

Letter from the Chairman of the Board of Directors



Dear Partners, Clients and Investors,

In 2019, Russian Railways saw most of its key performance indicators improve, with freight and passenger turnover hitting all-time records and labour productivity showing continued growth.

The highest growth rates were seen in transit container transportation, which increased by 11.8% y-o-y in line with strategic development goals set for the Russian transport industry.

More than RUB 670 bn was allocated to finance the Company's 2019 investment programme, which is 30.8% higher than last year. A key contributor to the long-term development of the Company and the railway industry, the Company's investment programme is also essential for the national economy as a whole, helping drive its growth and development.

Our continued focus on operational efficiency improvements and cost control helped us keep the cost of production growth below the inflation rate. In 2019, we adopted the Russian Railways Long-term Development Programme and Digital Transformation Strategy until 2025 – our key strategic documents setting the Company's direction for the medium term.

I would like to thank the previous Board of Directors for their hard work and contribution towards the Company's sustainable development.

Efficient and reliable railway service becomes even more important in 2020. Shifts in the global markets caused by the coronavirus pandemic, and their economic effects

seen both in Russia and worldwide, pose new challenges before the Board of Directors, the Company's management and the entire Russian Railways' team.

Against this backdrop, our goal is to ensure uninterrupted and safe use of railway network while also staying committed to serving our customers, passengers, partners and employees.

I am confident that Russian Railways and our entire team will work hard to meet the expectations of our clients, our communities and the government.

Andrey Belousov

**Chairman
of the Board of Directors**