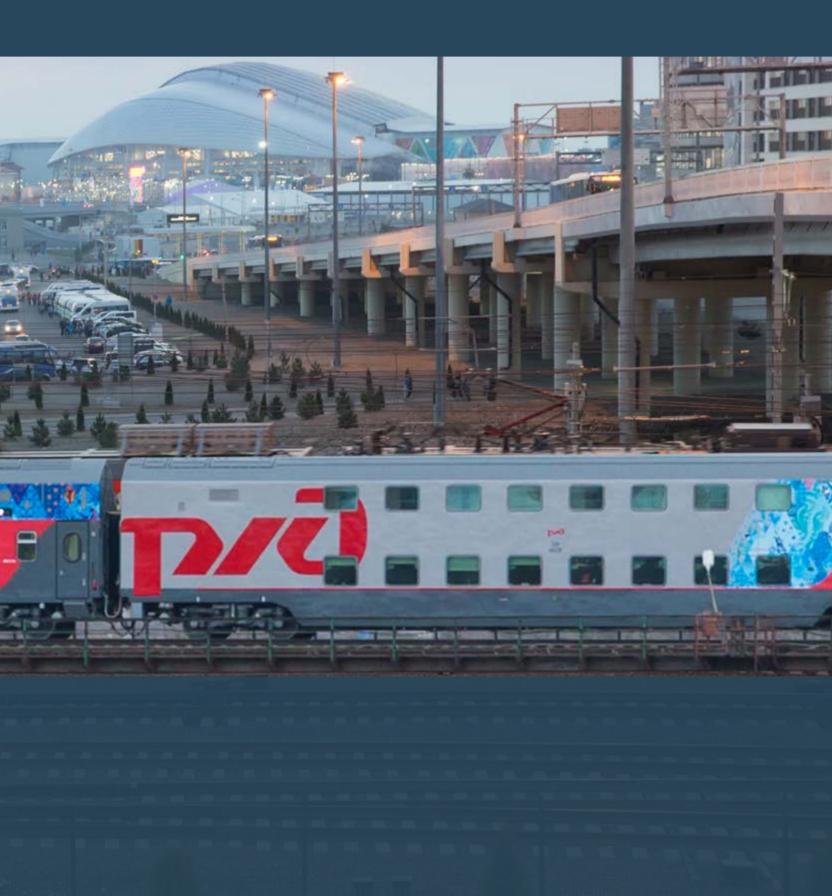
# Appendices





CompanyBusiness ModelMarketRiskQualityIntroductionStrategyand AssetsOverviewManagementand Safety

## Audit report

In February 2015, JSC FPC received a very positive auditor's report from Ernst & Young, LLC as regards to its accounting (financial) reports in 2014. The full version of the auditor's report as well as the list of contacts of organisation with due qualification that deal with valuation activities can be found at http://fpc.ru/static/public/ru?STRUCTURE\_ID=17.



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#### Balance Sheet, RUB thousand

ASSETS . NON-CURRENT ASSETS	1,124,638	
NON-CURRENT ASSETS	1,124,638	
	1,124,638	
ntangible assets		1,243,381
including:		
intangible assets	1,032,896	920,187
in-progress investments in intangible assets	91,741,	323,194
advance payments made		
Research and development results		
including:		
research, development, and engineering		
in-progress investments in research, development, and engineering		
advance payments made		
ntangible development assets		
angible development assets		
ixed assets	204,209,704	181,434,044
including:		
fixed assets	194,063,324	175,611,126
including:		
buildings, machinery and equipment, transport vehicles	190,286,411	171,324,707
installations and transmission facilities	3,528,032	4,013,818
other fixed assets	248,882	272,601
in-progress investments in fixed assets	3,760,883	3,526,118
advance payments made	6,385,497	2,296,800
ncome-bearing investments in tangible assets	47,438	39,223
including:		
income-bearing investments in tangible assets	47,438	39,223
in-progress investments in income-bearing investments in tangible assets		
inancial investments	978,159	978,159
including:		
contributions to charter (contributed) capitals of other organisations	978,159	978,159
granted loans and deposits		
other financial investments		













Indicator	December 31, 2014	December 31, 2013
advance payments		
Deferred tax assets		
Other non-currents assets	335,911	3,079,542
Section I total	206,695,850	186,774,348
II. CURRENT ASSETS		
Inventories	3,491,258	3,642,902
including:		
raw materials, materials and other similar assets	3,411,360	3,534,85
rearers and fatteners		
work-in-progress costs	1,118	2,646
finished products and goods for resale	77,759,	97,811
goods dispatched		
deferred expenses	1,021	7,593
other inventories and costs		
Value added tax on assets purchased	8,867	569,354
Accounts receivable	9,193,327	8,328,476
including:		
accounts receivable (amounts falling due after more than 12 months from balance sheet date)	38,402	43,399,
including:		
buyers and customers (excluding transport operations)		
buyers and customers for transport operations		
advance payments made	35,391	43,399
other receivables	,3,011	
accounts receivable (amounts falling within 12 months from balance sheet date)	9,154,925	8,285,077
including:		
buyers and customers (excluding transport operations)	803,088	1,012,570
buyers and customers for transport operations	1,186,020	2,016,891
advance payments made	450,607	546,317
taxes, dues, state social security and welfare	3,269,798	3,062,023
other receivables	3,445,412	1,647,275
Financial investments (excluding cash equivalents)	500,000	
including:		
granted loans and deposits	500,000	
other financial investments		
Cash and cash equivalents	10,661,395	15,196,460
including:		
cash on hand	117,385	19,647
settlement accounts	3,125,361	2,650,185
foreign currency accounts	12,542	96,249
other cash and transfers in transit	506,107	430,379
cash equivalents	6,900,000	12,000,000
Other current assets	1,293,282	1,227,431
Section II total	25,148,129	28,964,622
BALANCE	231,843,980	215,738,970





Indicator	December 31, 2014	December 31, 2013
LIABILITIES		
III. EQUITY		
Charter capital	152,635,848	147,635,848
Reacquired shares		
Revaluation of non-current assets	572,661	575,596
Capital surplus (without revaluation)	25,593,336	17,438,232
including:		
share premium		
assets acquired to increase the charter capital	12,825,192	5,000,000
other assets	12,768,144	12,438,232
Reserve capital	345,525	140,567
including:		
reserves required by law	345,525	140,567
reserves required by constitutional documents		
Unappropriated profits (unrecovered loss)	1,343,420	6,027,587
Section III total	180,490,790	171,817,829
IV. LONG-TERM LIABILITIES		
Borrowed assets	13,276,869	9,330,907
including:		
credits repayable after more than 12 months from balance sheet date	13,276,869	9,330,907
loans repayable after more than 12 months from balance sheet date		
Deferred tax assets	2,549,757	1,720,942
Estimated liabilities		
Other liabilities		
Section IV total	15,826,626	11,051,849
V. SHORT-TERM LIABILITIES		
Borrowed assets	4,258,183	2,025,761
including:		
credits repayable within 12 months from balance sheet date	4,258,183	2,025,761
loans repayable within 12 months from balance sheet date		
Accounts payable	27,802,932	27,603,429
including:		
suppliers and contractors	10,906,759	9,456,581
company staff	1,417,035	1,848,230
taxes, dues, state social security and welfare	2,406,692	1,913,285
advance payments received (excluding transport operations)	388,939	332,622
advance payments received for transport operations	8,548,092	8,396,588
shareholders (income payment)		
other liabilities	4,135,416	5,656,123
Deferred income	577,982	576,804
Estimated liabilities	2,885,128	2,662,869
Other short-term liabilities	2,339	430
Section V total	35,526,563	32,869,292
BALANCE	231,843,980	215,738,970

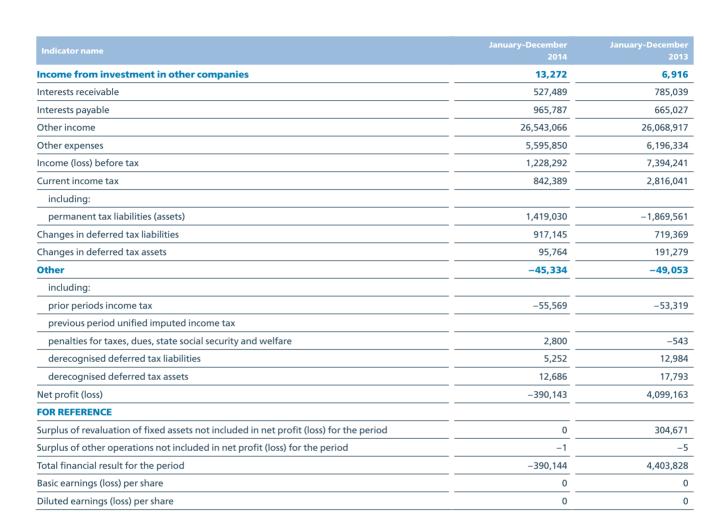


## Statement of financial results

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#### Financial results, RUB thousand

Indicator name	January-December 2014	January-December 2013
Income	185,611,386	196,065,432
including:		
freight transportation		
long-distance passenger transportation	164,235,584	175,356,650
suburban passenger transportation		
infrastructure services		
locomotive traction services		
rolling stock maintenance	2,253,831	2,385,594
infrastructure facilities construction		
research and development		
social services	199,817	133,125
other activities	18,922,154	18,190,063
Cost of sales	204,630,237	208,288,005
including:		
freight transportation		
long-distance passenger transportation	189,679,901	194,007,889
suburban passenger transportation		
infrastructure services		
locomotive traction services		
rolling stock maintenance	1,628,324	1,660,904
infrastructure facilities construction		
research and development		
social services	222,240	142,197
other activities	13,099,772	12,477,015
Gross profit (loss)	-19,018,850	-12,222,573
Selling expenses	275,047	382,696
Administrative expenses		
Sales profit (loss)	-19,293,897	-12,605,269
including:		
freight transportation		
long-distance passenger transportation	-25,444,317	-18,651,240
suburban passenger transportation		
infrastructure services		
locomotive traction services		
rolling stock maintenance	625,507	724,691
infrastructure facilities construction		
research and development		
social services	-22,423	-9,072
other activities	5,547,335	5,330,351



## Corporate Policy and Corporate Code of Conduct Correspondence



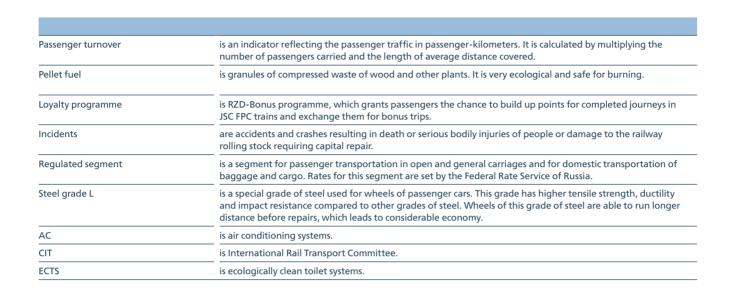
The Company observes key principles of Code of Corporate Management, which according to Federal Property Management Agency, require obligatory implementation. The full version of the Appendix, that confirms compliance of corporate policy of the Company with Code of Corporate Conduct, is available from the extended version of the JSC FPC 2014 Annual Report at the corporate website www.fpc.ru («Statements» tab in Information Disclosure segment).



## Glossary and List of Abbreviations

Outstaffing	is a human resources management method under which the Customer is provided with certain amount
Outstarning	of the personnel of the Contractor. The personnel of the Contractor does not enter in any kind of direct legal relations (under civil or labour law) with the Customer, but provides certain services on behalf of the Contractor at the premises of the Customer.
Car km work	is an indicator reflecting the volume of work performed, taking into account the distance travelled by cars as part of the train.
RIC carriages	are Reglamento Internazionale delle Carrozze passenger cars confirming to requirements of the International Union of Railways which are used on railways of the European countries that are members of the International Union of Railways. These cars are suitable for 1435mm gauge.
Sleeping car (Pullman car)	is a luxurious sleeping car used for passenger transportation and providing adequate facilities for passengers. Russian abbreviation SV was originally used to denote cars for imperial retinue.
Falling income of the carrier	is the loss in the income of transport operator, resulting from state regulation of long-distance passenger transportation fares for open and general carriages.
Global prices	are the rate for the transportation of passengers in international trains, including costs of «ticket» and «reserved seat».
Cargo and luggage	is an object accepted in the prescribed manner from a physical person or a legal entity for transportation in a passenger, postal-freight or passenger-freight train.
Deregulated segment	is a segment for passenger transportation in sleeping cars and compartment carriages as well as international passenger transportation. Rates for this segment are set by JSC FPC.
Natural monopoly	is a market condition when due to technological characteristics of the production (unit cost is significantly reduced with growth of production) demand is more efficiently met without completion. At the same time the demand for products of the natural monopoly is less dependent on price change than demand for any other type of products, as products of a natural monopoly cannot be substituted by other products. JSC FPC is a subject of a natural monopoly as it provides services under conditions of the natural monopoly.
Infrastructure of JSCo RZD	is a complex of technologies which includes the public railroad and other structures, railway stations, power supply devices, communication networks, centralisation, blocking and alarm systems, information systems, system of traffic management and other buildings, structures, devices and equipment that ensure the functioning of this complex.
Capital repair and reconditioning	is capital repairs and reconditioning of cars in order to prolong the target life of a passenger car using rebuilt body and wheel truck parts, as well as renovation of indoor equipment and creation of modern interior.
KPI (Key Performance Indicators)	are indicators of performance of a company or its subdivision that help the company to achieve its strategic or tactical (operational) targets. KPI usage allows the company to evaluate its condition and valuate policy implementations.
Capital repair	is capital repairs of the cars. It is done to recover good condition and fully or nearly fully restore resource of the passenger car by replacement or restoration of any components of the car, including basic.
MSURE (MIIT)	is Moscow State University of Railway Engineering, former Moscow Institute of Transport Engineering.
UIC	is International Union of Railways.
Multimodal transportation	is transportation of goods, passengers and baggage carried out by two or more modes of transport. As a rule, multimodal transportation is carried out on the basis of a single transport document drawn up for the entire route.
OSZD	is Organisation for the Cooperation of Railways.





### Limitations of Liability

The current Annual Report of the Federal Passenger Company (henceforth, the Company) on the results of 2014 (henceforth, the reported year) has been prepared using the information available to the Company at the time of its creation.

The Annual Report contains information about the results of the Company's activities in 2014, forecasting data and statements regarding the intentions, beliefs or current expectations of the Company relating to its operations, financial state, liquidity, prospects for growth, strategy as well as the development of the industry in which the Company is operating. By their very nature, such forecasting statements involve risks and uncertainties because

they relate to events and depend on circumstances that may not come to pass in the future.

The Company makes no direct or implied representations or guarantees and assumes no responsibility in the event of losses incurred by persons or legal entities as a result of the use of the forecasting statements in this annual report for any reason, either directly or indirectly. These persons should not rely on the forecasting statements contained in this current document as they are not the only possible scenario of events.

The sum of the parts of figures is not always equal to the total due to rounding of the arithmetic.

Except as provided for by the applicable laws of the Russian Federation, the Company accepts no obligation to review or confirm expectations and estimates or to publish updates and changes to the forecasting statements made in this current report in connection with future events or the receipt of new information.



#### **Contacts**



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Short name of the Company
Location
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