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MNI Russia Consumer Report June 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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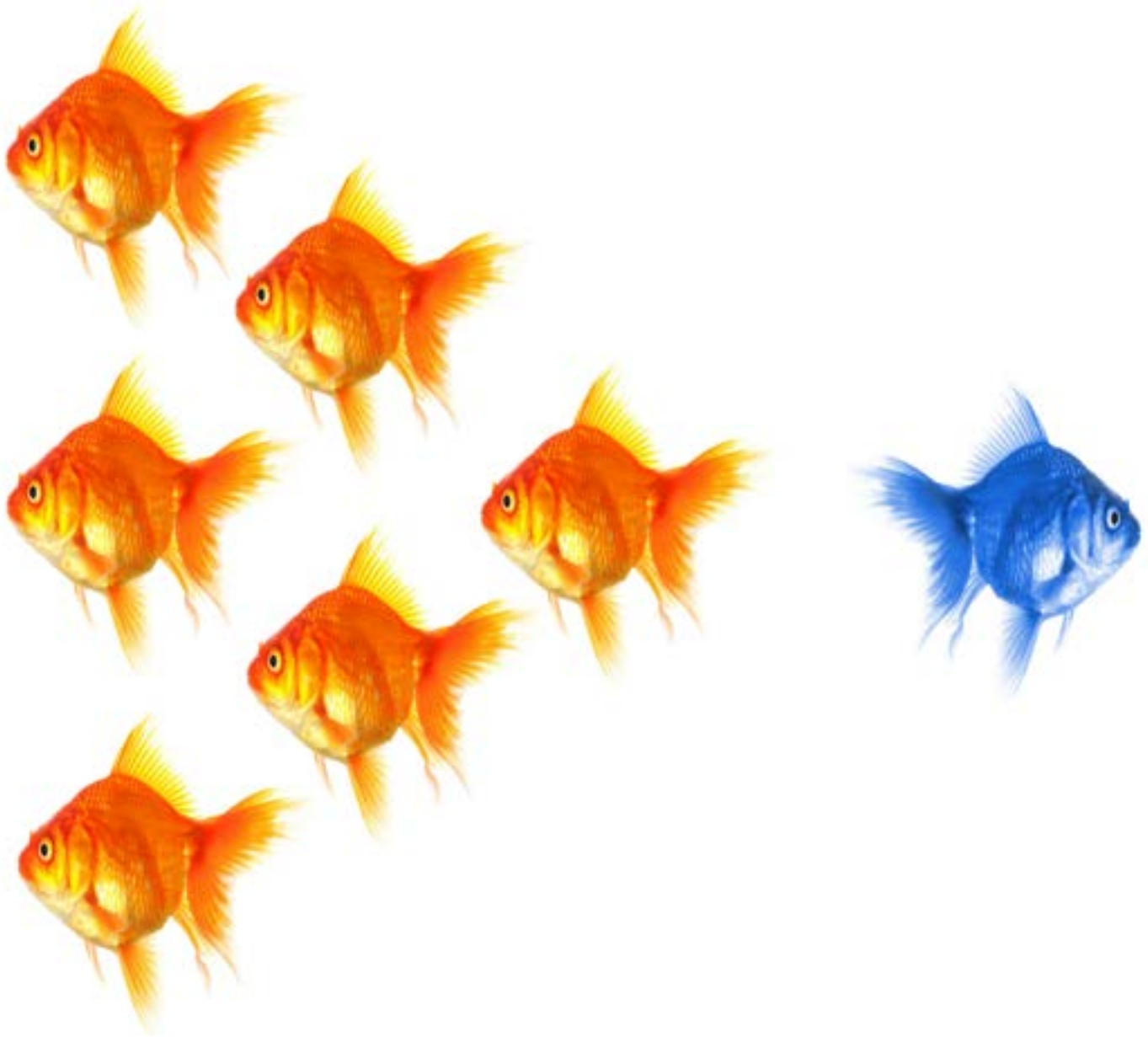
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MNI Russia Consumer Report - June 2014

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Out of the Club

Russia's suspension from the G8 club in March has left it side lined on the world stage, hurt its political standing and damaged its prospects for growth.

Russia's suspension from the G8 club in March has left it side lined on the world stage, hurt its political standing and damaged its prospects for growth.

Russia enjoyed its membership of the G8 group of countries for 17 years, but was frozen out after Moscow annexed Crimea, a move that threatened international stability and security. Adding insult to injury, the G8 had been due to meet in Sochi in early June, where President Putin could showcase Russia's Olympic achievements. Instead it was held in Brussels, and although Putin was physically absent from the meeting, he was the main topic of conversation.

Russia has tried to downplay the importance of it being barred from the G8 pointing to other supranational bodies as being more significant. "If our Western partners believe that such format is no longer needed, let it be so," Russia's foreign minister Sergei Lavrov said earlier this year. "We aren't clinging for that format, and we won't see a big problem if there are no such meetings for a year, or a year-and-half," he added.

Russia still remains part of the G20 a group that has grown in importance having effectively taken over the role from the G7 of ensuring international financial stability. Its members make up two thirds of the world's population and account for 85% of global GDP. As emerging markets continue to strengthen then so too will the G20, especially if China chooses to take a greater role. But in spite of the growing importance of the G20, the political power of the G7 remains a force to be reckoned with. In spite of Russia's public antipathy to being left out in the cold, being forced out of the G8 is a reflection of a loss of power and influence on the world stage.

President Putin, having seen the negative impact of the Ukraine crisis on domestic growth, has already started to adopt a slightly more conciliatory tone. Sanctions from the EU and US may be reasonably limited, but our business and consumer surveys show the negative impact they're having. The Russian President's historic deal with the Chinese to supply gas is supposed to show the West that Russia has friends and growth prospects in the East, but it remains very reliant on Europe.

What Russia needs is more trade and business links with both the East and West, but a continued stand-off over Ukraine will do nothing but hurt its growth prospects further. Russia may not be too concerned about not being part of the G8, but from an economic point of view, it would certainly help if it came in from the cold.

Shaily Mittal
Philip Uglow
MNI Indicators



Executive Summary

Russian consumer sentiment rose for the first time in five months, although it was still considerably below the level seen a year earlier given the significant weakening in growth and ramifications of Russia's military action in Crimea.

Russian consumer sentiment recovered slightly after hitting a record low in May, helped by increased optimism about the climate for purchasing household goods and a moderate recovery in expectations for business conditions.

The MNI Russia Consumer Indicator rose 2.2% on the month to 89.1 in June from 87.2 in May. This was the first gain in five months, although consumer sentiment was still 9.6% below the level seen a year earlier given the significant weakening in growth and ramifications of Russia's military action in Crimea. The European Union and United States have again threatened to enforce harsher sanctions against the Russian economy unless it backs peace efforts in eastern Ukraine.

The rise in the MNI Russia Consumer Indicator was led by all major regions apart from the Urals, where sentiment declined to the lowest since the start of the survey. In Urals, confidence declined to 75.3 from 83.3 in May. Consumers were highly pessimistic about the coming 12 months, with all three forward looking components declining on the month.

Consumer sentiment fell among the youngest age group but rose in older age groups.

Consumer confidence increased in low income groups while it declined slightly in high income households in June. On average, though, the level of confidence remains greater for higher income households.

Respondents were slightly more confident about their finances in the current month while expectations for the next 12 months declined to the lowest level on record.

Consumers were more confident about the current business climate and were more hopeful about business conditions over the short and long term, although overall consumers' views on business remained pessimistic.

Consumers' confidence to purchase big ticket items rose to the highest since February. This was the first time in four months the indicator has been above the 100 breakeven level and was the strongest of all the components in June.

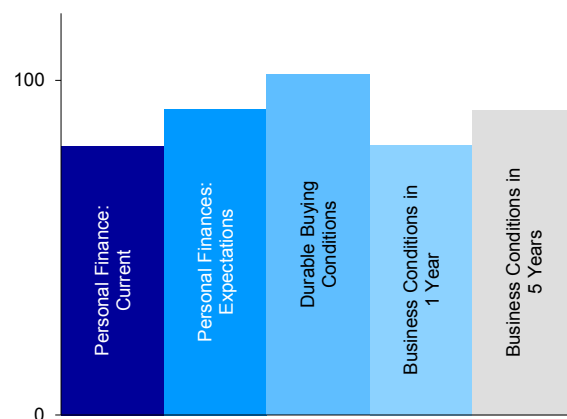
High prices remained a serious concern among consumers in June as their dissatisfaction with the current level of prices increased significantly, and expectations for inflation rose to a series high.

Since October, most respondents expected prices to rise between 11-24% over the next year, but this has changed in the past three months. The proportion of respondents who thought prices would rise by over 25% represented the majority, likely due to fears that the depreciation in the currency will adversely impact inflation.

Consumers' expectations for interest rates on house and car loans rose for the third consecutive month to a new series high in June.

The Car Purchase Indicator also rose slightly from a record low in May as a rise in car buying expectations outweighed a record hike in expectations for the price of gasoline.

MNI Russia Consumer Indicator - Components



All Russia - Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
MNI Russia Consumer Indicator	88.5	87.2	89.1	Feb-14	-	88.3	1.9	2.2%
Current Indicator	90.2	87.3	91.1	Feb-14	-	89.5	3.8	4.3%
Expectations Indicator	87.4	87.1	87.8	Mar-14	-	87.4	0.7	0.8%
Personal Finance: Current	83.7	79.6	80.3	Apr-14	-	81.2	0.7	1.0%
Personal Finance: Expected	93.4	95.0	91.5	-	series low	93.3	-3.5	-3.7%
Business Condition: 1 Year	77.8	77.7	80.7	Feb-14	-	78.7	3.0	3.8%
Business Condition: 5 Years	91.1	88.6	91.2	Jan-14	-	90.3	2.6	2.9%
Durable Buying Conditions	96.8	95.1	101.8	Feb-14	-	97.9	6.7	7.1%
Current Business Conditions Indicator	95.7	85.5	91.0	Apr-14	-	90.7	5.5	6.4%
Real Estate Investment Indicator	107.2	108.0	108.2	Mar-14	-	107.8	0.2	0.2%
Car Purchase Indicator	82.2	79.3	79.8	Apr-14	-	80.4	0.5	0.6%
Employment Outlook Indicator	90.9	87.8	87.5	-	Feb-14	88.7	-0.3	-0.3%
Inflation Expectations Indicator	144.2	144.6	146.3	series high	-	145.0	1.7	1.1%
Current Prices Satisfaction Indicator	67.5	73.4	65.0	-	series low	68.6	-8.4	-11.4%
Interest Rates Expectations Indicator	122.3	126.0	126.8	series high	-	125.0	0.8	0.6%

All Russia - Summary

	2013						2014						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MNI Russia Consumer Indicator	98.5	99.5	99.9	97.4	99.4	94.8	95.7	99.3	94.1	89.1	88.5	87.2	89.1
Current Indicator	98.4	100.5	99.2	95.8	99.2	94.3	95.7	102.0	98.6	89.4	90.2	87.3	91.1
Expectations Indicator	98.6	98.8	100.3	98.4	99.5	95.1	95.7	97.5	91.2	88.8	87.4	87.1	87.8
Personal Finance: Current	99.5	103.2	102.1	95.3	91.0	92.0	92.5	99.3	87.3	79.5	83.7	79.6	80.3
Personal Finance: Expected	102.4	103.4	104.9	105.4	101.2	101.7	101.9	101.2	96.3	96.3	93.4	95.0	91.5
Business Condition: 1 Year	97.8	95.9	98.7	96.1	101.5	94.9	94.4	95.1	87.8	79.4	77.8	77.7	80.7
Business Condition: 5 Years	95.7	97.2	97.5	93.7	95.8	88.7	90.8	96.4	89.4	90.7	91.1	88.6	91.2
Durable Buying Conditions	97.2	97.8	96.2	96.3	107.4	96.6	98.9	104.7	109.9	99.3	96.8	95.1	101.8
Current Business Conditions Indicator	97.7	95.4	95.6	97.6	94.5	97.4	94.9	100.3	97.5	99.2	95.7	85.5	91.0
Real Estate Investment Indicator	107.9	105.3	108.5	108.0	113.0	108.4	106.9	112.1	111.4	110.0	107.2	108.0	108.2
House Price Expectations	122.9	120.7	128.4	121.6	127.7	121.6	130.9	135.7	139.0	140.1	137.7	139.3	139.5
House Buying Sentiment	100.5	96.6	96.7	101.8	109.8	105.0	92.1	99.7	96.8	87.3	84.5	82.6	83.6
House Selling Sentiment	99.8	101.4	99.5	99.3	98.4	101.5	102.3	99.0	101.6	97.4	100.7	97.8	98.5
Car Purchase Indicator	87.5	86.2	88.4	85.7	85.1	81.9	81.0	83.3	88.3	85.1	82.2	79.3	79.8
Car Purchase Expectations	107.5	101.0	109.4	107.1	101.4	98.9	98.2	104.4	110.5	106.0	103.8	99.1	103.0
Price of Gasoline Expectations	132.4	128.6	132.7	135.6	131.3	135.2	136.2	137.7	133.8	135.8	139.4	140.5	143.4
Employment Outlook Indicator	99.1	97.1	97.5	99.9	100.4	98.1	98.2	87.2	86.5	92.9	90.9	87.8	87.5
Inflation Expectations Indicator	133.2	136.1	139.4	135.7	139.7	136.8	138.2	136.9	140.9	139.2	144.2	144.6	146.3
Current Prices Satisfaction Indicator	86.0	73.9	85.9	85.6	80.5	73.5	71.8	69.4	74.4	76.3	67.5	73.4	65.0
Interest Rates Expectations Indicator	112.3	114.1	113.2	111.1	115.6	115.5	114.9	115.9	122.6	119.2	122.3	126.0	126.8

All Russia - Records

	2013- Current			
	Minimum	Maximum	Mean	Median
MNI Russia Consumer Indicator	87.2	99.9	95.4	97.3
Current Indicator	87.3	102.0	95.6	96.0
Expectations Indicator	87.1	100.3	95.2	97.9
Personal Finance: Current	79.5	103.2	92.1	93.6
Personal Finance: Expected	91.5	109.2	100.9	101.8
Business Condition: 1 Year	77.7	101.5	91.4	95.0
Business Condition: 5 Years	88.6	98.0	93.4	93.3
Durable Buying Conditions	92.9	109.9	99.1	97.5
Current Business Conditions Indicator	85.5	100.3	95.2	95.8
Real Estate Investment Indicator	105.3	113.0	108.5	108.0
House Price Expectations	117.9	140.1	129.5	128.0
House Buying Sentiment	82.6	109.8	95.8	97.2
House Selling Sentiment	97.4	102.3	99.7	99.4
Car Purchase Indicator	79.3	88.4	84.6	85.4
Car Purchase expectations	98.2	110.5	104.2	104.3
Price of Gasoline expectations	128.6	143.4	135.1	135.3
Employment Outlook Indicator	86.5	100.5	95.2	97.8
Inflation Expectations Indicator	130.7	146.3	138.6	138.3
Current Prices Satisfaction Indicator	65.0	86.0	76.5	75.3
Interest Rates Expectations Indicator	111.1	126.8	118.5	117.6

Russian consumer sentiment recovered slightly in June after hitting a record low in May...

... as there was an increase in optimism about the climate for purchasing household goods and a moderate recovery in expectations for business conditions.



Economic Landscape

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The stand-off with the west over the situation in Ukraine continues to dominate the news.

The stand-off with the west over the situation in Ukraine continues to dominate the news. Tensions escalated further when Russian energy producer Gazprom cut off natural gas supplies to Ukraine following non-payment of a \$2 billion bill. The EU has urged Russia to calm tensions, warning that they would otherwise introduce fresh restrictions on trade with Russia, possibly including sector-wide sanctions.

The Russian economy faces numerous issues ranging from weakening of the rouble, spiralling prices and stalled growth. Consumer price inflation rose in May at the fastest pace since August 2011, leaving the central bank little option to maintain a tightening bias with a real risk of a further hike in rates should inflation continue to increase. More positively, industrial production picked up in May and manufacturing output posted the highest growth in six months. The rouble has gained slightly from the previous month, but is still 5% down on the year.

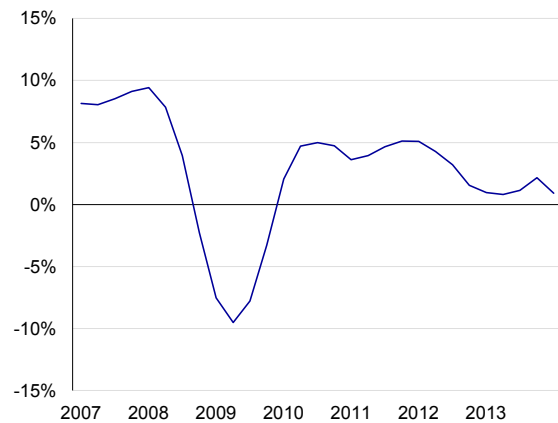
Low economic growth

Economic growth remained extremely weak at the beginning of 2014, slowing to 0.9% in Q1 compared with a year earlier, down from growth of 2% in Q4 2013 and 1.3% in Q1 2013. Capital investment contracted by 4.8% in Q1 compared with a year earlier. Consumption remained relatively firm, but it reflected a one-off public sector pay increase and so is unlikely to be sustained.

Russian ministers had predicted GDP growth of 2.5% this year before the Ukrainian turmoil. However, this has been dramatically reduced to just 0.5%, following paltry growth of 1.3% in 2013. Central Bank governor Elvira Nabiullina also revised the growth rate for 2014 to 0.4%, below the government's forecast, though expected a slight acceleration in the second half of the year.

The International Monetary Fund thinks that Russia is already in recession, amid warnings from US and EU

Economic Growth



— GDP Growth y/y %

Source: Federal State Statistics Service of Russia

leaders that they are ready to take further action against Russia if there isn't a de-escalation in the situation with Ukraine.

Industrial production expands in May

Industrial production accelerated by 2.8% on the year in May, up from 2.4% in April due to a rise in the manufacturing output. Manufacturing expanded by 4.4% on the year in May, the highest in six months, and up from growth of 3.9% growth in April. Mining and quarrying, slowed to 0.9% on the year in May compared with growth of 1.1% in the previous month. Utilities output continued to contract for the seventh consecutive month, although the pace of decline slowed to a fall of 0.5% on the year from a decline of 1.9% in the previous month.

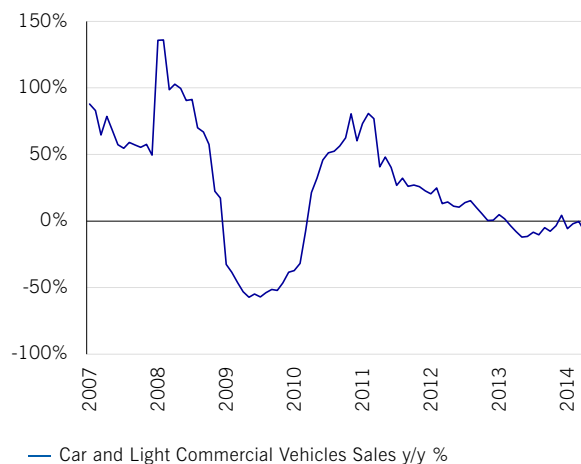
In the first five months of 2014, industrial production grew 1.7% on the year after contracting 0.6% in the same period a year ago. The economy ministry

expects industrial output to increase by about 1% this year after it failed to grow in 2013.

Car sales decelerate in May

In May, 201,487 cars were sold, 12.2% below the level in the same month a year earlier, according to the Association of European Businesses (AEB). Higher inflation and a weaker rouble have negatively impacted consumer spending. The pace of the decline in car sales had eased until March when sales declined by just 0.4%, but the market is showing signs of distress again. The five months to May saw a decline of 5.6% in car sales compared with the same period a year earlier.

Car Sales



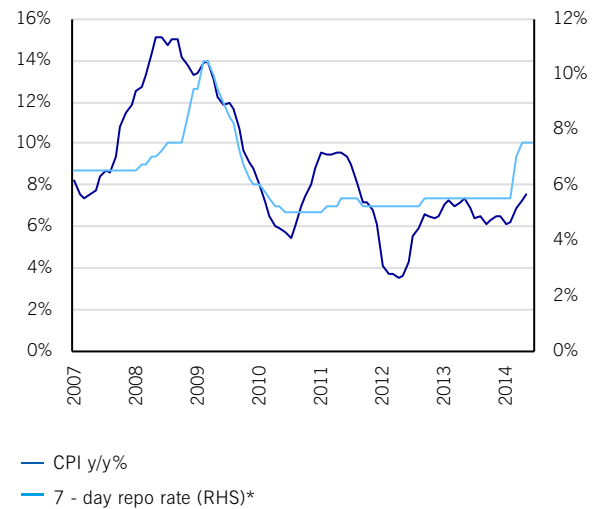
Source: Federal State Statistics Service of Russia

The AEB remains cautious about the outlook and has forecast that car sales will decline by 1.6% in 2014 following a drop of 5.5% in the previous year. However, the June data will provide clues about where the market is headed into the second half of the year which may prompt the AEB to revise their forecast.

Inflation surges in May

Consumer price inflation rose to 7.6% in May from 7.3% in April, the fastest rate of growth since August 2011. The cost of food products rose by 9.5% on the year, up from 9% in the previous month. A ban on pork imports from the European Union, due to an outbreak of swine fever, has affected the cost of meat products. Even after stripping out the prices of food and fuel, core inflation accelerated to 7% from 6.5% in the previous month, the highest since October 2011. The latest rise leaves the inflation rate even further above the central bank's target for a 5% rise in consumer prices for 2014.

Inflation and Interest Rate



Source: Federal State Statistics Service of Russia

Russia imports a large amount of consumer goods and food items, and depreciation of the currency has pushed up prices in recent months, forcing the central bank to tighten its monetary policy further at the end of April.

Key policy rate unchanged

On June 16, the Russian central bank left its benchmark interest rate at 7.5% as expected. The bank cited continued concerns about high rate of inflation, and cautioned that further rate hikes were possible if inflation remained above the target. The central bank last hiked rates in April by 50 basis points to 7.5% due to the greater than expected impact of the rouble devaluation on inflation.

The recent rate hikes are yet to have an impact on inflation and the Central Bank is open to further rate hikes if price rise remain above the target.

Depreciation in the rouble

The rouble has been one of the most volatile emerging market currencies in 2014 due to alarming levels of capital flowing out of the country following Russia's annexation of Crimea. In June, the rouble was 5.1% below the level seen in the same period a year ago. However, the rouble has strengthened somewhat over the past two months as international tensions have calmed slightly.

Foreign exchange reserves in Russia decreased to \$467.2 billion in May from \$472.3 billion in April as the country has tried to protect the rouble from capital flight.

Capital outflows from Russia's private sector stood at \$63.7 billion in Q1 2014 owing to the financial instability. This compared with an outflow of \$59.7 billion during the whole of 2013. About \$7.4 billion left Russia in May, down from \$8.8 billion in the previous month. The bank expects \$90 billion in net outflow this year, which seems to be overly optimistic.

The central bank reduced the intervention threshold for moving the rouble's floating corridor against a dollar-euro basket to \$1 billion from \$1.5 billion. It also reduced the amount of daily interventions by \$100 million, and widened the range in the middle of

the corridor where it carries out no interventions to 5.1 roubles from 3.1 roubles. This makes the rouble more flexible within its floating corridor, which presently stretches from 36.40 to 43.40 against the basket, with no central bank interventions at all in a broad range in the middle of this corridor. The move is part of the bank's aim to adopt inflation targeting from the start of next year. It was forced to pause the shift towards inflation targeting in early March in order to halt the rouble's decline after Russia annexed Crimea.

Trade surplus narrows in May

Russia's trade surplus narrowed to \$18.7 billion in May, from \$19.8 billion a month earlier, although above \$14.1 billion recorded a year earlier.

Exports increased to \$44.7 billion in May, 9% above the same period a year ago, although below April's reading of \$47.6 billion. Imports declined for the fifth consecutive month to \$26 billion, down by 2.3% on the year and almost 6% below April's reading of \$27.6 billion.



Indicators

The MNI Russia Consumer Indicator declined for the fourth consecutive month and confidence was well below the level seen at the start of the year as concerns about Russia falling into recession have mounted.

MNI Russia Consumer Indicator

Highest Since February



Russian consumer sentiment recovered slightly after hitting a record low in May, helped by increased optimism about the climate for purchasing household goods and a moderate recovery in expectations for business conditions.

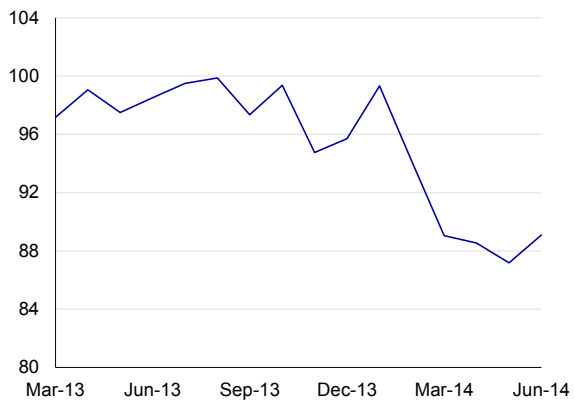
The MNI Russia Consumer Indicator rose 2.2% on the month to 89.1 in June from 87.2 in May. This was the first gain in five months, although consumer sentiment was still 9.6% below the level seen a year earlier given the significant weakening in growth and ramifications of Russia’s military action in Crimea. The European Union and United States have again threatened to enforce harsher sanctions against the Russian economy unless it backs peace efforts in eastern Ukraine.

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 started in March 2013 and the second quarter of 2014 marked the weakest sentiment on record.

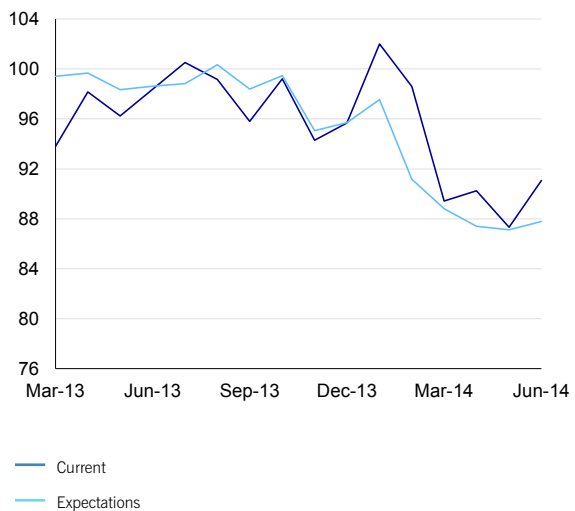
The Current Indicator, which measures consumers’ assessment of current conditions, rose to 91.1 in June from 87.3 in May, while the Expectations Indicator, made up of the three forward looking components, increased slightly to 87.8 from 87.1 previously.

All five components which make up the Consumer Indicator increased apart from the Personal Finances Expectations Indicator which fell to a series low.

MNI Russia Consumer Indicator



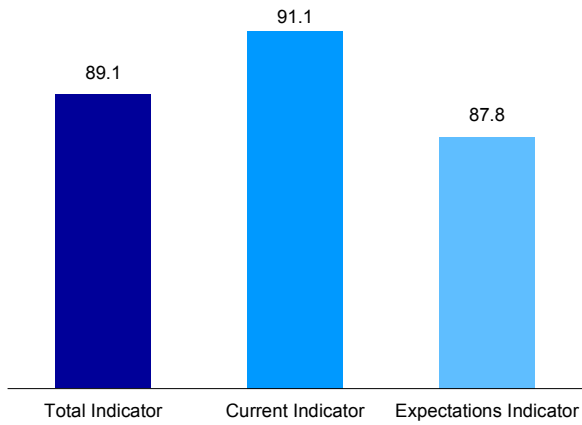
Current and Expectations Indicators



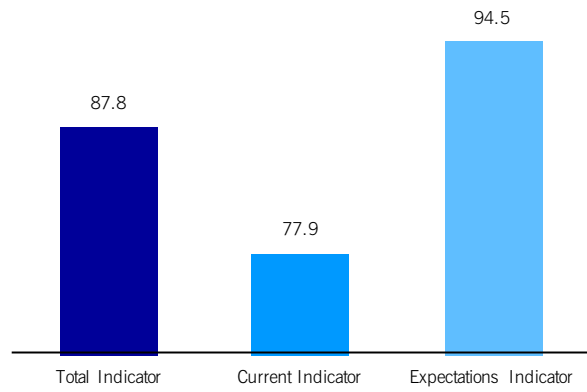
MNI Russia Consumer Indicator

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
MNI Russia Consumer Indicator	98.5	99.3	94.1	89.1	88.5	87.2	89.1
Current	98.4	102.0	98.6	89.4	90.2	87.3	91.1
Expectations	98.6	97.5	91.2	88.8	87.4	87.1	87.8

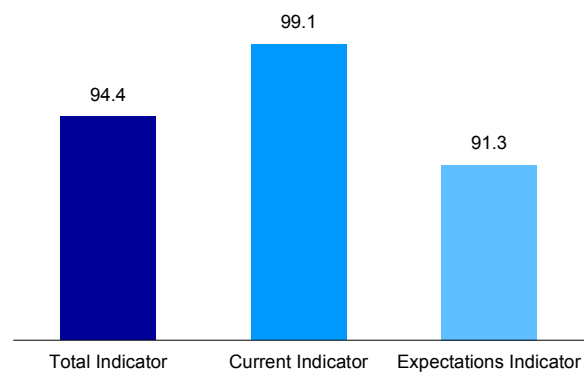
All Russia



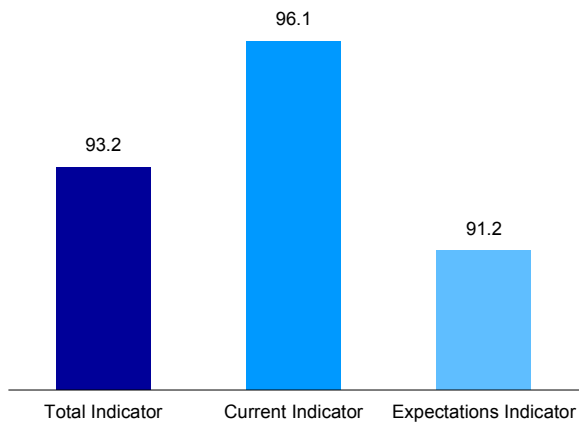
West Siberian



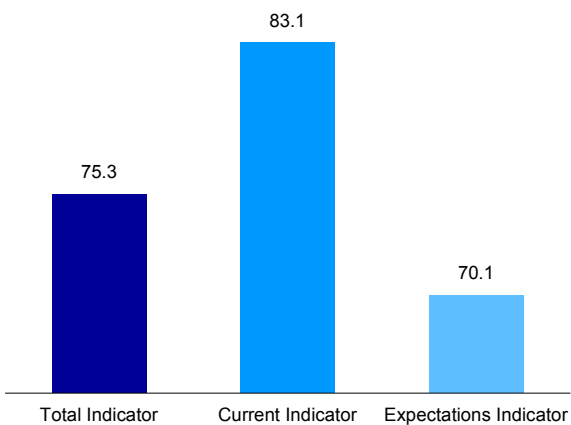
Central Russia



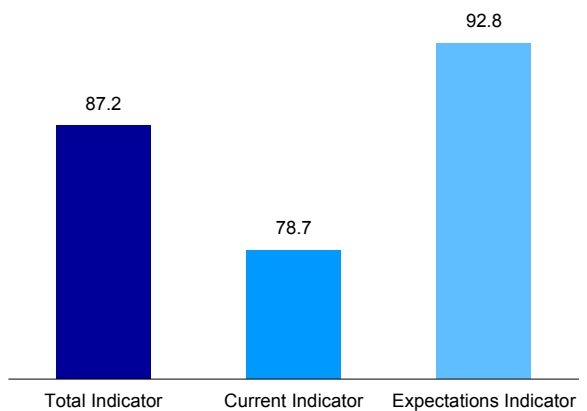
Volga



Urals



North Caucasus





Consumers, though, felt slightly better about their current financial situation.

The Durable Buying Conditions Indicator contributed the most to the rise in the headline indicator, putting it back above the average for the series of 99.1.

Regions

The rise in the MNI Russia Consumer Indicator was led by all major regions apart from the Urals, where sentiment declined to the lowest since the start of the survey. In Urals, confidence declined to 75.3 from 83.3 in May. Consumers were highly pessimistic about the coming 12 months, with all three forward looking components declining on the month. There was a sharp jump in consumers' Current Personal Finances although buying conditions fell to the lowest since January.

Among the top five regions, respondents from Central Russia had the strongest consumer sentiment on the month.

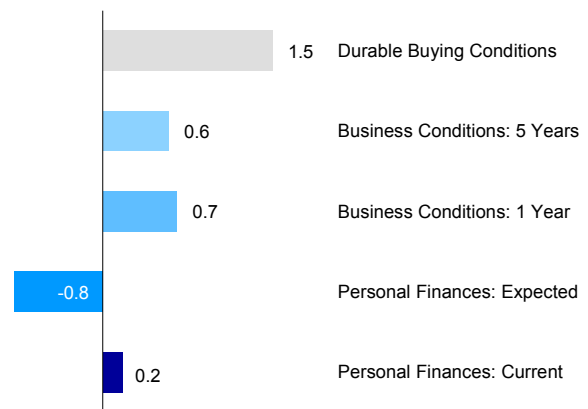
Respondents from the Volga region posted a significant jump of 21.1% in consumer sentiment, with the indicator increasing to the highest since January.

Age

Consumer sentiment fell among the youngest age group but rose in older age groups.

Consumer confidence in the youngest group hit a record low in June. The Consumer Indicator for the 18-34 year age range declined to 88.1 from 89.5 in May. All five components of the Consumer Indicator fell, apart from Business Conditions in Five Years. Consumers' perceptions of current and future Personal Finances hit a series low and their willingness to buy large household goods dropped to the lowest since November 2013.

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





Consumer sentiment among 35-54 year olds rose for the first time in four months to 90.6 in June from 85.1 in May. There was a sharp uptick in consumers' Current Personal Finances and their propensity to purchase big ticket items. Respondents were least confident about Business Conditions in Five Years with the indicator falling to a series low in June.

For the oldest age range, 55-65 year olds, consumer confidence rose to the highest since March, to 88.3 in June from 83.7 in May. Consumers were highly dissatisfied with their Personal Finances, both current and expected. In spite of this, they witnessed a sharp rise in the Durable Buying Conditions Indicator which rose above the 100 expansion/contraction level to the highest since January. Consumers were also more hopeful about Business Conditions, as seen by double digit rises in both short and long term expectations.

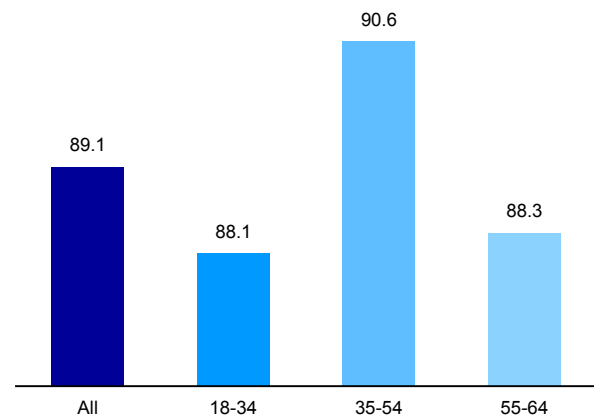
Income

Consumer confidence increased in low income groups while it declined slightly in high income households in June.

The Consumer Indicator for households with an average annual income of over INR 432,000 declined to 97.1 from 97.7 in May, the first fall in three months. For households with an average annual income under INR 432,000, the indicator rose 4.5% on the month to 84.3 from 80.6 in May.

Compared with the previous year, confidence was 1.6% lower among higher income households, while for lower income households it was 11.7% lower. On average, though, the level of confidence remains greater for higher income households. Our survey shows that low income households have been hit the most while wealthier ones have not been impacted much by the current political and economic tension.

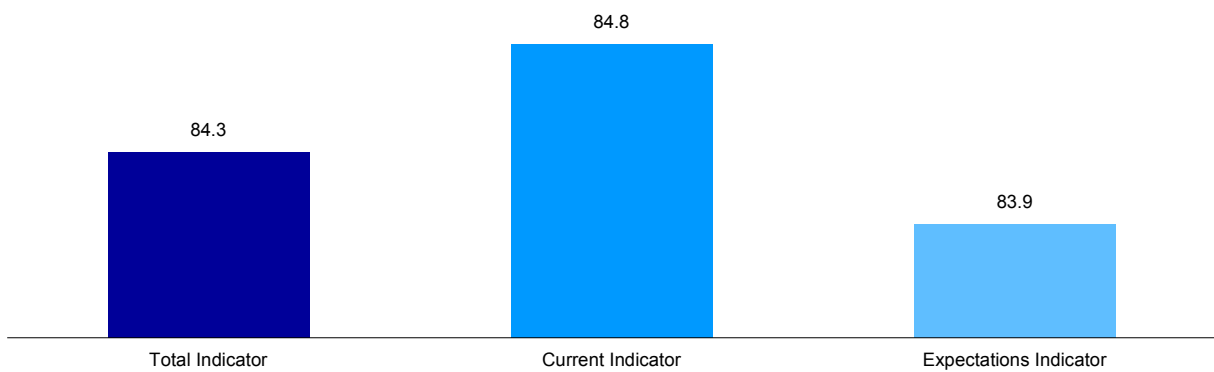
Consumer Indicator: Age Groups



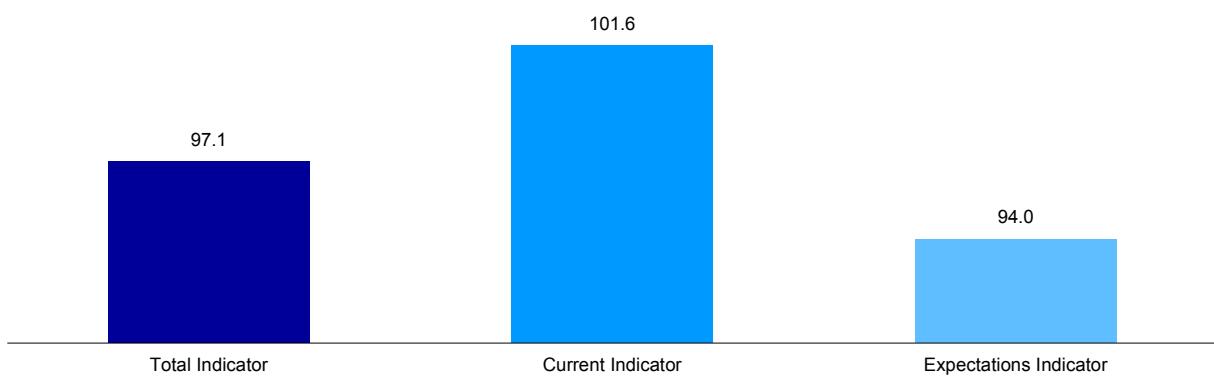
MNI Russia Consumer Indicator Income Groups



< RUB 480,000 Per Annum



> RUB 480,000 Per Annum



MNI Russia Consumer Indicator

Main Cities



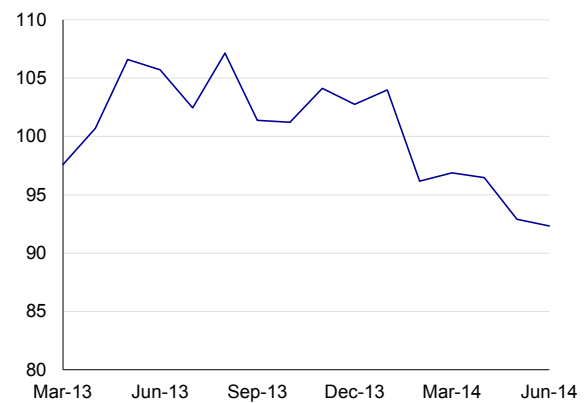
The Consumer Indicator rose in five out of the 10 major cities surveyed in June while it was above the 100 expansion/contraction level only in Omsk.

In the capital Moscow, consumer sentiment declined for the third month in a row to 92.3 in June from 92.9 in May, the lowest since the start of the survey in 2013. Consumers were most optimistic about purchasing big ticket items, despite weaker current Personal Finances and expectations of contraction over the next 12 months. Expectations for Business Conditions in Five Years jumped to the highest since January, although consumers were increasingly pessimistic about Business Conditions in a Year's time.

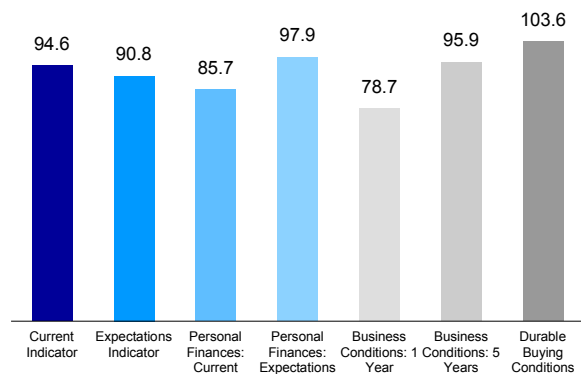
In Saint Petersburg, the second largest city in Russia, consumer sentiment declined to 98.7 in June from 101.4 in May. Consumers were most dissatisfied with their Current Personal Finances, while expectations about the next 12 months remained in expansion, although declined slightly compared with the previous month. Consumers were less optimistic about Business Conditions in a Year's time while they remained optimistic about longer term.

Consumer confidence in Novosibirsk, the third largest city by population in Russia, increased by 7.4% to 89.8 in June from 83.6 in May. All five components of the Consumer Indicator rose apart from Business Conditions in Five Years, which declined for the third month in a row. However, consumers witnessed a jump in their expectations for Business Conditions in a Year's time. Also, for the first time in seven months, consumers' willingness to purchase large household items expanded. Consumers were less pessimistic about their Personal Finances, both current and expected.

Consumer Indicator - Moscow



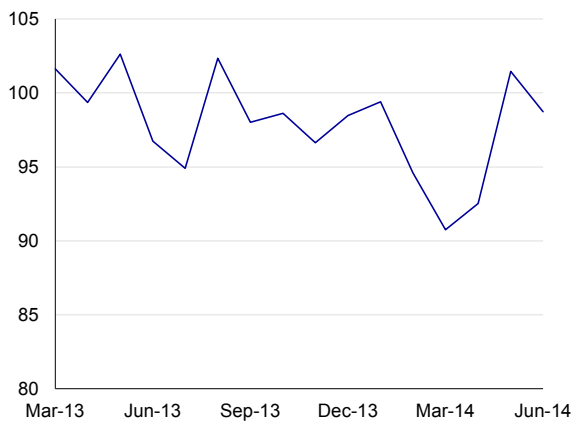
Consumer Indicator Components - Moscow



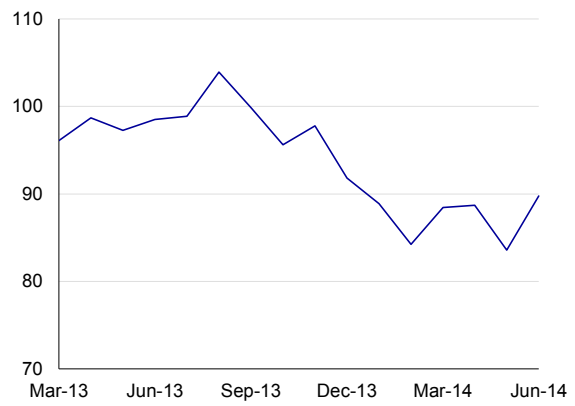
Omsk was the most optimistic city in June. The Consumer Indicator rose for the third month in a row to a series high of 103.1 from 100.1 in May and was 13.7% above the outturn in the same period a year ago. All five components of the Consumer Indicator were above the 100 expansion/contraction level. Consumers were most optimistic about purchasing large household items with the Durable Buying Conditions Indicator hitting a record high level.



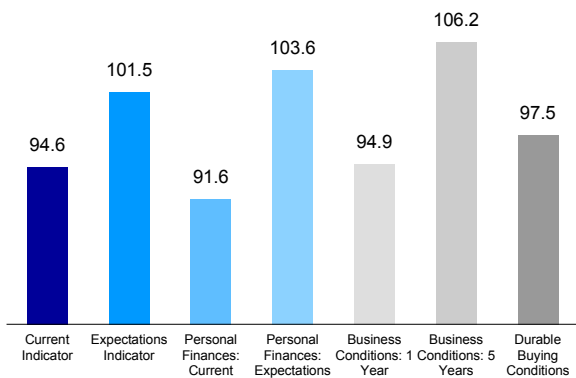
Consumer Indicator - Saint Petersburg



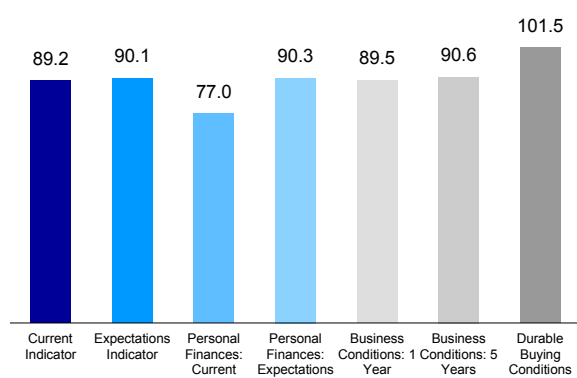
Consumer Indicator - Novosibirsk



Consumer Indicator Components - Saint Petersburg



Consumer Indicator Components - Novosibirsk



Personal Finances

Expectations Hit Record Low



Respondents were slightly more confident about their finances in the current month while expectations for the next 12 months declined to the lowest level on record.

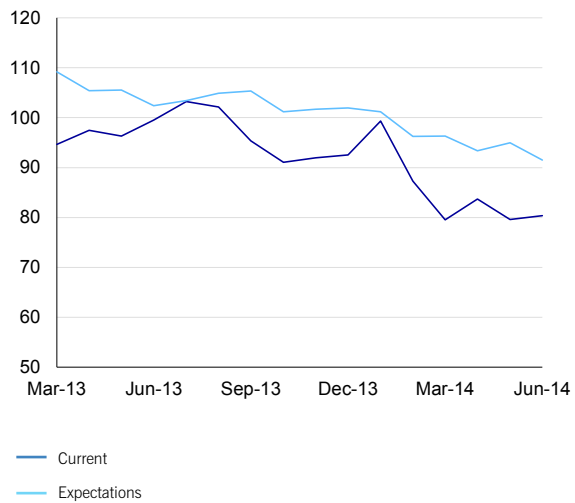
The Current Personal Finances Indicator, which measures whether a household is better or worse off than a year ago, rose to 80.3 in June from 79.6 in May. In spite of the month's gain, the indicator was 19.3% below the levels seen in the previous year.

Out of those who reported that their financial conditions improved, the majority cited better income as the main reason, although fewer than the previous month. However, a growing proportion gave credit to better family expenses.

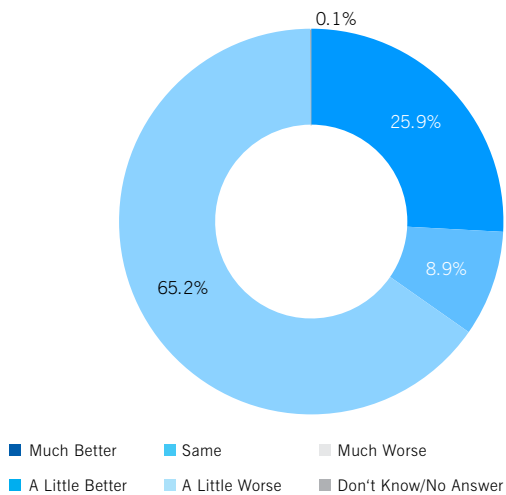
Consumers have been hit by higher inflation and the weaker rouble this year which has impacted their personal disposable income, savings and their ability to purchase goods. In June, 98.6% of respondents spent 70-100% of their monthly household income on daily expenses, the highest since the start of the survey, while 79.3% of respondents said they were saving between just 1-29% of their monthly household income.

Expected Personal Finances, which measures whether households think their finances will be better in a year's time, declined to a record low level of 91.5 in June from 95.0 in the previous month. It was the fifth month that expectations have been below the 100 breakeven mark.

Personal Finances



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



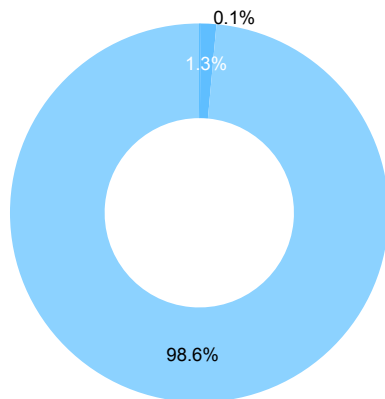
Personal Finances

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Current	99.5	99.3	87.3	79.5	83.7	79.6	80.3
Expectations	102.4	101.2	96.3	96.3	93.4	95.0	91.5

How Households Spend their Money

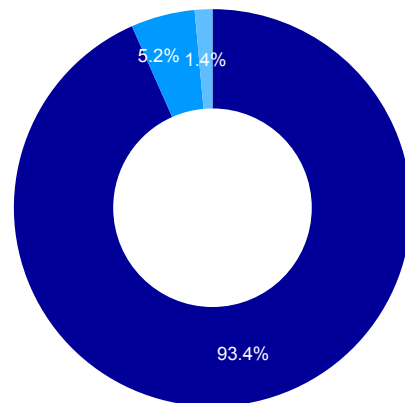


Daily Expenses
(% of Households)



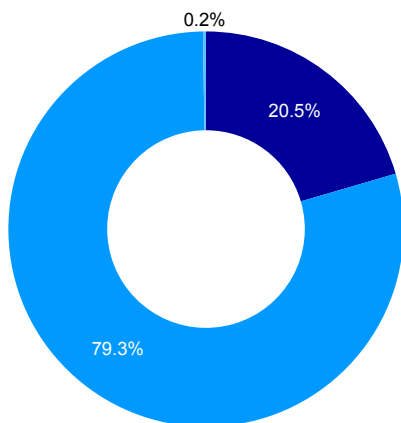
- 0% - 29% of Income
- 30% - 49% of Income
- 50% - 69% of Income
- 70% - 100% of Income

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



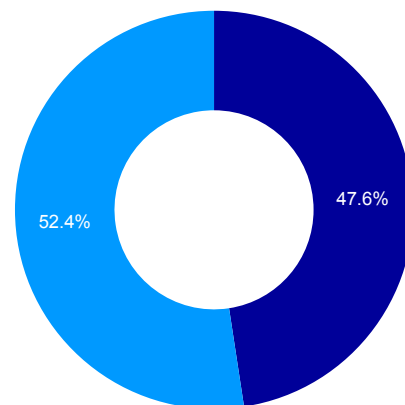
- 0% of Income
- 1% - 29% of Income
- 30% - 49% of Income
- 50% - 100% of Income

Monthly Household Income Used for Savings (% of Households)



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

Monthly Household Income Used for Investments (% of Households)



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

Business Conditions

Longer Term Expectations Highest Since January



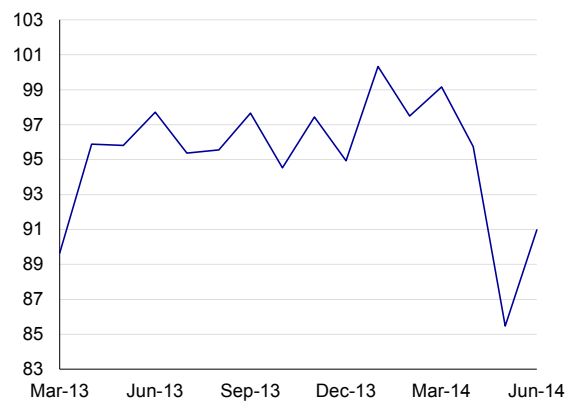
Consumers were more confident about the current business climate and were more hopeful about business conditions over the short and long term, although overall consumers' views on business remained pessimistic.

The Current Business Conditions Indicator, which measures respondents' views on the state of business compared with a year earlier, rose for the first time in three months to 91.0 in June from 85.5 in May. Hit by sanctions amid the Ukraine crisis, current business sentiment has declined considerably since the start of the year and was almost 7% below the same period a year ago.

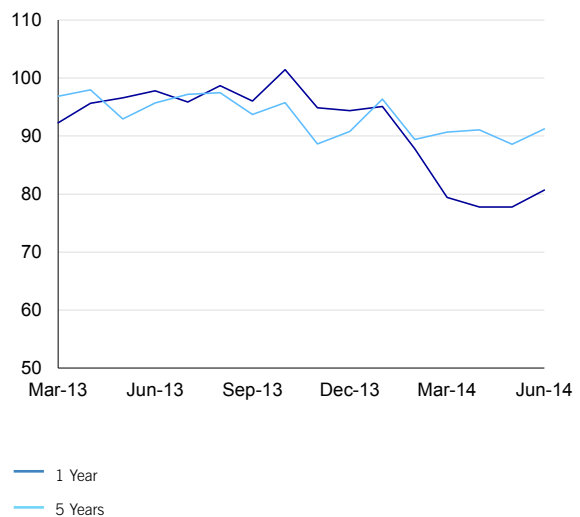
About 23% of respondents thought conditions were "poor" or "very poor" while 66.1% of them thought they were "only fair". Increasing concerns that wider sanctions could be levied against Russian businesses has dented their perceptions.

The Indicator for Business Conditions in One Year rose 3.8% on the month to 80.7 in June from 77.7 in May, the highest since February. The majority of those who expected business conditions to be better in a year's time cited economic development as the main reason.

Current Business Conditions Indicator



Expected Business Conditions



Business Conditions

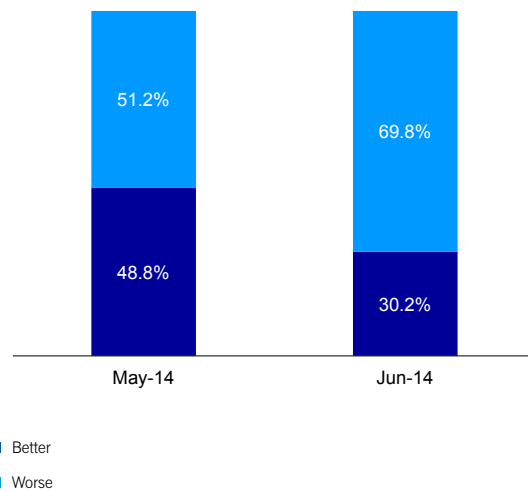
	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Current	97.7	100.3	97.5	99.2	95.7	85.5	91.0
In 1 Year	97.8	95.1	87.8	79.4	77.8	77.7	80.7
In 5 Years	95.7	96.4	89.4	90.7	91.1	88.6	91.2

Business Conditions in 1 Year

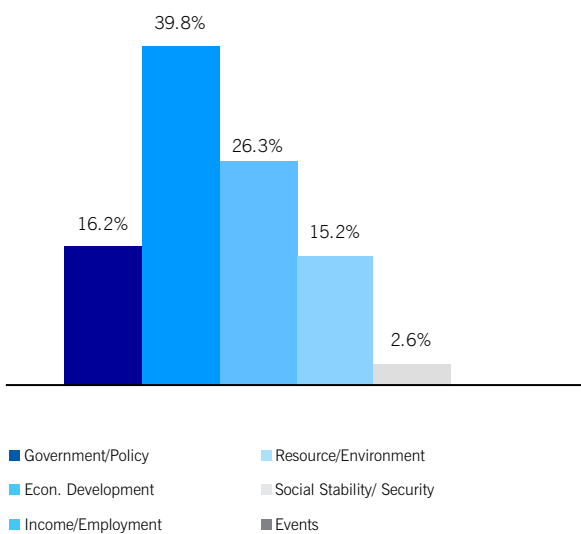


Longer term expectations for business rose to the highest in five months. The indicator for Business Conditions in Five Years rose 2.9% on the month in June to 91.2 from 88.6 in May. Among the major cities surveyed, Saint Petersburg, which is the second largest city in Russia, was the most optimistic about longer term business conditions.

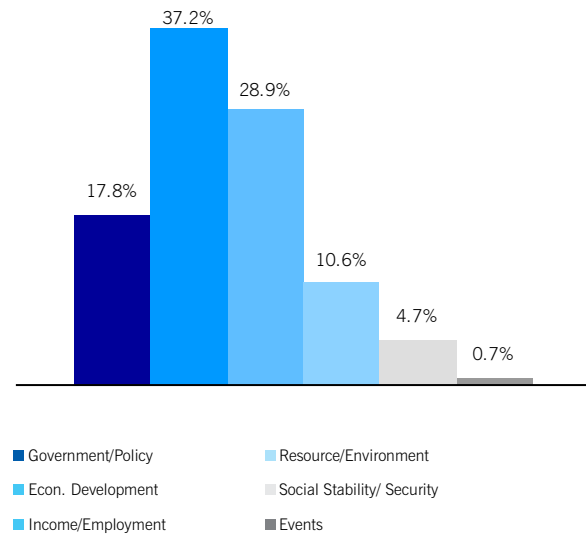
All Russia



All Russia, Reasons for Better



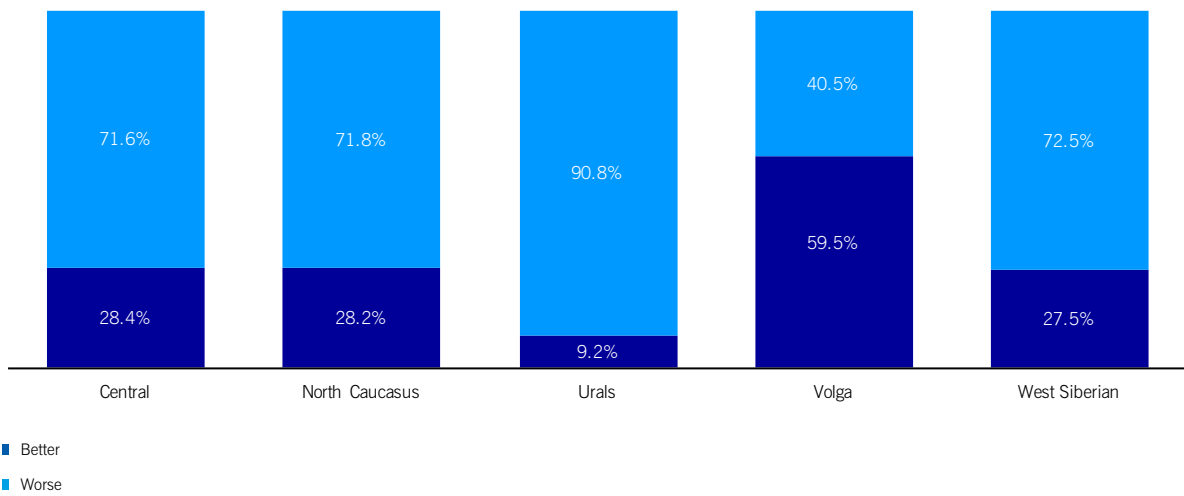
All Russia, Reasons for Worse



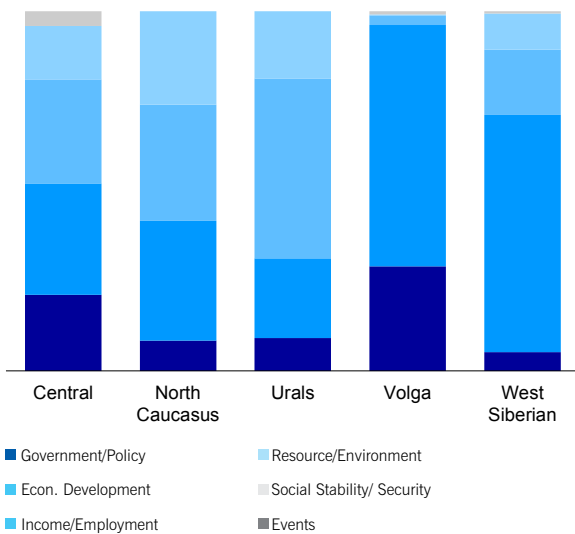


Business Conditions in 1 Year Regions

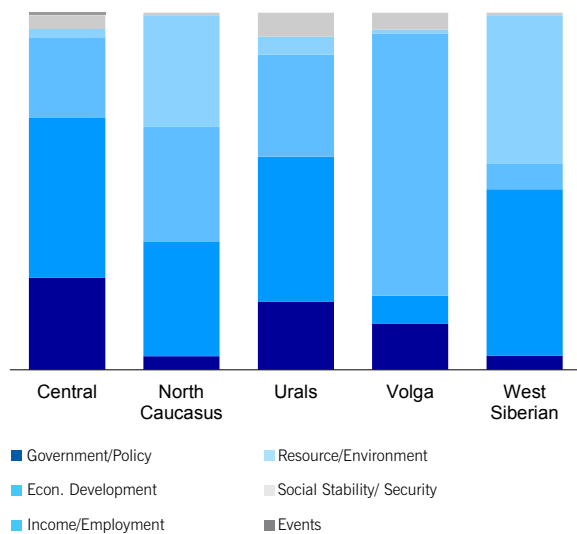
Business Expectations: Worse or Better?
(% of Respondents)



Reasons for Better
(% of Respondents)



Reasons for Worse
(% of Respondents)



Durable Buying Conditions Highest Since February

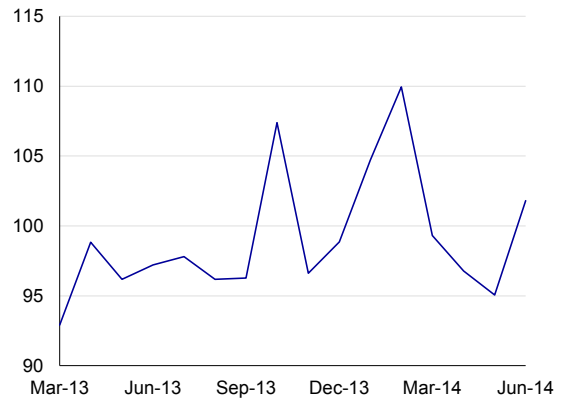


The Durable Buying Conditions Indicator rose to 101.8 in June from 95.1 in May, the highest since February. This was the first time in four months the indicator has been above the 100 breakeven level and was the strongest of all the components in June.

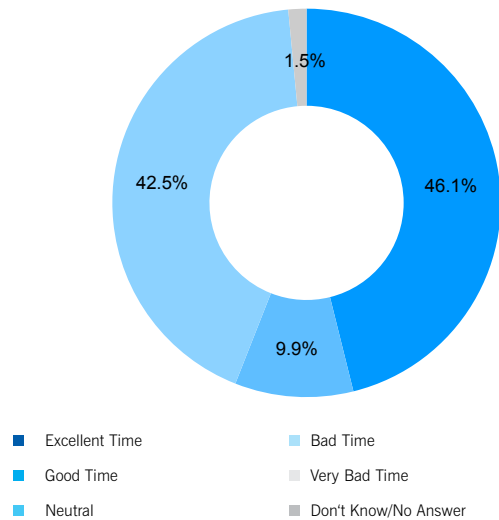
Respondents are asked whether they believe it is a good or bad time to purchase a large consumer durable, and a result above 100 means that a higher percentage of respondents view it as a good time.

Out of the ten largest cities surveyed, respondents from Omsk were the most optimistic about buying a large household item in June. In contrast, compared with the previous month, fewer consumers from Samara and Saint Petersburg thought it was a better time to buy a large household item.

Durable Buying Conditions



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



Durable Buying Conditions

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Durable Buying Conditions	97.2	104.7	109.9	99.3	96.8	95.1	101.8

Employment Outlook Lowest Since February



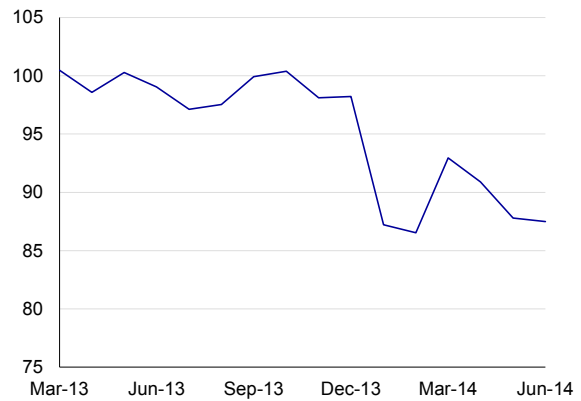
The outlook for the employment market deteriorated further in June, albeit only marginally as consumers' concerns over the state of the economy mounted.

The Employment Outlook Indicator, which measures opinion on the outlook for the employment market over the next 12 months fell to 87.5 in June from 87.8 in May, the lowest reading since February. The labour market has deteriorated significantly in 2014, with the Employment Outlook Indicator hitting a series low in the second quarter of the year.

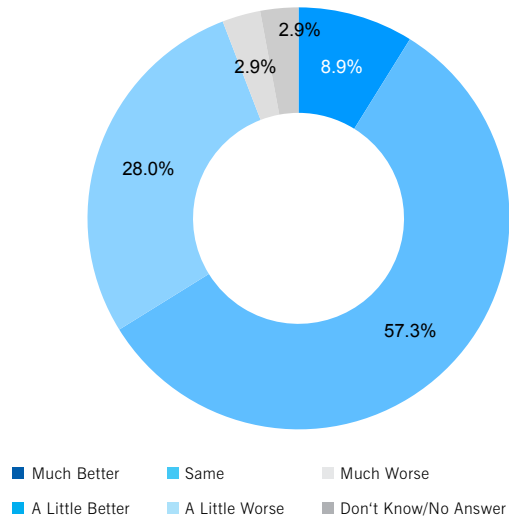
Respondents from the North Caucasus were the most optimistic and the only one for which the indicator was above the 100 expansion/contraction level. In contrast, there was a sharp decline in the employment outlook in the Urals region where the proportion of respondents who were unsure about the labour market also rose significantly.

Official statistics showed that the unemployment rate declined in May to 4.9% from 5.3% in April. But results from the June edition of our sister survey on Russian Businesses showed that companies' hiring declined for the first time in five months and that they were also less optimistic about employment conditions in the next three months.

Employment Outlook Indicator



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

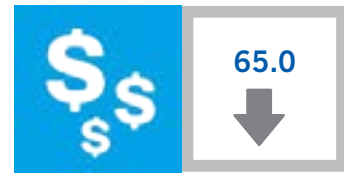


Employment Outlook

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Employment Outlook	99.1	87.2	86.5	92.9	90.9	87.8	87.5

Prices Sentiment

Dissatisfaction at Record High Levels



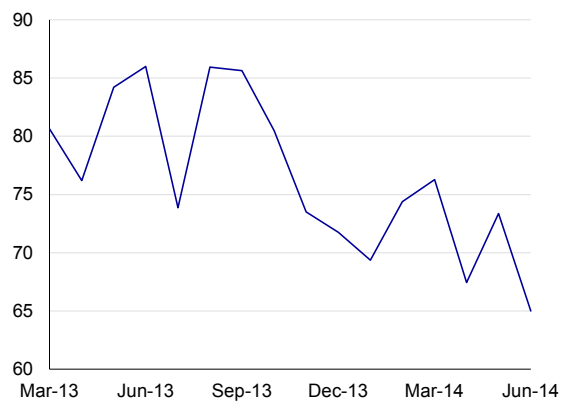
High prices remained a serious concern among consumers in June as their dissatisfaction with the current level of prices increased significantly, and expectations for inflation rose to a series high.

The Current Prices Satisfaction Indicator fell to 65.0 in June from 73.4 in May. It lies well below the average of 76.5 for the past 12 months and the series average. A figure below 100 indicates wider dissatisfaction with the current level of prices. The further below 100, the greater the dissatisfaction. The indicator has remained below 100 since the survey started in March 2013 and in June, it was 24.4% below the same period a year earlier.

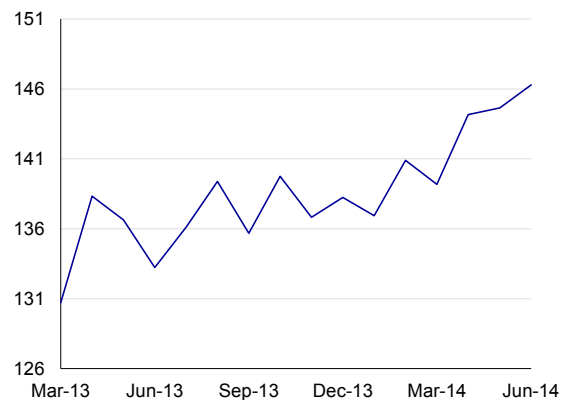
Official data showed that consumer price inflation rose to 7.6% in May from 7.3% in April, the fastest rate of growth since August 2011. The cost of food products rose by 9.5% on the year, up from 9% in the previous month. A ban on pork imports from the European Union, due to an outbreak of swine fever, hasn't helped and has pushed up the cost of meat products. The latest rise leaves the inflation rate even further above the central bank's target of 5% for 2014.

Expectations for inflation in 12 months' time rose in June to 146.3 from 144.6 in May, the highest reading since the start of the survey. This was the third month in a row that an increasing number of respondents expected prices to rise over the coming 12 months. The Russian central bank has raised official interest

Satisfaction with Current Prices Indicator



Inflation Expectations Indicator



Prices Sentiment

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Satisfaction with Current Prices	86.0	69.4	74.4	76.3	67.5	73.4	65.0
Inflation Expectations	133.2	136.9	140.9	139.2	144.2	144.6	146.3

Prices Sentiment Regions



rates by 200 basis points to 7.5% since the start of 2014 in a bid to both control inflation and to stabilise the currency. While governor Elvira Nabiullina has said that the current monetary policy may achieve the bank's medium-term inflation goals, the central bank has made it clear that it will tighten monetary policy stance further should inflation remain too high.

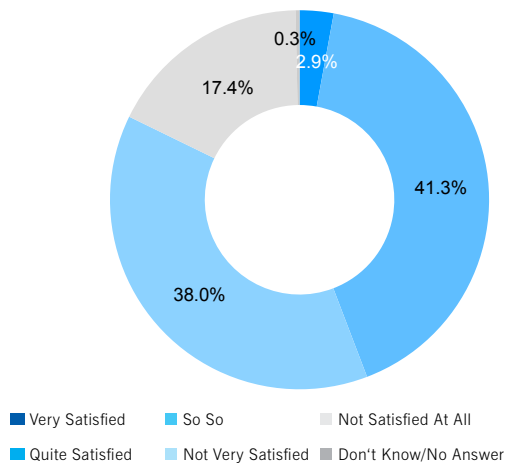
Since October, most respondents had expected prices to rise between 11-24% over the next year, but this has changed in the past three months. The proportion of respondents who thought prices would rise by over 25% represented the majority, likely due to fears that the depreciation in the currency will adversely impact inflation.

Regions

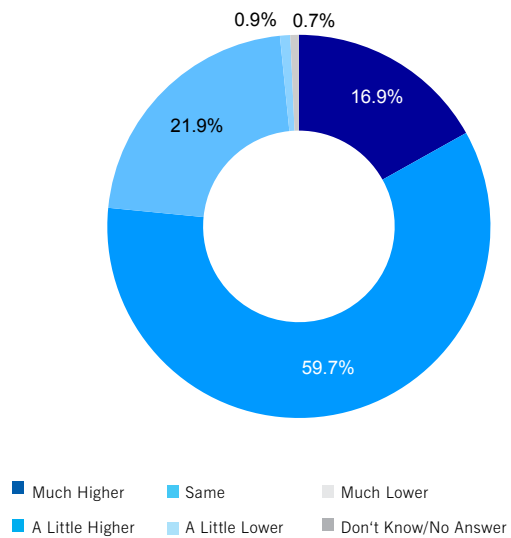
Satisfaction with Current Prices declined in all regions apart from West Siberia, where it rose for the first time in three months. There was a large drop in satisfaction levels in Urals and Volga, the former being the least satisfied with the current level of prices.

Consumers from Volga, North Caucasus and Urals reported lower expectations for future prices. Respondents from the Urals region had the highest inflationary expectations over the next 12 months.

Satisfaction with Current Prices
(% of Households)

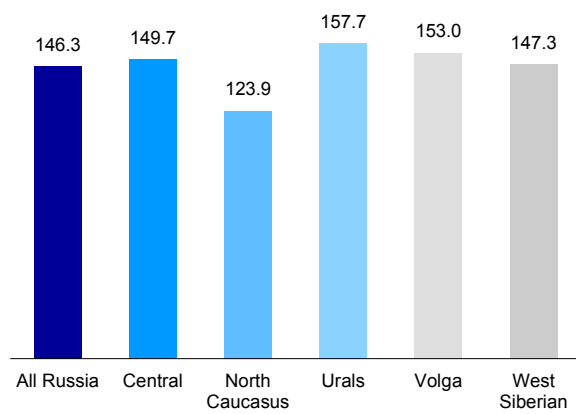


Inflation Expectations in 12 Months
(% of Households)

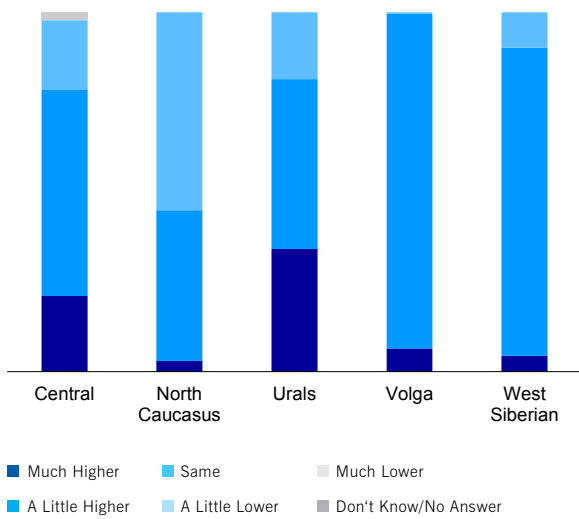




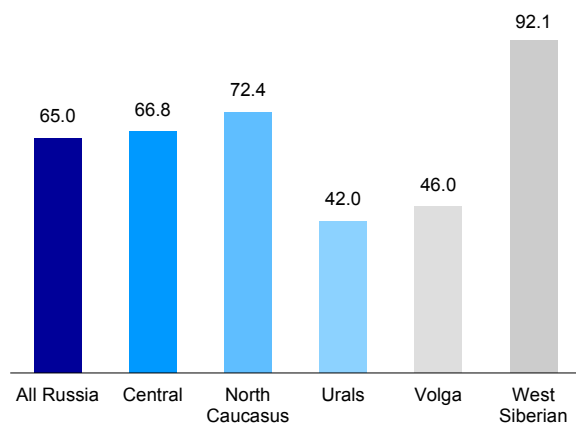
Inflation Expectations Indicator



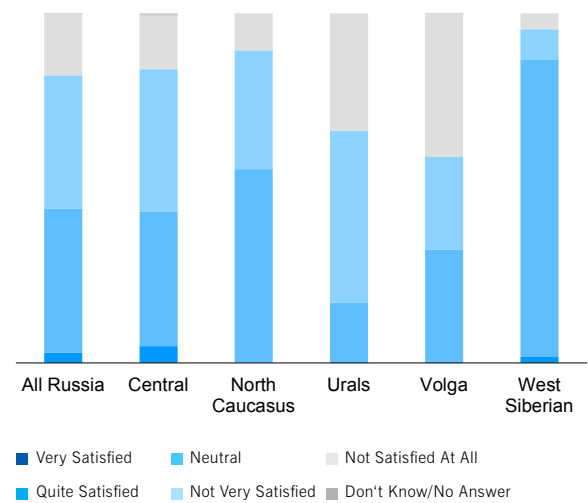
Expected Change in Prices in 1 Year
(% of Households)



Current Prices Satisfaction Indicator



Satisfaction with Current Prices
(% of Households)



Interest Rate Expectations Hits a New Record High



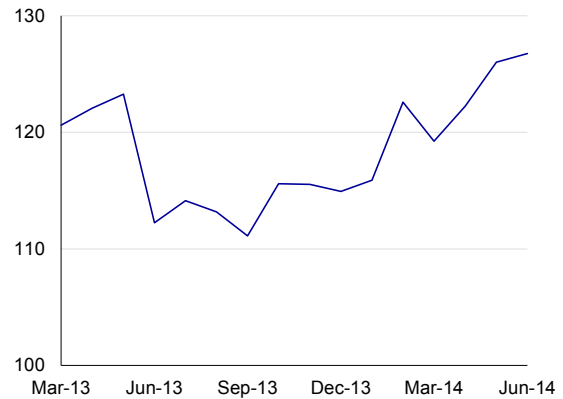
The Interest Rate Expectations Indicator rose for the third consecutive month to a new series high of 126.8 in June compared with 126.0 in the previous month.

The indicator has remained above 100 since the survey started in March 2013, indicating that more households expected interest rates to rise than fall in the coming year, with the second quarter of 2014 marking the highest on record.

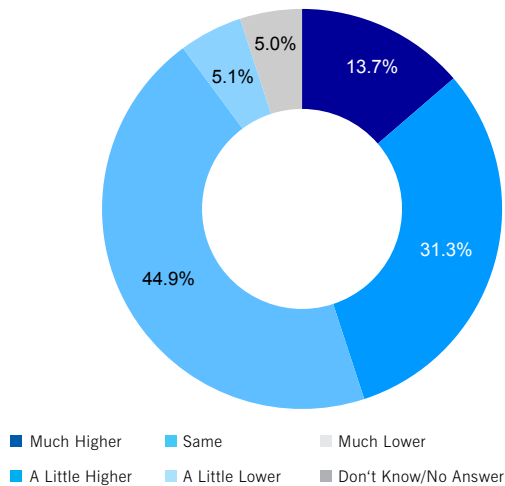
On June 16, the Russian central bank left its benchmark interest rate at 7.5% as expected. The bank cited continued concerns about the high rate of inflation, and cautioned that further rate hikes were possible if inflation remained above the target. The central bank last hiked the key rate in April by 50 basis points to 7.5%, citing the greater than expected impact of the rouble devaluation on inflation.

Survey participants forecasting that interest rates on home and car loans would be higher in a year's time rose to 45% in June from 43.7% in May. The percentage of respondents expecting interest rates would be the same fell further to almost 45% from 47.9% in May, the lowest since 2013.

Interest Rate Expectations Indicator



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



Interest Rate Expectations

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Interest Rate Expectations	112.3	115.9	122.6	119.2	122.3	126.0	126.8

Real Estate Investment Remains Broadly Stable



While general levels of confidence rose in June, consumers' confidence about the real estate market remained broadly stable for the second consecutive month.

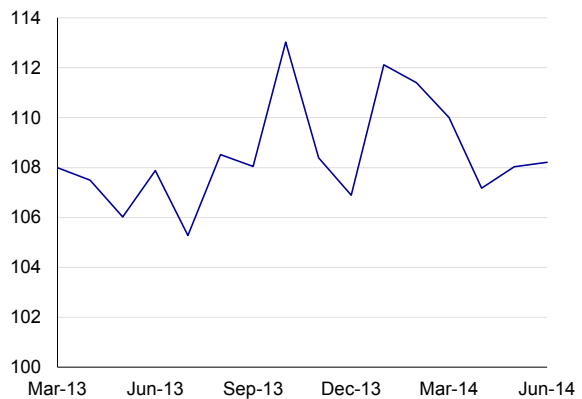
The Real Estate Investment Indicator, which is made up of three components (House Price Expectations, House Buying Sentiment and House Selling Sentiment), stood at 108.2 in June compared with 108.0 in May.

The House Price Expectations component, which measures the outlook for prices over the coming six months, remained stable, posting a reading of 139.5 in June compared with 139.3 in May.

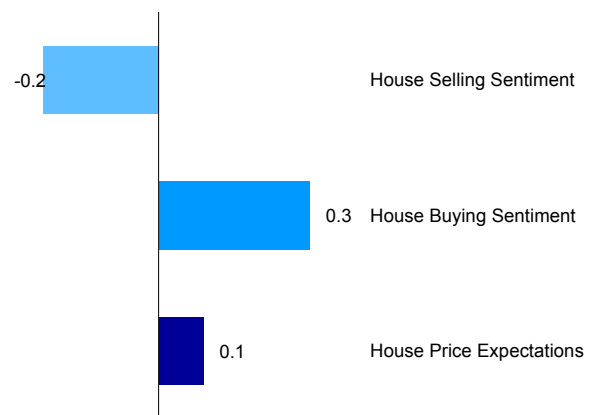
Consumers' sentiment about purchasing a house rose for the first time in five months, albeit only slightly. House Buying Sentiment, a measure of whether it is a good time in the next six months to buy a home, rose to 83.6 in June from 82.6 in May.

House Selling Sentiment, a measure of whether it is a good time in the next six months to sell a house, stood at 98.5 in June compared with 97.8 in May. The measure has a negative impact on the Real Estate Investment Indicator.

Real Estate Investment Indicator



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



Real Estate Investment Sentiment

	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Real Estate Investment Sentiment	107.9	112.1	111.4	110.0	107.2	108.0	108.2
Price Expectations	122.9	135.7	139.0	140.1	137.7	139.3	139.5
House Buying	100.5	99.7	96.8	87.3	84.5	82.6	83.6
House Selling	99.8	99.0	101.6	97.4	100.7	97.8	98.5

Real Estate Investment Components and Balances



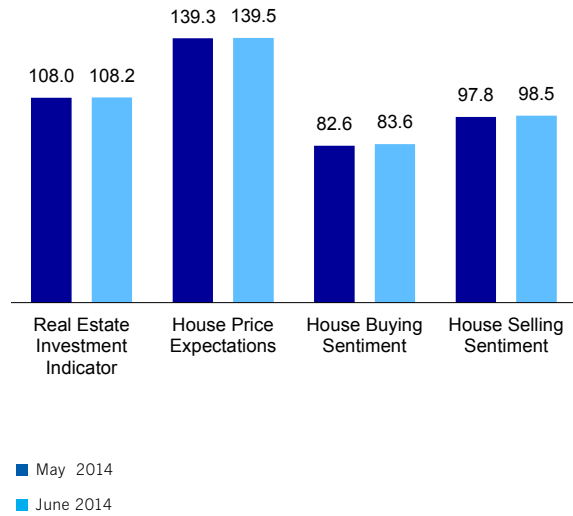
Regions

The Real Estate Investment Indicator improved in the Volga region, remained broadly stable in Urals and West Siberian regions and declined in the Central and North Caucasus.

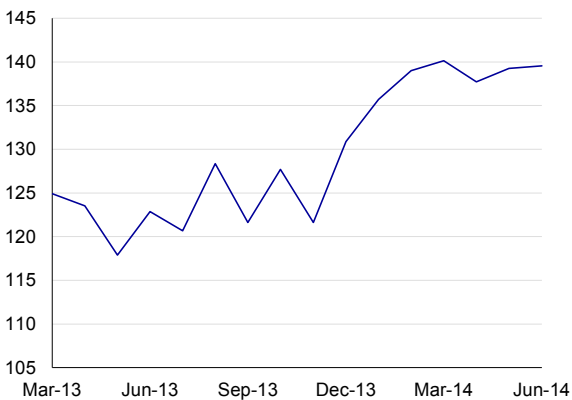
Consumers in the Volga region recorded a jump in housing sentiment with the Real Estate Investment Indicator rising above the 100 expansion/contraction level for the first time in three months. Consumers' sentiment about buying a house rose considerably and many expected higher house prices in the coming six months.

In Central Russia, real estate investment sentiment declined to the lowest since December as consumers' sentiment for purchasing a house weakened, while they were keener on selling a house.

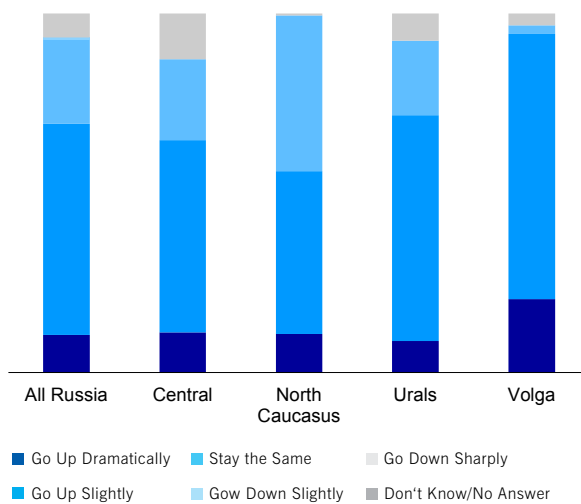
Real Estate Investment Indicator - Components



Real Estate Prices: Expected Changes

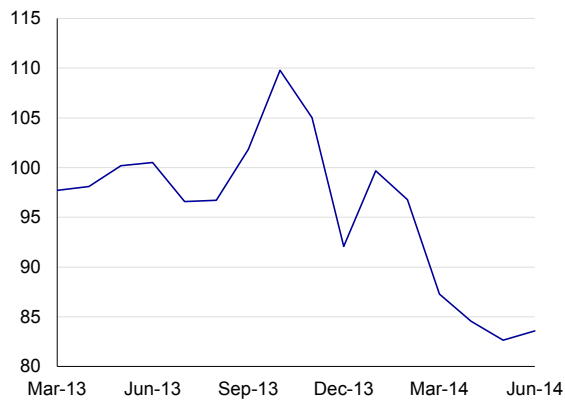


Expected Changes in Real Estate Prices in the Next 6 months (% of Households)

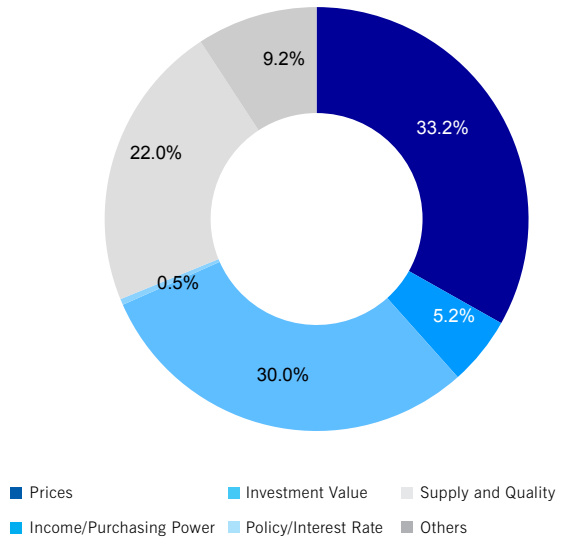




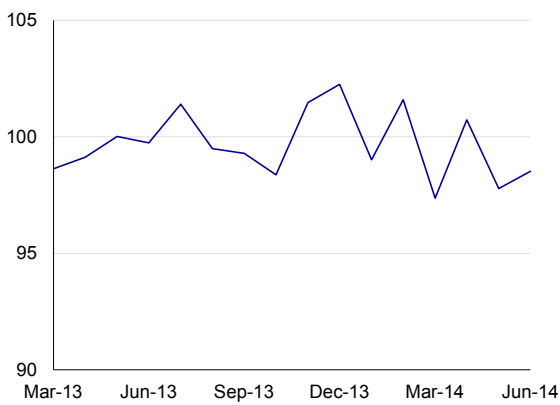
House Buying Sentiment



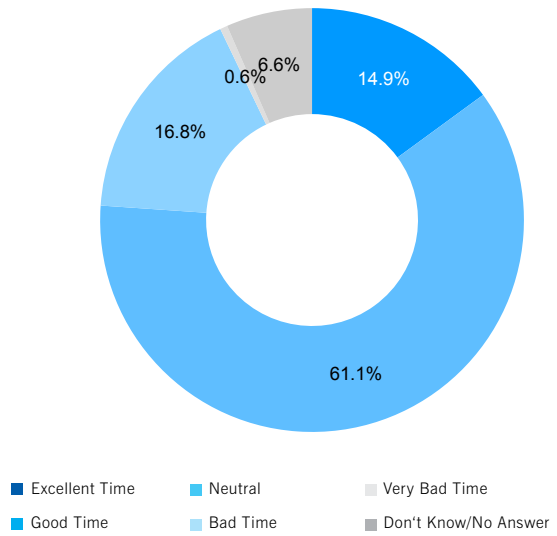
Reasons for Buying Houses (% of Households)



House Selling Sentiment

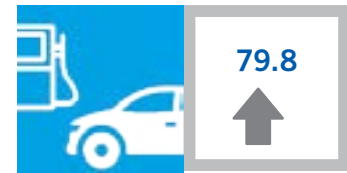


Timing for Selling Houses (% of Households)



Car Purchase

Expectations for Gasoline Prices Hit Record High



The Car Purchase Indicator rose slightly from a record low in May as a rise in car buying expectations outweighed a record hike in expectations for the price of gasoline. The Indicator rose to 79.8 from 79.3 in the previous month, although was still down nearly 9% compared with a year ago.

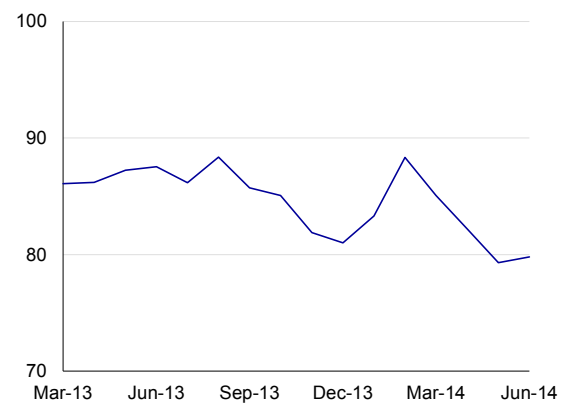
The Car Purchase Expectations component, which gauges whether consumers believe it is a good or bad time to purchase a car over the next 12 months, rose for the first time in four months after falling below the 100 expansion/contraction line in May. There was a shift in consumers' perception from seeing it as a "bad" or an "okay" time to buy a car to a "good" one, as the component rose 4% to 103.0 in June from 99.1 in May.

Of those consumers who felt it was a good time to purchase a car, there was a significant increase in the number of respondents who cited income and purchasing power as the main reason. The majority of consumers gave credit to better supply and quality for their willingness to purchase a car.

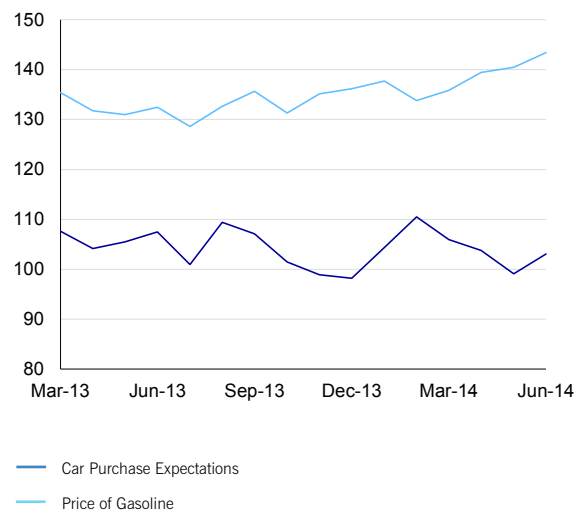
According to the Association of European Businesses, sales of new cars declined 12.2% on the year in May and were 11.1% below April's total. Higher inflation and a weaker rouble have negatively impacted consumer spending on cars.

About three-quarters of consumers thought the price of gasoline would rise in the next 12 months. Expectations for the Price of Gasoline increased to 143.4 in June from 140.5 in May, the highest reading since the start of the survey.

Car Purchase Indicator



Car Purchase Indicator - Components

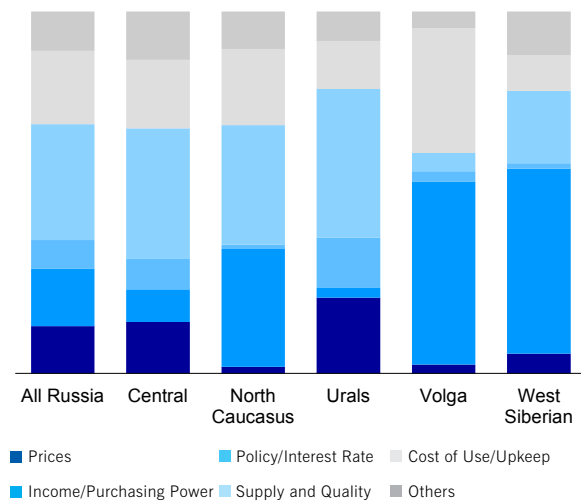


Car Purchase Sentiment

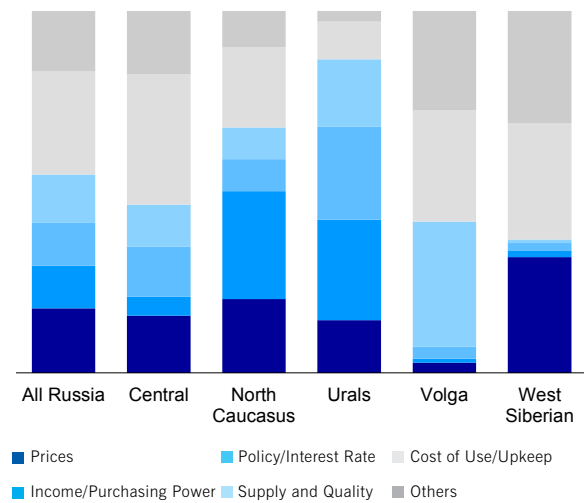
	Jun-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Car Purchase Sentiment	87.5	83.3	88.3	85.1	82.2	79.3	79.8
Car Purchase Expectations	107.5	104.4	110.5	106.0	103.8	99.1	103.0
Price of Gasoline	132.4	137.7	133.8	135.8	139.4	140.5	143.4



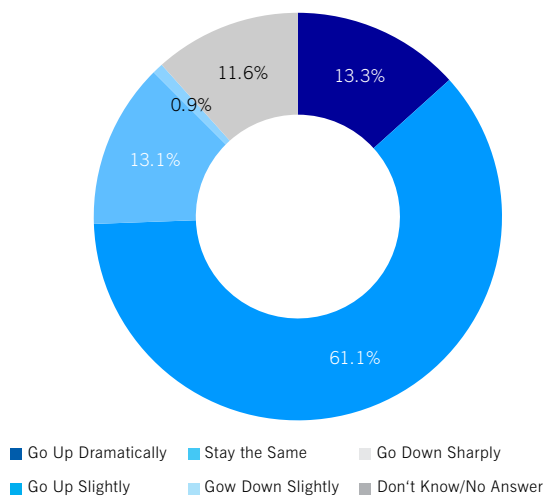
Reasons for a Good Time to Buy a Car
(% of Households)



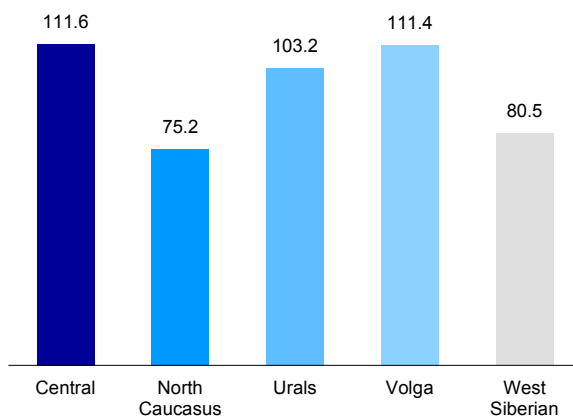
Reasons for a Bad Time to Buy a Car
(% of Households)



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



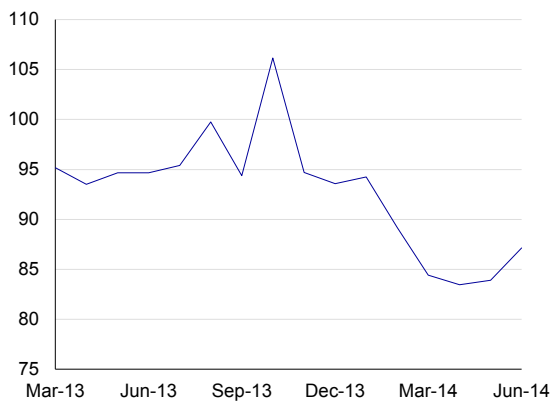
Car Purchase Expectations - Regions



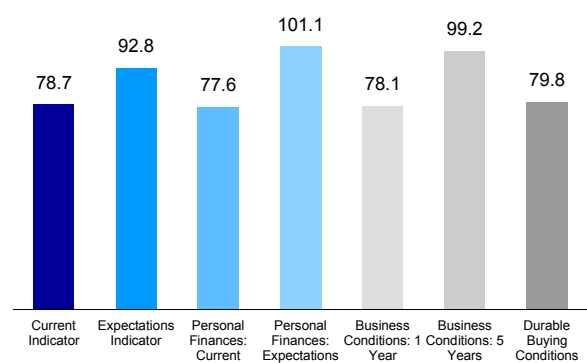
MNI Russia Consumer Indicator Regions



Consumer Indicator: North Caucasus



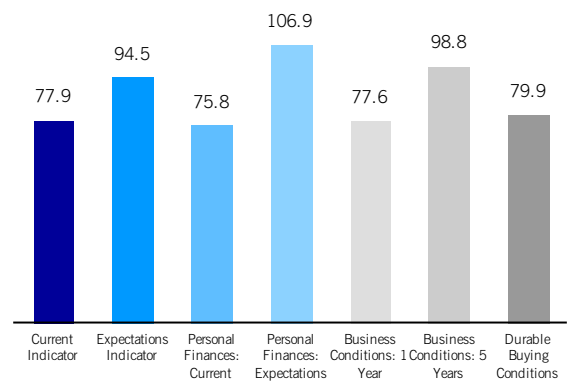
Consumer Indicator Components: North Caucasus



Consumer Indicator: West Siberian

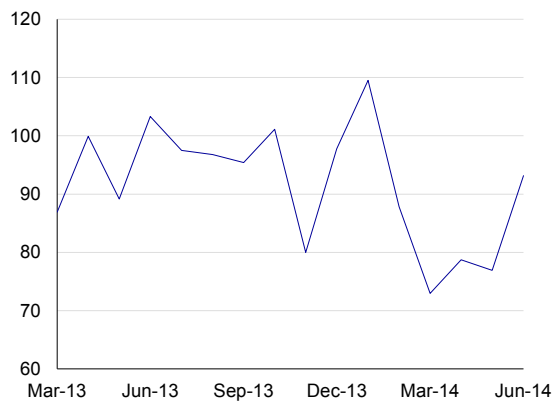


Consumer Indicator Components: West Siberian

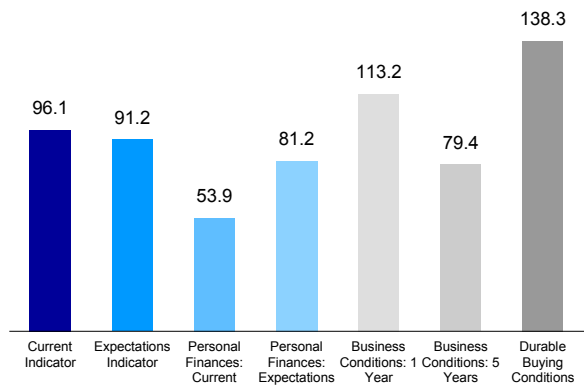




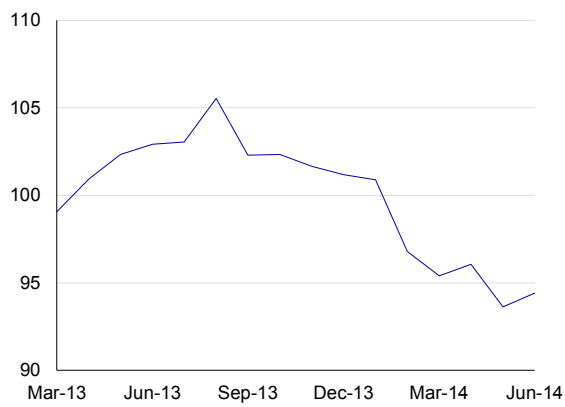
Consumer Indicator: Volga



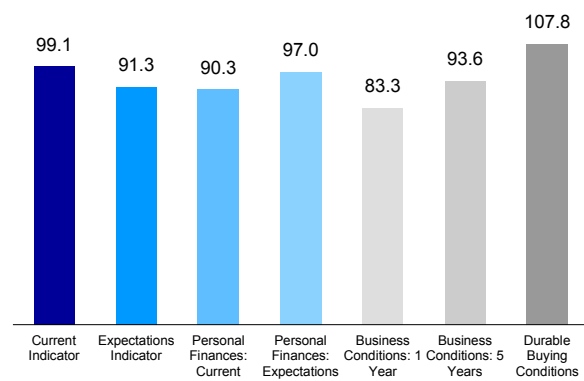
Consumer Indicator Components: Volga



Consumer Indicator: Central

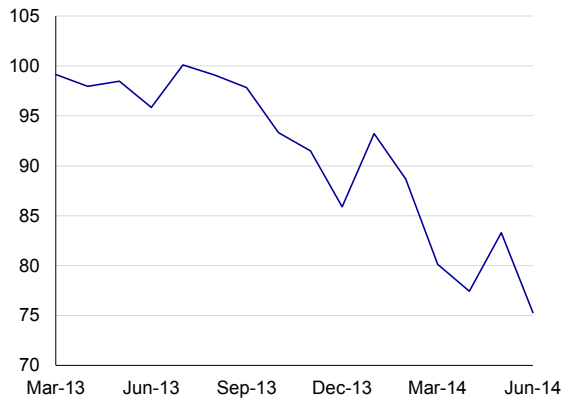


Consumer Indicator Components: Central

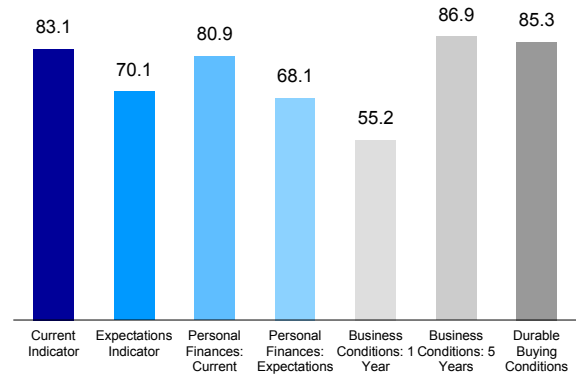




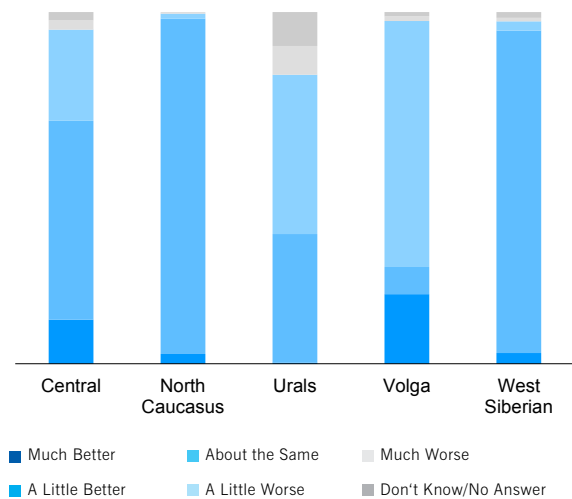
Consumer Indicator: Urals



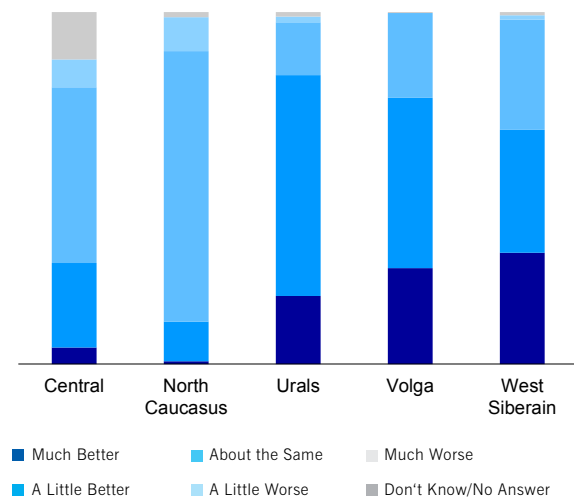
Consumer Indicator Components: Urals



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



Interest Rates Expectations Indicator (% of Households)

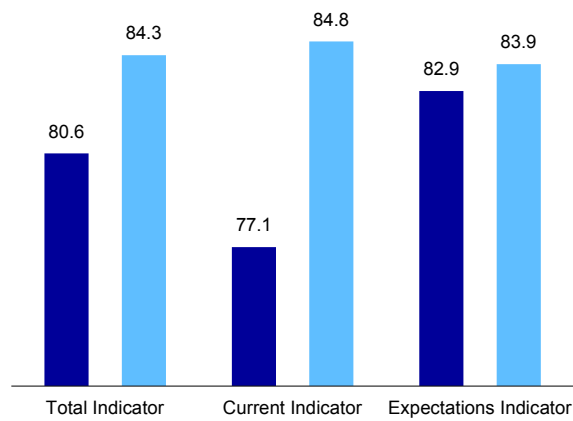


MNI Russia Consumer Indicator

Income Groups

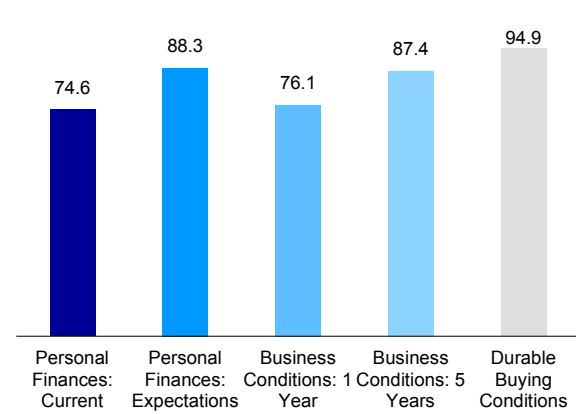


< RUB 480,000 Per Annum

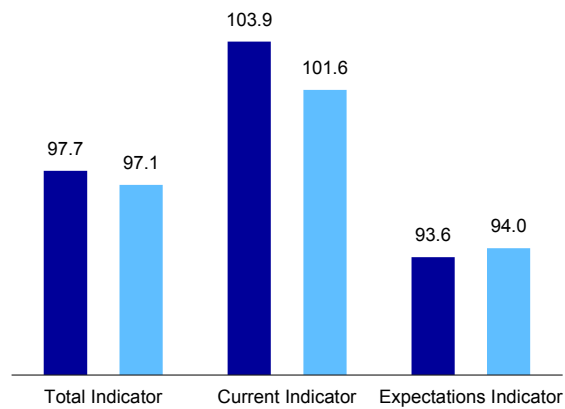


■ May 2014
■ June 2014

< RUB 480,000 - Components

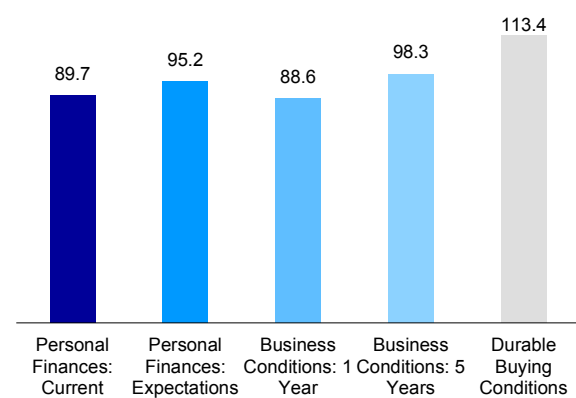


> RUB 480,000 Per Annum



■ May 2014
■ June 2014

> RUB 480,000 - Components





What the Panel Said

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

"It is a better situation at work, they pay more regularly now."

"Maintenance of car is not expensive."

"Expenses for everyday consumption of fresh fruits and vegetables, transportation were higher."

"Business conditions are pressed, financial position of employees is worsening."

"Rich people become richer, poor people become poorer."

"The government solves its own problems, not the problems of its people."

"If one loses his job, to find a new one is very hard."

"Home mortgage is too expensive."

"For a purchase of household equipment, one should wait for seasonal or holiday discounts."

"Many imported cars are on sale."

"Business may be closed soon."

"Prices grow faster than my salary."

"If you need something, better to buy it shortly, otherwise it will be more expensive."



Data Tables

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

Russia - Central Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Central Consumer Indicator	96.1	93.6	94.4	Apr-14	-	94.7	0.8	0.8%
Current Indicator	98.5	96.2	99.1	Feb-14	-	97.9	2.9	3.0%
Expectations Indicator	94.4	91.9	91.3	-	series low	92.5	-0.6	-0.7%
Personal Finance: Current	93.4	91.1	90.3	-	Feb-14	91.6	-0.8	-0.9%
Personal Finance: Expected	102.8	99.6	97.0	-	series low	99.8	-2.6	-2.6%
Business Condition: 1 Year	86.6	86.0	83.3	-	series low	85.3	-2.7	-3.2%
Business Condition: 5 Years	94.0	90.1	93.6	Apr-14	-	92.6	3.5	3.9%
Durable Buying Conditions	103.6	101.3	107.8	Feb-14	-	104.2	6.5	6.5%
Current Business Conditions Indicator	95.4	88.5	93.4	Apr-14	-	92.4	4.9	5.6%
Real Estate Investment Indicator	113.2	114.6	111.9	-	Dec-13	113.2	-2.7	-2.4%
Car Purchase Indicator	84.3	83.3	83.9	Apr-14	-	83.8	0.6	0.7%
Employment Outlook Indicator	92.2	90.9	90.7	-	Feb-14	91.3	-0.2	-0.2%
Inflation Expectations Indicator	145.0	147.4	149.7	series high	-	147.4	2.3	1.6%
Current Prices Satisfaction Indicator	67.9	69.6	66.8	-	series low	68.1	-2.8	-4.0%
Interest Rates Expectations Indicator	116.6	115.9	112.8	-	Nov-13	115.1	-3.1	-2.7%

Russia - Urals Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Urals Consumer Indicator	77.4	83.3	75.3	-	series low	78.7	-8.0	-9.6%
Current Indicator	81.0	78.9	83.1	Feb-14	-	81.0	4.2	5.3%
Expectations Indicator	75.1	86.2	70.1	-	series low	77.1	-16.1	-18.8%
Personal Finance: Current	62.5	58.0	80.9	Feb-14	-	67.1	22.9	39.4%
Personal Finance: Expected	88.4	86.5	68.1	-	series low	81.0	-18.4	-21.2%
Business Condition: 1 Year	64.6	81.0	55.2	-	series low	66.9	-25.8	-31.9%
Business Condition: 5 Years	72.2	91.2	86.9	-	Apr-14	83.4	-4.3	-4.8%
Durable Buying Conditions	99.5	99.8	85.3	-	Jan-14	94.9	-14.5	-14.5%
Current Business Conditions Indicator	72.8	75.8	84.5	Mar-14	-	77.7	8.7	11.6%
Real Estate Investment Indicator	108.4	109.7	110.1	Mar-14	-	109.4	0.4	0.4%
Car Purchase Indicator	84.4	76.6	75.0	-	series low	78.7	-1.6	-2.0%
Employment Outlook Indicator	70.8	76.2	69.3	-	series low	72.1	-6.9	-9.0%
Inflation Expectations Indicator	152.3	158.4	157.7	-	Apr-14	156.1	-0.7	-0.4%
Current Prices Satisfaction Indicator	62.2	63.4	42.0	-	series low	55.9	-21.4	-33.8%
Interest Rates Expectations Indicator	126.5	133.4	149.9	series high	-	136.6	16.5	12.3%

Russia - Volga Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - Volga Consumer Indicator	78.7	76.9	93.2	Jan-14	-	82.9	16.3	21.1%
Current Indicator	98.1	99.8	96.1	-	Mar-14	98.0	-3.7	-3.7%
Expectations Indicator	65.8	61.7	91.2	Jan-14	-	72.9	29.5	47.8%
Personal Finance: Current	94.8	92.0	53.9	-	series low	80.2	-38.1	-41.4%
Personal Finance: Expected	47.5	83.7	81.2	-	Apr-14	70.8	-2.5	-3.0%
Business Condition: 1 Year	53.8	54.3	113.2	Dec-13	-	73.8	58.9	108.5%
Business Condition: 5 Years	96.0	47.2	79.4	Apr-14	-	74.2	32.2	68.2%
Durable Buying Conditions	101.5	107.6	138.3	Jan-14	-	115.8	30.7	28.5%
Current Business Conditions Indicator	107.8	47.7	84.7	Apr-14	-	80.1	37.0	77.7%
Real Estate Investment Indicator	92.5	99.5	106.7	Mar-14	-	99.6	7.2	7.2%
Car Purchase Indicator	83.0	95.8	84.6	-	Apr-14	87.8	-11.2	-11.6%
Employment Outlook Indicator	93.4	62.7	73.5	Apr-14	-	76.5	10.8	17.3%
Inflation Expectations Indicator	181.5	171.6	153.0	-	Jan-14	168.7	-18.6	-10.8%
Current Prices Satisfaction Indicator	42.3	91.3	46.0	-	Apr-14	59.9	-45.3	-49.6%
Interest Rates Expectations Indicator	129.4	158.0	151.5	-	Apr-14	146.3	-6.5	-4.1%

Russia - North Caucasus Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - North Caucasus Consumer Indicator	83.4	83.9	87.2	Feb-14	-	84.8	3.3	3.9%
Current Indicator	72.7	73.0	78.7	Feb-14	-	74.8	5.7	7.8%
Expectations Indicator	90.6	91.1	92.8	Feb-14	-	91.5	1.7	1.8%
Personal Finance: Current	69.8	73.1	77.6	Jan-14	-	73.5	4.5	6.3%
Personal Finance: Expected	101.3	101.5	101.1	-	Feb-14	101.3	-0.4	-0.4%
Business Condition: 1 Year	71.7	72.7	78.1	Feb-14	-	74.2	5.4	7.4%
Business Condition: 5 Years	98.9	99.2	99.2	-	Apr-14	99.1	0.0	0.0%
Durable Buying Conditions	75.6	73.0	79.8	Mar-14	-	76.1	6.8	9.3%
Current Business Conditions Indicator	103.9	102.9	103.0	Apr-14	-	103.3	0.1	0.0%
Real Estate Investment Indicator	98.5	100.9	97.1	-	Dec-13	98.8	-3.8	-3.8%
Car Purchase Indicator	63.7	67.1	67.5	Mar-14	-	66.1	0.4	0.6%
Employment Outlook Indicator	100.6	100.4	100.2	-	Mar-14	100.4	-0.2	-0.2%
Inflation Expectations Indicator	125.2	125.6	123.9	-	Feb-14	124.9	-1.7	-1.3%
Current Prices Satisfaction Indicator	72.3	72.9	72.4	-	Apr-14	72.5	-0.5	-0.7%
Interest Rates Expectations Indicator	104.8	104.3	101.6	-	Sep-13	103.6	-2.7	-2.6%

Russia - West Siberian Overview

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Russia - West Siberian Consumer Indicator	94.6	77.1	87.8	Apr-14	-	86.5	10.7	13.9%
Current Indicator	88.6	60.8	77.9	Apr-14	-	75.8	17.1	28.0%
Expectations Indicator	98.6	87.9	94.5	Apr-14	-	93.7	6.6	7.4%
Personal Finance: Current	87.3	59.0	75.8	Apr-14	-	74.0	16.8	28.6%
Personal Finance: Expected	108.6	106.0	106.9	Apr-14	-	107.2	0.9	0.8%
Business Condition: 1 Year	88.2	58.9	77.6	Apr-14	-	74.9	18.7	31.8%
Business Condition: 5 Years	99.0	98.9	98.8	-	Feb-14	98.9	-0.1	-0.1%
Durable Buying Conditions	89.8	62.7	79.9	Apr-14	-	77.5	17.2	27.5%
Current Business Conditions Indicator	98.6	99.4	98.0	-	series low	98.7	-1.4	-1.4%
Real Estate Investment Indicator	105.7	95.4	96.3	Apr-14	-	99.1	0.9	0.9%
Car Purchase Indicator	86.3	61.9	70.3	Apr-14	-	72.8	8.4	13.6%
Employment Outlook Indicator	98.3	99.1	99.2	Mar-14	-	98.9	0.1	0.1%
Inflation Expectations Indicator	118.4	117.9	147.3	series high	-	127.9	29.4	24.9%
Current Prices Satisfaction Indicator	91.8	90.7	92.1	Jun-13	-	91.5	1.4	1.5%
Interest Rates Expectations Indicator	145.8	148.9	148.4	-	Apr-14	147.7	-0.5	-0.3%

All Russia - Overview by Age

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
Age 18-34								
MNI Russia Consumer Indicator	92.4	89.5	88.1	-	series low	90.0	-1.4	-1.6%
Current Indicator	92.6	90.9	87.4	-	series low	90.3	-3.5	-3.9%
Expectations Indicator	92.2	88.5	88.5	Apr-14	-	89.7	0.0	0.0%
Personal Finance: Current	86.5	84.7	79.4	-	series low	83.5	-5.3	-6.3%
Personal Finance: Expected	99.1	99.0	95.2	-	series low	97.8	-3.8	-3.7%
Business Condition: 1 Year	82.0	78.6	75.4	-	series low	78.7	-3.2	-4.0%
Business Condition: 5 Years	95.5	88.0	94.9	Apr-14	-	92.8	6.9	7.8%
Durable Buying Conditions	98.7	97.1	95.4	-	Nov-13	97.1	-1.7	-1.8%
Age 35-54								
MNI Russia Consumer Indicator	85.5	85.1	90.6	Feb-14	-	87.1	5.5	6.4%
Current Indicator	88.3	84.4	96.7	Jan-14	-	89.8	12.3	14.6%
Expectations Indicator	83.6	85.6	86.5	Mar-14	-	85.2	0.9	1.1%
Personal Finance: Current	81.2	74.2	84.5	Jan-14	-	80.0	10.3	14.0%
Personal Finance: Expected	89.5	90.0	91.3	Mar-14	-	90.3	1.3	1.5%
Business Condition: 1 Year	74.5	77.6	84.6	Feb-14	-	78.9	7.0	9.0%
Business Condition: 5 Years	86.8	89.3	83.7	-	series low	86.6	-5.6	-6.2%
Durable Buying Conditions	95.4	94.6	108.8	series high	-	99.6	14.2	15.1%
Age 55-64								
MNI Russia Consumer Indicator	85.5	83.7	88.3	Mar-14	-	85.8	4.6	5.6%
Current Indicator	88.5	80.5	87.5	Apr-14	-	85.5	7.0	8.6%
Expectations Indicator	83.5	85.8	88.9	Mar-14	-	86.1	3.1	3.6%
Personal Finance: Current	82.3	74.1	71.4	-	series low	75.9	-2.7	-3.7%
Personal Finance: Expected	86.8	94.1	79.0	-	series low	86.6	-15.1	-16.0%
Business Condition: 1 Year	74.0	74.2	87.6	Mar-14	-	78.6	13.4	18.0%
Business Condition: 5 Years	89.8	89.0	100.0	Sep-13	-	92.9	11.0	12.4%
Durable Buying Conditions	94.7	87.0	103.7	Jan-14	-	95.1	16.7	19.1%

All Russia - Overview by Income

	Apr-14	May-14	Jun-14	Highest Since	Lowest Since	3-Month Average	Monthly Change	Monthly % Change
< RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	84.2	80.6	84.3	Mar-14	-	83.0	3.7	4.5%
Current Indicator	85.1	77.1	84.8	Apr-14	-	82.3	7.7	9.9%
Expectations Indicator	83.6	82.9	83.9	Mar-14	-	83.5	1.0	1.2%
Personal Finance: Current	77.0	70.2	74.6	Apr-14	-	73.9	4.4	6.3%
Personal Finance: Expected	87.2	92.8	88.3	-	Apr-14	89.4	-4.5	-4.8%
Business Condition: 1 Year	71.0	68.2	76.1	Feb-14	-	71.8	7.9	11.6%
Business Condition: 5 Years	92.7	87.9	87.4	-	Nov-13	89.3	-0.5	-0.5%
Durable Buying Conditions	93.2	84.1	94.9	Mar-14	-	90.7	10.8	12.8%
> RUB 480,000 Per Annum								
MNI Russia Consumer Indicator	92.6	97.7	97.1	-	Apr-14	95.8	-0.6	-0.7%
Current Indicator	94.6	103.9	101.6	-	Apr-14	100.0	-2.3	-2.2%
Expectations Indicator	91.2	93.6	94.0	Feb-14	-	92.9	0.4	0.4%
Personal Finance: Current	90.5	94.7	89.7	-	Mar-14	91.6	-5.0	-5.2%
Personal Finance: Expected	100.0	97.2	95.2	-	series low	97.5	-2.0	-2.0%
Business Condition: 1 Year	84.9	94.6	88.6	-	Apr-14	89.4	-6.0	-6.4%
Business Condition: 5 Years	88.7	89.1	98.3	Nov-13	-	92.0	9.2	10.3%
Durable Buying Conditions	98.7	113.1	113.4	Feb-14	-	108.4	0.3	0.3%

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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GROUP

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