

Rating agencies and investors

In early 2018, global rating agencies took a number of positive actions on Russia's sovereign ratings on the back of improvements in macroeconomic conditions and the country's stronger resilience to external risks. Moody's

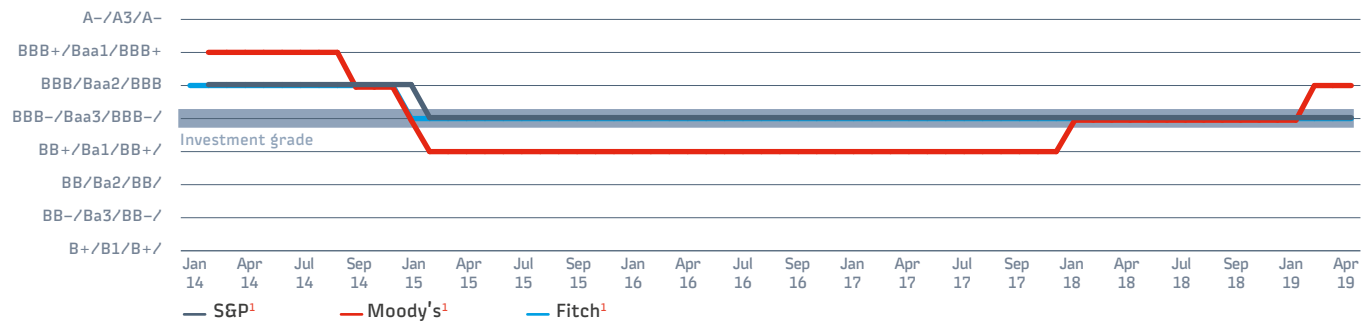
affirmed Russia's sovereign ratings of Ba1 improving its outlook from stable to positive, while Standard & Poor's raised the country's foreign currency ratings to investment grade of BBB- with a stable outlook.

In line with their policies, the agencies continued the sequence of positive rating actions reviewing the ratings of some quasi-sovereign issuers, including Russian Railways. In late January 2018, Moody's praised Russian Railways' strong

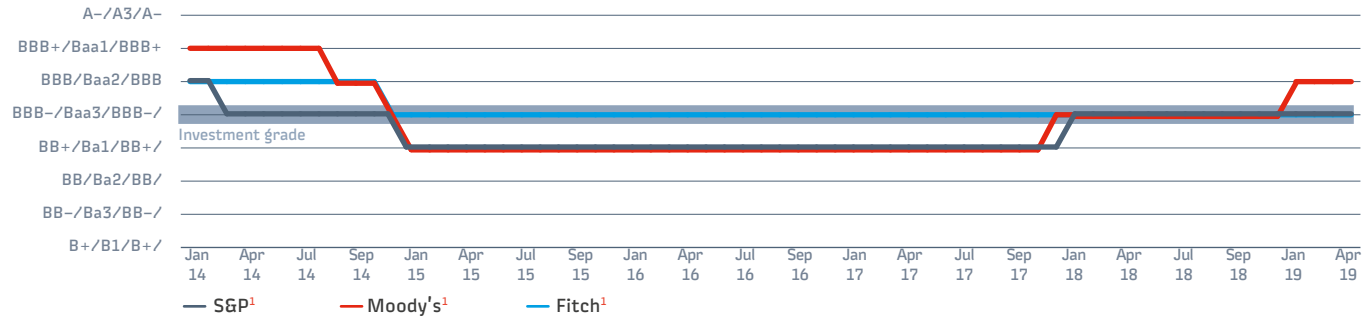
Credit ratings of the Russian Federation and Russian Railways as of the end of 2018

| Issuer | Agency | Rating | Outlook |
|------------------|-------------------|---------|----------|
| Russia | Standard & Poor's | BBB- | Stable |
| | Moody's | Ba1 | Positive |
| | Fitch | BBB- | Positive |
| Russian Railways | Standard & Poor's | BBB- | Stable |
| | Moody's | Baa3 | Positive |
| | Fitch | BBB- | Positive |
| | ACRA | AAA(RU) | Stable |
| | RAEX | ruAAA | Stable |

Russian Railways' credit ratings in local currency



Russian Railways' credit ratings in foreign currency



¹ International rating scale.

performance in 2017 raising its credit rating to investment grade of Baa3 with a positive outlook, one notch higher than the sovereign. In late February 2018, Standard & Poor's upgraded the Company's rating to BBB- with a stable outlook. Russian Railways' rating from Fitch remained unchanged at BBB- with a positive outlook. As a result, the Company's ratings from the three global rating agencies are all investment grade since Q1 2018.

In their reports, the agencies affirmed their positive assessment of Russian Railways' efficient management of the loan portfolio structure and noted its strong operating and financial highlights, a moderate leverage, excellent liquidity position, and diversified borrowing sources.

Russian Railways enjoys the highest credit ratings from national rating agencies confirmed at AAA(RU) by ACRA and ruAAA by RAEX, both outlooks stable. Therefore, the Company additionally maintains an independent assessment of its sound financial health and robust credit profile as a borrower.

In February 2019, Moody's praised Russia's robust public finance and lower vulnerability to external shocks as well as Russian Railways' strong performance in 2018 raising its credit rating from investment grade of Baa3 (positive outlook) to Baa2 (stable outlook), one notch higher than the sovereign. Only three out of 12 companies with ratings higher than the sovereign are related to the infrastructure sector and do not engage in exports of mineral resources. Russian Railways is one. The agency noted the Company's strong operating and financial performance in 2018, sufficient liquidity position, diversified borrowing sources, and a comfortable leverage despite a massive investment programme.

In 2018, the Company continued its dialogue with Russian and global financial investors at bilateral meetings and industry conferences. In November 2018, the representatives of the Company took part in the 10th annual VTB Capital RUSSIA CALLING! Investment Forum. At the forum, meetings were held with major Russian and foreign investors who confirmed their interest in corporate debt instruments of Russian issuers. In December 2018, the Company's management participated in a traditional annual Investor Day in London.



RUSSIAN RAILWAYS' 2017 ANNUAL REPORT WON A NUMBER OF AWARDS

Russian Railways' 2017 annual report ranked first in two categories of the Moscow Exchange's competition of Russian annual reports as the Best Annual Report by Non-Public Company and the Best Presentation of Business Model by Non-Public Company.

In addition, the interactive version of this report became a gold winner in the Transportation and Logistics category at the largest global award by the League of American Communications Professionals (LACP), while its printed version won a silver award in the Transportation and Logistics category.