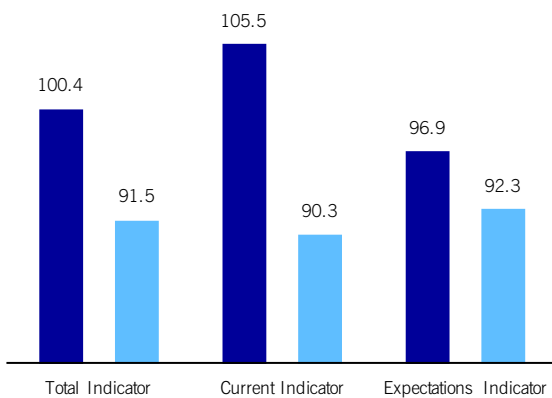


■ February 2014
 ■ March 2014

< RUB 480,000 - Components

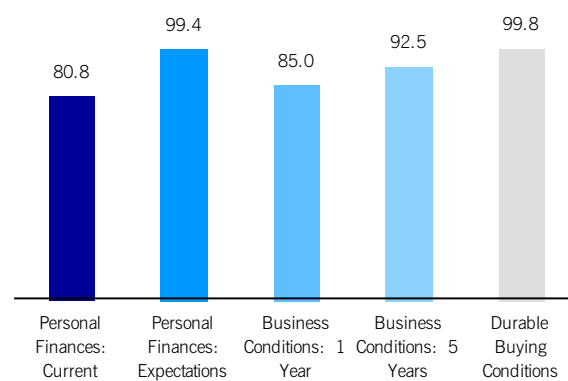


> RUB 480,000 Per Annum



■ February 2014
 ■ March 2014

> RUB 480,000 - Components





What the Panel Said

A selection of comments from the panel of consumers surveyed over the past month.

"Our everyday expenses have increased due to higher inflation."

"My income has increased and we will change our car this year."

"The macroeconomic situation in Russia is not good, economic growth is falling and it is impacted negatively because of Ukraine situation as well."

"Additional expenses for car maintenance are not so high."

"I don't have the necessary finances to buy an apartment."

"The economic situation of Russia is bad."

"The credit rates in Russia are the highest in the world."

"Car servicing prices have gone too high."

"Rich people are becoming richer and our income levels are going down."

"To find a job is more difficult."

"It's better to live in owned flat rather than to rent."

"Its better to buy a large durable item today as tomorrow it will be more expensive."

"Political relations with Ukraine have gone worse."

"The prices are up because of depreciation seen in the rouble."

"Mortgage interest rates are high."

"I have got a new position at higher salary."

"Work is not stable as business is closing."

"Income levels are rising slower as compared with prices."

"Investment in real estate may protect the finances from inflation."

"My income level does not allow me to change my car."

"Because of the political crisis with Ukraine, a flow-out of foreign investments is visible."



Data Tables

—

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

Russia - Central Overview

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Central Consumer Indicator	100.9	96.8	95.4	-	series low	97.7	-1.4	-1.4%
Current Indicator	103.3	99.3	97.7	-	series low	100.1	-1.6	-1.6%
Expectations Indicator	99.3	95.1	93.8	-	series low	96.1	-1.3	-1.3%
Personal Finance: Current	102.1	88.7	92.5	Jan-14	-	94.4	3.8	4.2%
Personal Finance: Expected	104.7	102.5	102.2	-	series low	103.1	-0.3	-0.3%
Business Condition: 1 Year	98.0	92.8	85.6	-	series low	92.1	-7.2	-7.7%
Business Condition: 5 Year	95.2	90.0	93.7	Jan-14	-	93.0	3.7	4.1%
Durable Buying Conditions	104.4	109.9	103.0	-	Jul-13	105.8	-6.9	-6.3%
Current Business Conditions Indicator	98.0	98.3	99.1	series high	-	98.5	0.8	0.7%
Real Estate Investment Indicator	113.2	115.3	113.2	-	Jan-14	113.9	-2.1	-1.8%
Car Purchase Indicator	85.9	87.6	87.2	-	Jan-14	86.9	-0.4	-0.5%
Employment Outlook Indicator	93.9	87.4	93.1	Jan-14	-	91.5	5.7	6.5%
Inflation Expectations Indicator	139.8	143.7	142.4	-	Jan-14	142.0	-1.3	-0.9%
Current Prices Satisfaction Indicator	69.0	68.5	71.4	Dec-13	-	69.6	2.9	4.1%
Interest Rates Expectations Indicator	114.6	116.0	113.8	-	Dec-13	114.8	-2.2	-1.9%

Russia - Urals Overview

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Urals Consumer Indicator	93.2	88.7	80.1	-	series low	87.3	-8.6	-9.6%
Current Indicator	90.7	99.9	78.4	-	series low	89.7	-21.5	-21.6%
Expectations Indicator	94.9	81.1	81.3	Jan-14	-	85.8	0.2	0.2%
Personal Finance: Current	100.2	85.7	57.7	-	series low	81.2	-28.0	-32.7%
Personal Finance: Expected	88.2	83.4	83.6	Jan-14	-	85.1	0.2	0.2%
Business Condition: 1 Year	101.9	75.9	71.4	-	series low	83.1	-4.5	-5.9%
Business Condition: 5 Year	94.7	84.1	88.9	Jan-14	-	89.2	4.8	5.7%
Durable Buying Conditions	81.1	114.2	99.1	-	Jan-14	98.1	-15.1	-13.2%
Current Business Conditions Indicator	93.9	98.5	100.3	Jul-13	-	97.6	1.8	1.8%
Real Estate Investment Indicator	107.7	115.3	111.0	-	Jan-14	111.3	-4.3	-3.7%
Car Purchase Indicator	81.9	85.8	85.6	-	Jan-14	84.4	-0.2	-0.3%
Employment Outlook Indicator	90.5	81.4	86.7	Jan-14	-	86.2	5.3	6.6%
Inflation Expectations Indicator	146.9	152.6	143.0	-	Dec-13	147.5	-9.6	-6.3%
Current Prices Satisfaction Indicator	75.6	76.9	77.4	Dec-13	-	76.6	0.5	0.8%
Interest Rates Expectations Indicator	135.6	132.8	122.7	-	Oct-13	130.4	-10.1	-7.7%

Russia - Volga Overview

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Volga Consumer Indicator	109.5	87.8	73.0	-	series low	90.1	-14.8	-16.9%
Current Indicator	130.0	106.5	84.7	-	Nov-13	107.1	-21.8	-20.5%
Expectations Indicator	95.8	75.4	65.2	-	series low	78.8	-10.2	-13.5%
Personal Finance: Current	116.7	87.4	72.1	-	Nov-13	92.1	-15.3	-17.6%
Personal Finance: Expected	113.3	88.9	70.7	-	series low	91.0	-18.2	-20.4%
Business Condition: 1 Year	76.3	72.7	55.0	-	series low	68.0	-17.7	-24.3%
Business Condition: 5 Year	97.9	64.5	69.9	Jan-14	-	77.4	5.4	8.3%
Durable Buying Conditions	143.4	125.6	97.3	-	Nov-13	122.1	-28.3	-22.5%
Current Business Conditions Indicator	109.6	82.9	97.7	Jan-14	-	96.7	14.8	17.8%
Real Estate Investment Indicator	126.7	97.1	124.7	Jan-14	-	116.2	27.6	28.4%
Car Purchase Indicator	79.3	111.4	84.6	-	Jan-14	91.8	-26.8	-24.0%
Employment Outlook Indicator	41.4	63.5	94.2	Oct-13	-	66.4	30.7	48.4%
Inflation Expectations Indicator	134.7	166.2	169.5	series high	-	156.8	3.3	2.0%
Current Prices Satisfaction Indicator	70.7	69.3	86.9	Sep-13	-	75.6	17.6	25.5%
Interest Rates Expectations Indicator	116.7	170.2	125.2	-	Jan-14	137.4	-45.0	-26.4%

Russia - North Caucasus Overview

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - North Caucasus Consumer Indicator	94.3	89.2	84.4	-	series low	89.3	-4.8	-5.4%
Current Indicator	88.6	81.4	75.8	-	series low	81.9	-5.6	-6.8%
Expectations Indicator	98.0	94.4	90.1	-	series low	94.2	-4.3	-4.5%
Personal Finance: Current	92.2	68.6	61.7	-	series low	74.2	-6.9	-10.0%
Personal Finance: Expected	101.8	101.0	101.4	Jan-14	-	101.4	0.4	0.4%
Business Condition: 1 Year	93.8	80.7	69.2	-	series low	81.2	-11.5	-14.3%
Business Condition: 5 Year	98.5	101.6	99.9	-	Jan-14	100.0	-1.7	-1.6%
Durable Buying Conditions	85.1	94.2	90.0	-	Jan-14	89.8	-4.2	-4.4%
Current Business Conditions Indicator	102.0	103.6	104.2	series high	-	103.3	0.6	0.5%
Real Estate Investment Indicator	98.7	107.7	99.7	-	Jan-14	102.0	-8.0	-7.4%
Car Purchase Indicator	75.9	72.0	78.5	Dec-13	-	75.5	6.5	9.1%
Employment Outlook Indicator	99.0	101.3	99.9	-	Jan-14	100.1	-1.4	-1.4%
Inflation Expectations Indicator	127.6	123.7	124.8	Jan-14	-	125.4	1.1	0.9%
Current Prices Satisfaction Indicator	66.0	70.4	73.3	Nov-13	-	69.9	2.9	4.1%
Interest Rates Expectations Indicator	108.9	104.1	103.0	-	Sep-13	105.3	-1.1	-1.1%

Russia - West Siberian Overview

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - West Siberian Consumer Indicator	100.7	106.7	100.1	-	Dec-13	102.5	-6.6	-6.2%
Current Indicator	99.1	114.6	96.3	-	Nov-13	103.3	-18.3	-15.9%
Expectations Indicator	101.7	101.5	102.6	Apr-13	-	101.9	1.1	1.2%
Personal Finance: Current	92.7	106.3	86.2	-	Oct-13	95.1	-20.1	-18.8%
Personal Finance: Expected	99.2	99.1	106.9	series high	-	101.7	7.8	7.9%
Business Condition: 1 Year	106.6	106.5	101.3	-	Dec-13	104.8	-5.2	-4.9%
Business Condition: 5 Year	99.5	98.8	99.8	series high	-	99.4	1.0	1.0%
Durable Buying Conditions	105.6	123.0	106.4	-	Jan-14	111.7	-16.6	-13.5%
Current Business Conditions Indicator	100.3	99.9	99.7	-	Dec-13	100.0	-0.2	-0.2%
Real Estate Investment Indicator	113.8	119.3	95.8	-	Sep-13	109.6	-23.5	-19.7%
Car Purchase Indicator	81.2	97.8	83.1	-	Jan-14	87.4	-14.7	-15.0%
Employment Outlook Indicator	98.6	99.4	99.6	Dec-13	-	99.2	0.2	0.3%
Inflation Expectations Indicator	122.3	121.2	116.3	-	Nov-13	119.9	-4.9	-4.1%
Current Prices Satisfaction Indicator	45.6	90.8	92.1	Jun-13	-	76.2	1.3	1.4%
Interest Rates Expectations Indicator	95.5	102.8	149.3	series high	-	115.9	46.5	45.2%

All Russia Overview by Age

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI Russia Consumer Indicator	102.2	96.2	90.1	-	series low	96.2	-6.1	-6.3%
Current Indicator	106.8	104.1	91.8	-	series low	100.9	-12.3	-11.8%
Expectations Indicator	99.1	91.0	89.0	-	series low	93.0	-2.0	-2.2%
Personal Finance: Current	108.4	93.4	82.8	-	series low	94.9	-10.6	-11.4%
Personal Finance: Expected	102.8	98.7	96.1	-	series low	99.2	-2.6	-2.6%
Business Condition: 1 Year	96.4	88.7	79.7	-	series low	88.3	-9.0	-10.1%
Business Condition: 5 Year	97.9	85.5	91.1	Jan-14	-	91.5	5.6	6.5%
Durable Buying Conditions	105.2	114.7	100.9	-	Dec-13	106.9	-13.8	-12.0%
Age 35-54								
MNI Russia Consumer Indicator	96.8	92.0	87.3	-	series low	92.0	-4.7	-5.2%
Current Indicator	98.2	93.5	86.8	-	series low	92.8	-6.7	-7.2%
Expectations Indicator	95.9	91.1	87.6	-	series low	91.5	-3.5	-3.8%
Personal Finance: Current	93.6	82.1	76.0	-	series low	83.9	-6.1	-7.4%
Personal Finance: Expected	101.8	93.7	97.0	Jan-14	-	97.5	3.3	3.5%
Business Condition: 1 Year	90.7	87.0	75.8	-	series low	84.5	-11.2	-12.8%
Business Condition: 5 Year	95.2	92.6	90.1	-	Dec-13	92.6	-2.5	-2.7%
Durable Buying Conditions	102.8	104.9	97.5	-	Aug-13	101.7	-7.4	-7.0%
Age 55-64								
MNI Russia Consumer Indicator	96.8	90.9	90.3	-	series low	92.7	-0.6	-0.7%
Current Indicator	96.4	88.6	87.5	-	Dec-13	90.8	-1.1	-1.3%
Expectations Indicator	97.0	92.4	92.1	-	series low	93.8	-0.3	-0.3%
Personal Finance: Current	84.4	73.9	76.9	Jan-14	-	78.4	3.0	4.1%
Personal Finance: Expected	93.9	92.9	94.9	Dec-13	-	93.9	2.0	2.2%
Business Condition: 1 Year	102.9	86.3	90.5	Jan-14	-	93.2	4.2	4.8%
Business Condition: 5 Year	94.3	98.0	91.0	-	Nov-13	94.4	-7.0	-7.2%
Durable Buying Conditions	108.4	103.4	98.0	-	Dec-13	103.3	-5.4	-5.2%

All Russia - Overview by Income

	Jan-14	Feb-14	Mar-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	99.7	89.8	87.6	-	series low	92.4	-2.2	-2.4%
Current Indicator	103.3	94.3	90.5	-	Nov-13	96.0	-3.8	-4.0%
Expectations Indicator	97.3	86.9	85.7	-	series low	90.0	-1.2	-1.3%
Personal Finance: Current	102.2	80.6	78.9	-	series low	87.2	-1.7	-2.0%
Personal Finance: Expected	101.4	93.3	92.9	-	series low	95.9	-0.4	-0.5%
Business Condition: 1 Year	91.4	79.3	75.9	-	series low	82.2	-3.4	-4.2%
Business Condition: 5 Year	99.2	88.0	88.4	Jan-14	-	91.9	0.4	0.4%
Durable Buying Conditions	104.5	107.9	102.1	-	Dec-13	104.8	-5.8	-5.4%
> RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	98.8	100.4	91.5	-	series low	96.9	-8.9	-8.8%
Current Indicator	101.3	105.5	90.3	-	series low	99.0	-15.2	-14.4%
Expectations Indicator	97.1	96.9	92.3	-	series low	95.4	-4.6	-4.8%
Personal Finance: Current	100.1	96.8	80.8	-	series low	92.6	-16.0	-16.6%
Personal Finance: Expected	101.3	100.0	99.4	-	series low	100.2	-0.6	-0.6%
Business Condition: 1 Year	96.9	99.9	85.0	-	series low	93.9	-14.9	-14.9%
Business Condition: 5 Year	93.2	90.9	92.5	Jan-14	-	92.2	1.6	1.7%
Durable Buying Conditions	102.4	114.2	99.8	-	Dec-13	105.5	-14.4	-12.6%

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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Discovering trends in Emerging Markets

MNI's Emerging Markets Indicators explore attitudes, perspectives and confidence in Russia, India and China. Our data and monthly reports present an advance picture of the economic landscape as perceived by businesses and consumers.

Our indicators allow investors, economists, analysts, and companies to identify economic trends and make informed investment and business decisions. Our data moves markets.

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