

Charter capital and dividends

Charter capital

Charter capital of
Russian Railways

RUB **1,919.5**

Increase of Russian
Railways charter
capital in 2013

RUB **59.5** bn

The Russian Federation is the founder and the sole shareholder of Russian Railways. On behalf of the Russian Federation, the Government of the Russian Federation exercises the powers of shareholder.

The charter capital of Russian Railways was established by the founder by way of depositing the property and asset complexes of federal railway transport organisations.

As of the end of 2013, the charter capital of Russian Railways was RUB 1,919.5 billion and was divided into 1,919,454,568 registered ordinary shares in book-entry form with the nominal value of RUB 1,000 each.

Report of the distribution of net profit obtained by the results of 2012

According to the results of 2012, Russian Railways obtained net profit in the amount of RUB 14.1 billion.

In accordance with point 42, Section 6 of Russian Railways's Article of Association, the reserve fund will be 5% of reporting period net profit (RUB 705.5 million).

DISTRIBUTION OF RUSSIAN RAILWAYS NET PROFIT FOR 2012, RUB MLN.

Name of indicator	Amount	%
Reporting period net profit	14,110	100
Total profit assignment, including:	705.5	5
▶ Reserve Fund	705.5	5
▶ Payment of dividends on outstanding shares	0	0
Accumulation and use of profit, including for financing investment projects and payment of remuneration to Russian Railways Board of Directors	13,404.5	95

Estimation of the Company's net profit distribution based on the results of 2013

According to the
results of 2013,
Russian Railways
obtained net profit in
the amount of

RUB **740** bn

According to the results of 2013, Russian Railways secured net profit in the amount of RUB 740 million.

In accordance with point 42, Section 6 of Russian Railways's Article of Association, the reserve fund will be 5% of reporting period net profit (RUB 37 million.).

FORECAST OF RUSSIAN RAILWAYS NET PROFIT DISTRIBUTION FOR 2013, RUB MLN.

Name of indicator	Amount	%
Reporting period net profit	740	100
Total profit assignment, including	222	30
Reserve fund	37	5
Payment of dividends on outstanding shares	185	25
Accumulation and use of profit, including for financing investment projects and payment of remuneration to Russian Railways Board of Directors and The Audit Committee	518	70

Dividends

Russian Railways dividend policy is based on the balance of the Company and its shareholders' interests when determining the amount of dividend payments, and namely for:

- ▶ Increasing the Company's investment attractiveness;

- Strict compliance with shareholders' rights specified by the applicable legislation of the Russian Federation.

In accordance with the recommendations of Federal Property Management Agency of the Russian Federation, based on the results of 2013, it is planned to allocate RUB 185 million (25% of 2013 net profit) for the payment of dividends on Russian Railways ordinary shares.

DYNAMICS OF ATTRIBUTED DIVIDENDS FOR THE PERIOD 2009-2012, RUB BN					
Indicator	2009	2010	2011	2012	2013
Net profit	14.4	78.5	16.8	14.1	0.7
Reserve fund	0.7	3.9	0.8	0.7	0.03
Attributed dividends	3.6	4.0	4.2	0.0	0.185
Attributed dividends,% of net profit	25.0%	5.1%	25.0%	0%	25%