

Dividends

Report on the payment of the declared dividends

At the end of 2011, JSC "Russian Railways" achieved a net profit amounting to RUR 16.8 bln.

In accordance with paragraph 42 of section 6 of the Charter of JSC "Russian Railways" a reserve fund amounting to 5% of net profit for the reporting period (RUR 841 mln) was established.

The Guideline nr. GN-15/5904 from the Federal Agency for State Property Management of the Russian Federation dated 28 February 2012 recommended the allocation of dividends payment of at least 25% of net income. Taking this fact into account, the amount of dividends payable by JSC "Russian Railways" to the Russian Federation on the basis of the year 2011 amounted to RUR 4,205 mln. In view of the above, it has been agreed:

- ▶ to make a dividend payment of RUR 4,205 mln for the common shares of JSC "Russian Railways" on the basis of its performance during 2011;
- ▶ to leave RUR 11,456 mln for JSC "Russian Railways" to reinvest, including the financing of infrastructure investment projects.

The amount of the dividends paid for common shares of JSC "Russian Railways" on the basis of its performance during 2011

4,205
RUR mln

DISTRIBUTION OF NET PROFIT OF JSC "RUSSIAN RAILWAYS" FOR THE PERIOD OF 2011, RUR MLN

Indicator	Amount	%
Net profit for the accounting period	16,822	100
Allocation of profits, total, including	5,366	5
reserve fund	841	5
payment of dividends on the placed shares	4,205	25
for Specialized Endowment Fund financing		
support and development of the Skolkovo Institute of Science and Technology	280	1.67
remuneration of the members of the Board of Directors of JSC "Russian Railways"	39	0.23
Profit accumulation	11,456	68.1

Distribution of 2012 net profit

At the end of 2012, JSC "Russian Railways" made a net profit of RUR 14.1 bln.

In accordance with paragraph 42 of section 6 of the Charter of JSC "Russian Railways" a reserve fund amounting to 5% of net profit for the reporting period (RUR 0.7 bln) was established.

It should be noted that part of the net profit for 2012 — RUR 1.5 bln — was formed due to an increase in the value of the balance sheet, as agreed upon by the founders, as a result of the value of the property transferred to the share capital of the subsidiaries, that was not supported by a corresponding cash flow.

In addition to this, in accordance with the decisions made by the Government of the Russian Federation (the Guideline № 19-02- 04/02-63 from the Ministry of Finance of the Russian Federation dated 7 November 2012), and in accordance with the purposes of leveling the cash deficit and improving the financial condition of OJSC "Federal Passenger Company", a transfer of monetary funds in the amount of RUR 5 bln into the charter capital of OJSC "Federal Passenger Company" at JSC "Russian Railways" own expense is scheduled for the year 2013.

In addition to this, an additional allocation of monetary funds amounting to RUR 8 bln to finance key infrastructure projects is scheduled for the year 2013, including the construction of the Moscow — Ekaterinburg and Moscow — Adler high-speed railroad: RUR 2.3 bln; development of the Baikal — Amur Mainline railroad infrastructure (engineering design): RUR 0.7 bln; reconstruction of the Mga — Gatchina — Weimarn — Ivangorod road section complex: RUR 5 bln.

DISTRIBUTION OF NET PROFIT OF JSC "RUSSIAN RAILWAYS" FOR THE PERIOD OF 2012, RUR MLN

Indicator	Amount	%
Net profit for the accounting period	14,110.0	100
Allocation of profits, total, including	705.5	5
reserve fund	705.5	5
payment of dividends on the placed shares	0	25
Profit accumulation	13,404.5	70

