



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

To:
JSCo "RZD"
2, Novaya Basmannaya str.,
Moscow, 107174, Russia

Attention: Mr. Oleg Belozеров
President

Athens, July 22, 2016

Ref. No.: 26891

Dear Mr. President,

We read, with surprise and regret, the contents and comments made in your recent interview to the Interfax News Agency regarding the tender of TRAINOSE SA. I acknowledge the possibility that such contents and allegations may have been the result of misinformation or lack of reporting accuracy. I therefore write to you, in order to accurately inform you of the real facts and circumstances of the tender and to restore the truth.

As you are aware, JSC Russian Railways (RZD) decided to participate in the first TRAINOSE privatization tender that begun in July 2013 and was cancelled in January 2016. RZD also decided to participate in the follow up, second tender that was launched in late January 2016 for which binding offers were submitted on 6 July, 2016 and has now been awarded to the sole bidder Ferrovie dello Stato Italiane SpA. In this context, please allow me to inform and to remind you that, from 2013 until July 2016, RZD:

1. Had full knowledge of the precise privatization perimeter, constraints and limitations and of the fact that such privatization perimeter remained exactly the same during both tender processes.
2. Had full access to all information and material that were uploaded in the Virtual Data Room of TRAINOSE with exactly the same rights and obligations of all other participants in the first and in the second tender,
3. Participated in TRAINOSE management's presentations -in 2014 and in 2016- as well as in onsite visits to key railway related locations in Greece,
4. Was requested, and provided along with its Greek and International advisers, comments and input - over a nearly 3 year period of consultations - on the privatization's key commercial contracts (Rolling Stock Maintenance Contract and Rolling Stock Lease Contract) and to the various drafts of the Share Purchase Agreement
5. Had full access to and frequent communication with the HRADF's privatization advisory team,
6. Met, at various levels of seniority, with Greek Government officials and HRADF executives on several occasions in Greece and in Russia. During all these meetings, every aspect of the tender (business, financial, legal, regulatory, technical, etc.) was repeatedly and exhaustively discussed including the various privatization perimeter constraints set by the Hellenic Republic's EU commitments and obligations.



7. Was promptly, truthfully and accurately informed of all restrictions and limitations (e.g. legal, regulatory, compliance, procedural) that made impossible the satisfaction of various terms that were set as conditions for its participation to the tender,
8. Was fully aware and, repeatedly informed, that the tender for the Port Authority of Thessaloniki, the tender for TRAINOSE and the tender for ROSCO were three distinct, separate and unique procedures that could not be bundled under a single tender or a single, distinct and combined transaction since such would be in breach of the EU procurement principles and rules under which the HRADF functions since its incorporation,
9. Was fully aware that the open, international tender process for the sale of TRAINOSE, as every other HRADF tender, was a completely transparent process conducted in full compliance with the laws of Greece and of the European Union as well as according to the best international business practices.

Mr. President,

The binding offer that was submitted on 6 July, 2016 by Ferrovie Dello Stato Italiane SpA for the acquisition of 100% stake of TRAINOSE SA is, as also verified by HRADF's Advisers, in full compliance to and in accordance with the terms and conditions of the tender's Process Letter and of the privatization process as a whole. As such, it was accepted by the Board of Directors of HRADF on 14 July, 2016.

You will surely agree that misinformation or lack of reporting accuracy that results in allegations or insinuations of unequal or preferential treatment between tender participants can prove extremely damaging to the international reputation of the Hellenic Republic as an investment destination as well as to HRADF and the Privatization Program it manages under the Hellenic Republic's mandate. I hope that you will certainly appreciate this fact and provide us with your assistance in restoring the truth.

I would like to thank you in advance and I remain at your disposal for any further clarification you may require.

Sincerely,

Stergios Pitsiorlas
Chairman of the Board