

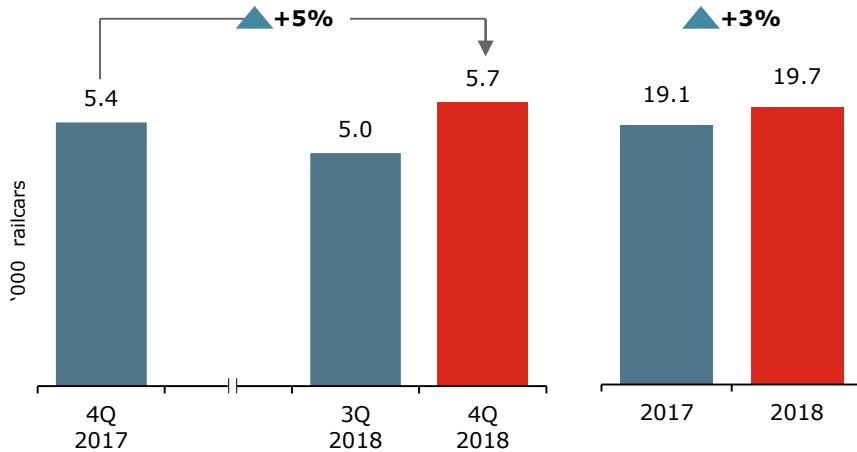
Research and Production Corporation “United Wagon Company”

Operational Results for 4Q 2018

29 January 2019

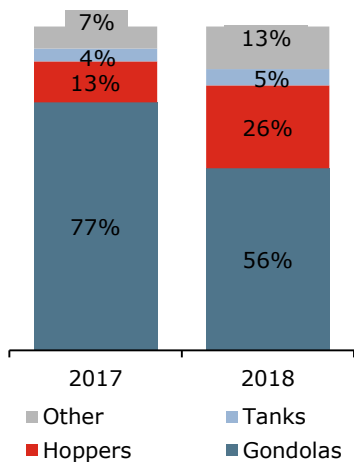
UWC's Operational Results

Railcar production^{1,2}

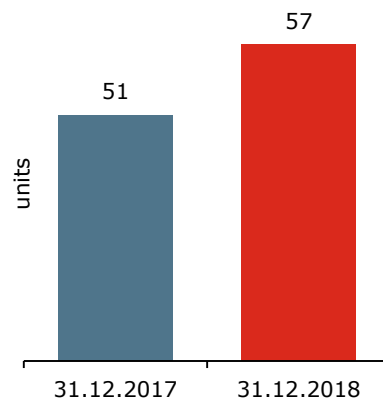


- In 4Q 2018, the production output reached 5.7 thousand railcars, being 5% higher than over the same period in 2017. As the 12-month production totalled 19.7 thousand railcars, growing by 3%, the production targets set for 2018 have been met. In 2019, UWC intends to maintain its annual production at a level of 19 to 20 thousand railcars
- Increasing production volumes of specialised rolling stock was the key driver for growth throughout the reporting quarter and the entire year. In 4Q, the production of hopper cars leapt 90% year-over-year to 1.6 thousand units, while the increase over the year was 108% to 5 thousand units. The production of other types of specialized railcars (flat and box cars, etc.) grew by 43% to 762 units in 4Q, and over the 12 months, by 98% to 2.6 thousand units. The tank car production went up by 50% to 308 units in 4Q and by 34% to 999 units over the year
- Following the market's gradual switching to specialised rolling stock, gondola production decreased by 21% to 3 thousand units in 4Q and by 24% to 11.1 thousand units over the year
- In 2019, the Company targets to continue increasing the share of specialized rolling stock in its output
- In 4Q, UWC certified its woodchip gondola car with a volume of 211 m³ and loading capacity of 70 t. As at the end of the year, the Company holds a total of 57 certificates

Production pattern²

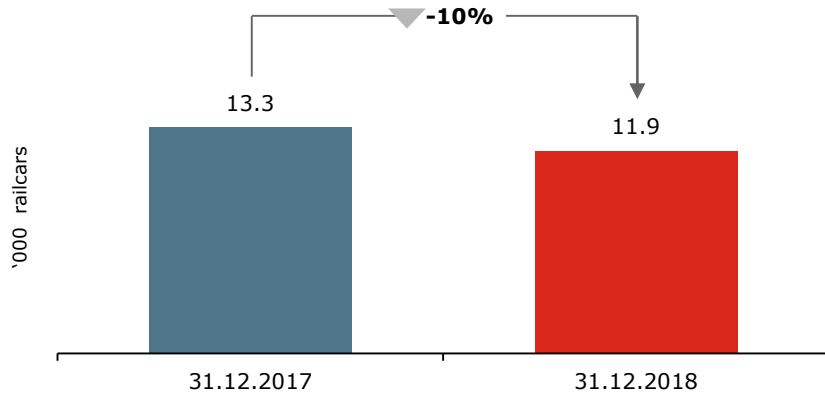


Certified models and modifications

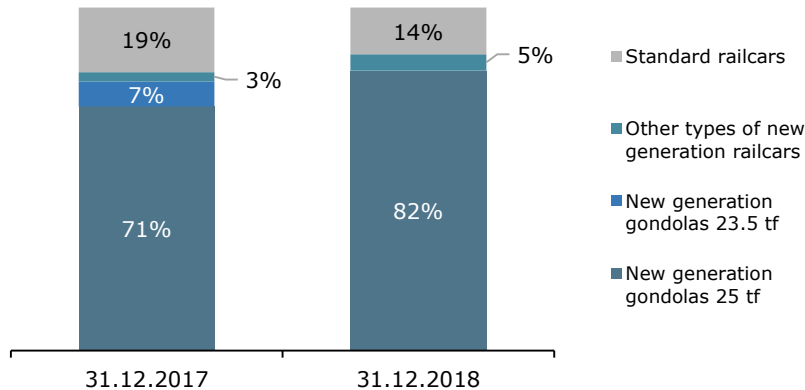


97% railcars sold to third parties in 2018

UWC's owned and leased fleet^{1,2}



Structure of the fleet



Notes:

- 1) Including the following companies: RAIL1520, RAIL1520 SERVICE, MRC 1520 and TH "UWC"
- 2) For more details of production pattern and dynamics, see Slide 5

- A total of 19.5 thousand new railcars were sold to third parties over the year. The largest supplies were made to GTLK (gondola, hopper, box and flat cars), Rusagrotrans (hopper cars), Uralkali (hopper cars), Logistics1520 (hopper cars), Kronospan (timber flat cars) and NPO Azot (tank cars). These companies acquired a total of 15.4 thousand railcars from the Holding. The Company also supplied its railcars to Akron (hopper cars), MKB-Leasing for subsequent far abroad exports (gondola cars), Fintrans GL (box cars), etc. A total of more than 50 customers purchased the Company's railcars
- In 4Q, UWC's leasing companies acquired 353 new railcars, including 337 gondola cars and 16 flat cars. Since the start of the year, the leasing subsidiary were delivered a total of 659 railcars
- In 4Q, the Company sold 503 standard oil tank cars from its own fleet. A total of 2.2 thousand railcars were sold from the fleet throughout 2018. Over the year, the Company has cleared its fleet of all old generation gondola cars mounted on 23.5 tf bogies
- In line with the leaseback transaction entered into 2H 2018, UWC sold 11.1 thousand railcars from its own fleet to Gazprombank Leasing
- At the year's end, UNICON 1520 managed a fleet comprised of 1.1 tank containers (+72% compared to 31/12/2017, with their number remaining unchanged compared to the preceding quarter), 585 flat cars (+126% compared to 31/12/2017, and +5% compared to 30/09/2018) and 78 tank cars for chemicals (+105% compared to 31/12/17, with their number remaining unchanged compared to the preceding quarter). Shipments over the quarter totalled 99.9 thousand tons, an increase of 118% over the figures of 4Q 2017 and 9% up compared to the previous quarter. The company shipped a total of 305.1 thousand tons of chemicals over the year

Other key events over the quarter

- UWC and UGMK made a series of contracts for the supply of sulphuric acid tank cars. UGMK's manufacturing facilities will have received 73 tank cars by the end of January 2019
- UWC made a contract with EuroChem for the supply of 700 new generation mineral hopper cars
- UWC won an international tender by Deutsche Bahn (DB) for the supply of Sggrs80 articulated container flat cars. The supply of 130 railcars is set for 1H 2020. Further, DB may order another large batch of flat cars from RPC UWC
- UWC will supply 75 timber flat cars with enhanced loading capacity to KASTAMONU
- Prior to May 2019, UWC will supply 100 tank cars to its partner Metafrax

UWC's production, fleet and operational indicators dynamics

Railcar production, units	2016					2017					2018				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Gondola Cars	2,545	3,308	3,269	3,881	13,003	3,588	3,914	3,219	3,867	14,588	2,510	2,740	2,754	3,048	11,052
Hopper Cars	459	374	652	808	2,293	699	214	682	822	2,417	1,051	1,143	1,281	1,564	5,039
Tank Cars	43	69	189	159	460	199	241	102	205	747	154	291	246	308	999
Other*	2	3	8	117	130	179	212	381	532	1,304	461	611	744	762	2,578
TOTAL	3,049	3,754	4,118	4,965	15,886	4,665	4,581	4,384	5,426	19,056	4,176	4,785	5,025	5,682	19,668

* Container flat cars, timber flat cars, covered cars and bauxite hoppers

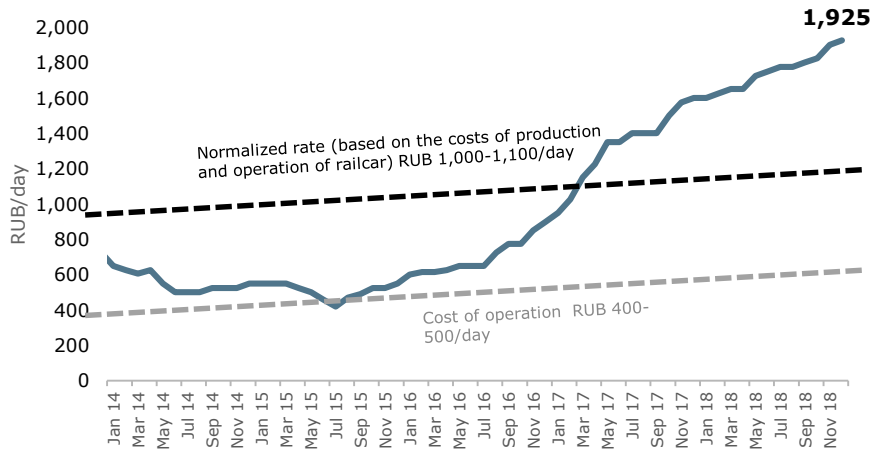
Railcar fleet, units (at the period end)	2016				2017				2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Innovative railcars	10,020	10,155	10,150	13,008	10,247	11,733	11,603	10,770	10,780	10,838	9,925	10,266
Gondola Cars	7,586	7,721	7,716	10,574	7,471	9,196	9,801	10,481	10,481	10,735	9,782	10,107
Hopper Cars	2,428	2,428	2,428	2,428	2,769	2,530	1,755	192	192			
Tank Cars					1	1	39	79	79	79	79	79
Other*	6	6	6	6	6	6	8	18	28	24	64	80
Standard Railcars	7,962	7,827	7,825	7,806	4,773	2,567	2,497	2,497	2,272	2,122	2,122	1,617
Gondola Cars	5,149	5,014	5,012	4,993	1,957	121	51	51	51	1	1	
Tank Cars	2,270	2,270	2,270	2,270	2,273	1,903	1,903	1,903	1,903	2,003	2,003	1,500
Other*	543	543	543	543	543	543	543	543	318	118	118	117
TOTAL	17,982	17,982	17,975	20,814	15,020	14,300	14,100	13,267	13,052	12,960	12,047	11,883

* Container flat cars, universal gondolas and covered cars

Operations (UNICON 1520)	2016				2017				2018				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY
Tank container fleet, units	-	-	-	-	-	-	-	637	775	908	1,098	1,098	1,098
Flat car fleet, units	-	-	-	-	-	-	-	259	311	482	557	585	585
Chemical tank cars, fleet	-	-	-	-	-	-	-	38	78	78	78	78	78
Chemical cargoes loadings, t	-	-	-	-	-	-	-	45,954	49,454	64,338	91,361	99,930	305,083

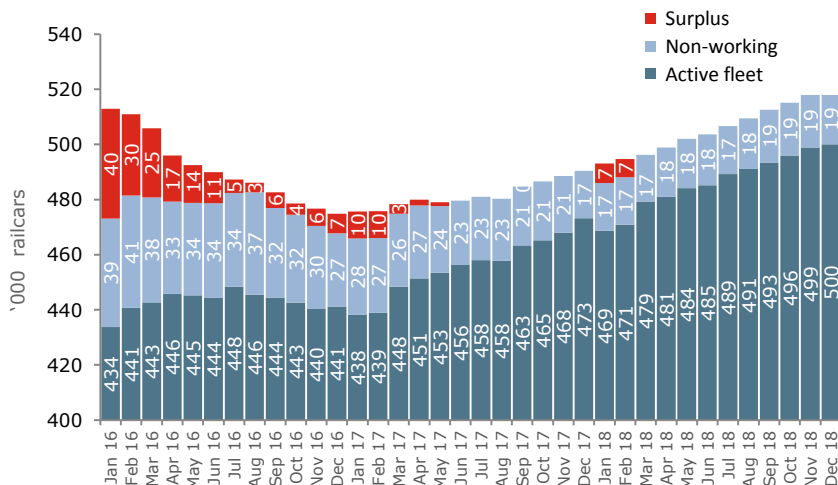
Overview of Freight Car Market

Average lease rate for gondolas*



*Average lease rate for a standard gondola equipped with 18-100 bogie

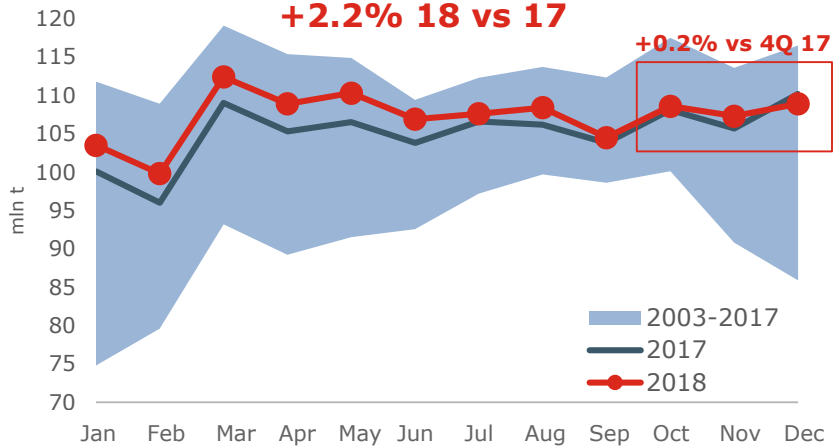
Gondola fleet balance



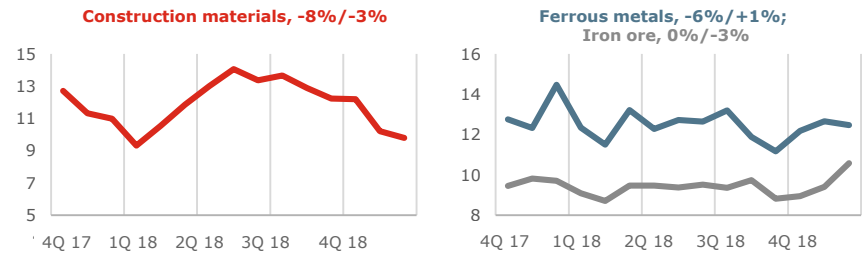
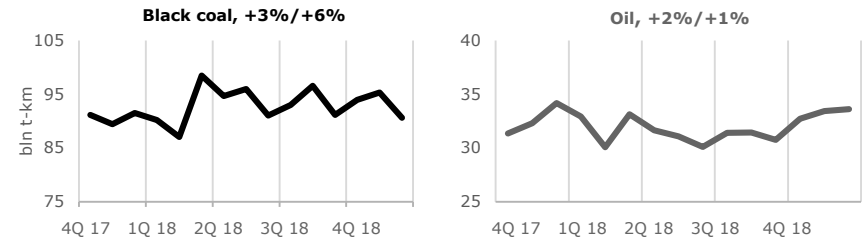
Source: The Industrial Cargoes

- The high demand for rolling stock is still driven mainly by growing shipments:
- Over 4Q 2018, car loadings amounted to 324.8 million tons, a 0.2% increase over 4Q 2017
- In 4Q 2018, freight turnover amounted to 666.7 million ton-km, a +3.5% increase compared to the same period in 2017
- In 2018, RZD's network car loadings totalled 1,289.6 mln tons (+2.2% compared to 2017), while the turnover stood at 2,596.4 bln ton-km (+4.2% compared to 2017)
- With no surplus of gondola cars (December surplus is seasonal), lease rates continued growing, reaching RUB 1,925/day in December 2018

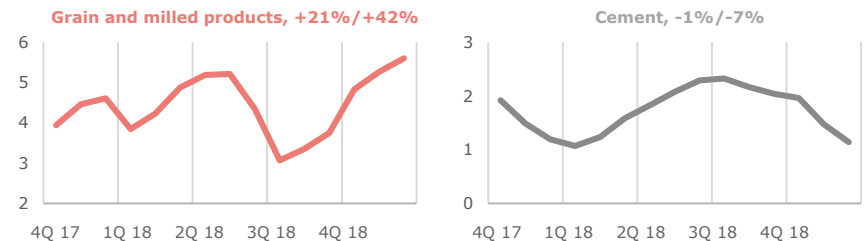
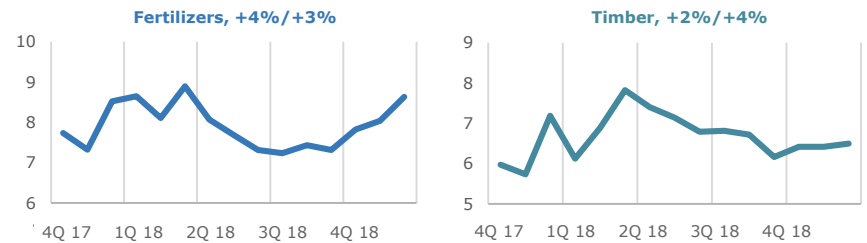
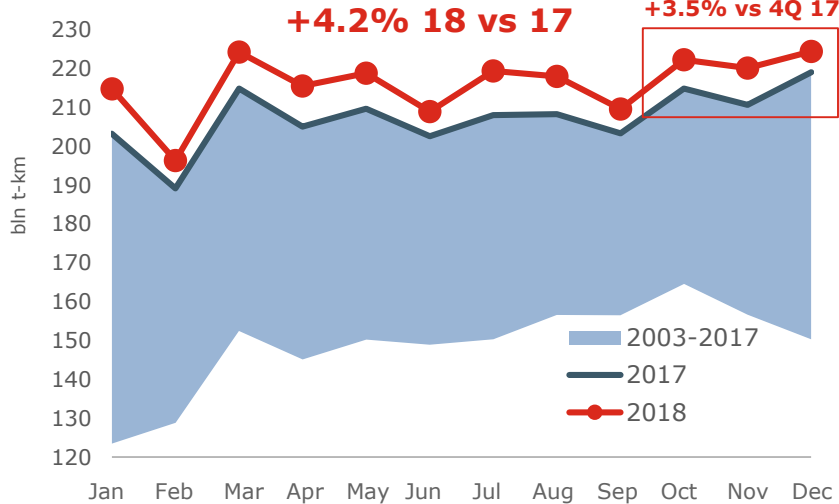
Loadings on RZD's network



Freight turnover by cargo 4Q 18 vs 4Q 17/2018 vs 2017

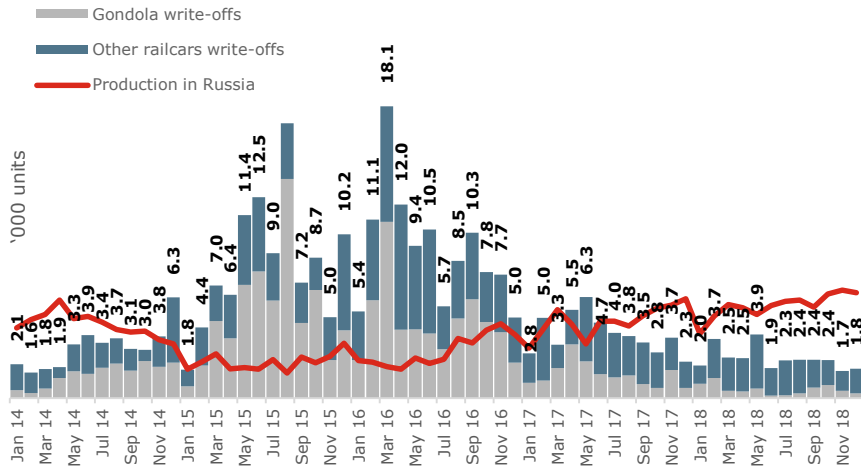


Freight turnover on RZD's network



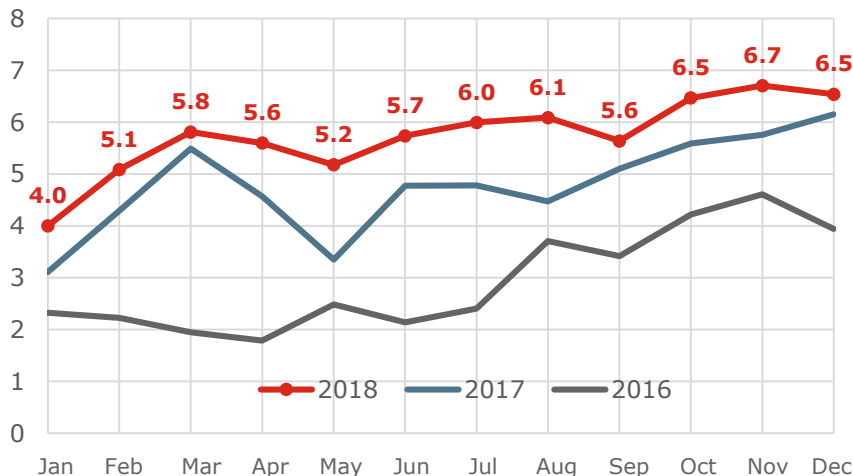
Within the year the demand for railcars was driven by expanding cargo base, rather than by write-offs

Railcar write-offs in Russia



- In 4Q 2018, a total of 5.8 thousand railcars (whereof 1.5 thousand were gondolas) were written down
- A total of 29.4 thousand units of rolling stock were written down in 2018
- At the beginning of 2019, the out-of-service fleet stands at its lowest of 49.3 thousand units

Railcar production in Russia



- In 4Q 2018 Russian railcar plants sold 19.7 thousand railcars, a 13% increase compared to the same period of the previous year
- For the whole year 68.8 thousand railcars were sold in Russia (+20% vs 2017) and 83.2 thousand in the CIS (+24%)
- With domestic and export shipments growing stably, the demand for railcars remains high

Investor Relations

+7 (499) 999 15 20

IR@uniwagon.com

<http://www.uniwagon.com/>

Research and Production Corporation
"United Wagon Company"

7/11 bld. 1, Novokuznetskaya st.,

Moscow, Russia, 115184

Office: +7 (499) 999 15 20

Fax.: +7 (985) 999 15 21

