

Open Joint Stock Company MTZ Transmash

Approved by:

annual general meeting of shareholders
JSC MTZ TRANSMASH

April the 20th, 2012

The report dated April the 25th, 2012

Preliminarily approved by:

the Board of Directors

JSC MTZ TRANSMASH

Report № 9/3 dated 20.03.2012

Chairman of Board of Directors

_____Mahortov I.V.

Annual Report 2011

Director-General _____ Egorenko N.A

Chief Accountant _____ Gerikhova L.N.

I. JSC MTZ TRANSMASH industry position.

The main activity of JSC MTZ TRANSMASH, hereafter referred to as "Company" are:

- production and sales of pneumatic and electropneumatic brake equipment for the railway transport rolling stock

OKBЭД code 35.20.4

- production and sales of electrical equipment for transport facilities
OKBЭД code 35.10.1

Open Joint Stock Company MTZ TRANSMASH is an enterprise, which has been developing, manufacturing and supplying modern high-efficiency brake equipment for 9 decades (90 years).

In the course of our operations we have accumulated a wealth of industrial experience. We have formed a powerful scientific and technical base of construction, manufacturing and supplying our brake equipment and brake systems. We have established professional contacts with both domestic and foreign partners.

The Company gained the big fame on the market of railway technologies. The consumers appreciate our production for the reliability and faultlessness operation (no-failure operation).

The range of brake production and replacement parts is more than 400 items and it constantly increases year after year. Total realization volume of our core output is nearly 100%.

The main factors influenced both on the state of the department and on the Company activity:

- counterfeit production in the market
- competitors' activation
- decreasing of competitiveness
- discrepancy of consumers properties of certain (items of) production for the client's expectations
- price escalation of certain sorts of the raw and energy supply

At the present time the Company occupies a (stable and) steady position in engineering industry. Annual growth of production of commercial output and volume of its disposal (could be) are the indicators of this (stability) steadiness.

In the accounting (financial) year there was let out production on the amount of 4616, 0 million rubles, which is 48.7 % higher in comparison with the year 2010 (in comparable prices).

For the sake of stable improvement of our position in the Market, the Company plans:

- increase volume of output and sales, which are in steady market requisition
- improve the quality of the output
- increase maintainability of the output
- improve technical specifications
- mastering new modifications and line extension

Therefore, in our view, this set of measures will permit the Company to gain following results:

- stable financial-economic state and the opportunity of further sustainable development
- mastering of new outlets and customers' augmentation

The main negative factors, which are able to influence on the pace of development of the Company, are:

- financial and legal instability in the country
- crisis of financial system
- business rivals' activation

To decrease risks, which could appear under the influence of the foregoing negative factors, The Company suggests using the following resources:

- up-grade the output quality
- improve the work with our suppliers
- diversify our production
- develop perspective samples of braking equipment

Development of the competitive environment also influences on the Company's position in the Market. The main rivals of the Company are:

- Knorr-Bremse – world leader in the production of brake and steering systems for railway transport;
- JSK "Rhythm" – production of brake equipment
- ГП Харьковский машиностроительный завод «ФЭД» - leading enterprise in mass production and repair integrated hydraulic.

As the factors, influencing the competitiveness of the Company on the market of its products and services could be mentioned the following:

- The demand for the products
- The use of innovative technologies in the production process
- Value for money
- Assortment of products
- Advertising

To increase in the future competitiveness of its products the Company plans the following actions:

- Bringing quality products to the requirements of customers and the best world standards
- Expansion of different products
- Improvement of the marketing policy

The main customers of the Company are Locomotive and carriage-building companies. All the entire stock of Russian Railways equipped with a braking system and devices that was manufactured by JSC TRANSMASH.

Braking systems and traffic-control devices of rolling stock are used by all plants producing rolling stock and railway equipment, depots and

maintenance facilities. The speed and traffic safety, the length and weight of the train, and finally - the efficacy and safety of rail transportation depend on our brake equipment.

All the drivers' cabs and each railway carriages in Moscow and other cities of Russia and CIS countries are equipped with appliances produced by our company.

Braking systems and control devices rolling with the brand "JSC MTZ TRANSMASH" operated on Russian steel highway railways in the CIS (Ukraine, Moldova, Belarus, Kazakhstan, Uzbekistan), in the Baltic States and non-CIS countries (China, Iran).

The Company is the parent company of the Association of producers and consumers of the brake equipment.

Extensive business and scientific contacts are established with Russian colleagues, as well as with foreign partners (Germany, France, Czech Republic, etc.)

Due to the high technical standards, quality and reliability of its products JSC MTZ TRANSMASH remains an acknowledged leader in

The SMB certification on the IRIS standards was completed.

II. Report of the Board of Directors on the priorities of the Company.

By the Board of Directors, the results of the Company's work on its priority areas in 2011 were considered to be successful.

The past year was characterized for the Company by raising production. Compared with 2010, the volume of commodity output increased by 48%. The profitability of production has increased from 23% to 28%.

The Company has undertaken extensive research and development work on the creation of automatic braking equipment for railway rolling stock with the use of fundamentally new materials, technologies and design techniques.

The priority of the Company, as it was, is the question related to the development of new products - the creation of universal complexes of Pneumatic Brake Control equipment, the development of automatic railroad trains, instruments, remote control device as well as modification of already manufactured equipment.

The most important goal of the Company is to improve the quality of manufactured products and increase its competitiveness.

Braking systems, including all the elements, blocks and modules braking equipment, as well as the presence in the brake system of the device diagnostics vehicles (both for the driver and operating staff) are essential for modern railway transport.

In recent years more and more value is given to aesthetics. The appearance of the unit is paid attention as well as its modernity and serviceability. It, in turn, requires attention to the selection of materials and methods of their processing.

Creating a modern brake system is unthinkable without a modern design, production and laboratory facilities.

It should be take into account that the braking equipment shall ensure complete safety, be standardized, require minimal maintenance costs and repairs, be reliable and have a long service life.

Implementation of the Company's goals requires constant investment:

- In the modernization and technical re-equipment
- In the relocation of some industries
- In the implementation of international standards of quality management and a series of other important events.

Business plan of the Company provides funding for continuation of work on the exploration and development of new products, brake and electrical equipment, for modernization and reorganization of production, purchasing of high-precision and high-performance equipment, for the development of the computer network and for product certification.

Tomorrow's well-being and the further development of the Company is largely dependent on the level of development of new technologies, its rapid development in our production and deployment and equipping rolling stock of railways and underground with these technologies.

***The main figures of the Company's financial-economic activity.**

In the reporting year produced goods worth 4,616 million rubles, or 148.7% compared to 2010 (in constant prices).

Revenue from sales of goods and services (excluding value added tax, excise duties and other similar charges) increased by 48% and amounted to 4 567.9 million, excluding VAT. During the reporting period, other income received 256.5 million. Other expenses amounted to 340.44 million rubles.

Leading position in output is:

- Production of cargo luminaires - 67%

Other workshops and production:

- Production of locomotive units - 13%
- Department of electrical equipment - 5%

- Experimental department - 12%

All the departments in 2011 worked profitably.

The level of profitability of the Company amounted to 28 percent (compared to 23% in 2010).

Net income increased by 170%.

The total balance sheet at the end of the year increased by 30.9% and amounted to 3 701.2 million rubles.

The increase in total assets of the balance occurred due to the growth of non-current assets (fixed assets, construction, long-term investments) and current assets (inventories, short-term investments)

The increase in total assets in liabilities occurred due to short-term liabilities with a maturity not come (taxes, fees, extra-budgetary funds, other creditors) and retained earnings in 2011.

Creditor liabilities increased by 81%, due to obligations, the period for which payment has not come. The Company has no overdue creditor obligations.

Analysis of liquidity balance in the reporting period indicates sufficient stability of the financial position of the Company.

The level of financial stability and solvency has a sufficient stock against established standards.

There was paid 596, 3 million rubles in the total budget. Payments to the state funds and the budget is on time and in full. The Company has no overdue debts.

***Technical Policy of the Company**

According to the plan of development of new techniques of MTZ TRANSMASH in 2011 efforts are being made to create separate units and braking systems of all types of railway vehicles.

The largest work on the creation of the main locomotive brake systems include:

- Development of a set of brake equipment KTO.400 for the passenger locomotive EP20. Braking system is modular and it consists of all the components of the brake system of the locomotive: module of brake equipment E.300T and compressor module E.300F, disc brakes and the anti-skid system BARS. In 2011, the KTO.400 was set on two locomotives EP20 and now EP20 # 001 is being tested in the test ring of ВНИИЖТ in Shcherbinka. The Company has already received the purchase order of 12 sets of brake equipment KTO.400.

- Create a module of brake equipment E.311 for locomotives with asynchronous drive 2TE25K (Bryansk Engineering Plant Production). This module is also designed for use on locomotives 2TE25K with commutator motors. In 2011, the unit was set at 18 locomotives 2TE25A.

In 2011 the Company designed, manufactured, and preliminarily tested an entirely new module of brake equipment (E.310). The main brake function and diagnosis in this module are performed by microprocessor technology, when pneumatics essentially performs mainly executive and backup functions. Individual account of the module E.310 was given to serviceability and design of the product.

It is important to note that the modules E.300T, E.311 and E.310 created first time in Russia

Construction of a system and RUTP.130 RUTP.395 allowing components to drive the long-train locomotives equipped with cranes 130 and 395.

In 2011, JSC "Russian Railways" has set to the Company the task of creating a system that would allow verifying the integrity of the brake line in the administration of the train without a driver. Such a system has been developed. Its sample was prepared and tested in October 2011. It was named SKTSTM032. 960 stations across the country must be equipped with such systems.

A new concept of brake railcar rolling stock and high-speed trains were developed and there were made and production tests of individual electro-blocks in the system were made and carried out.

In 2011 new carriages (series 760\ 761 \ 762) for the brake system for the underground the commissions have been completed and acceptance held on the rolling stock units electrical devices. The need for these units is significant, because this is almost the entire brake system 760 series.

OAO MTZ TRANSMASH has valid patents of the Russian Federation, Ukraine, Kazakhstan, Germany, Poland, for inventions made by experts of the Company. In 2011, the activity continues to work to protect our copyright. There were filed nine patent applications and there were received three positive solutions for the software registration.

The past year marked the beginning of implementation of an automated enterprise management system SAP on how the German company "T-sistems".

*** Technical re-equipment and modernization.**

Every year since 2000, designed and implemented program of modernization, which provides funding for a business plan.

In 2011 works in this direction were carried out as well.

Within the program of works on modernization in 2011 there were purchased 75 units of process equipment, including 18 modern, high-performance CNC machine tools. For this purpose there has been spent 131,0 million rubles.

Through the transfer process a number of parts on multi-spindle automatic machines at JSC TRANSMASH were released more than 600 square meters of production space, which are used to accommodate operation of CNC machines.

Serious attention was paid to the development of the production of the electronic component of brake devices. Our experts have developed the project of phased modernization of electronic components. The project provides the preparation of production space for the special requirements of production and saturation of modern manufacturing and control and test equipment. The new electronic site will be placed on the release for this purpose areas "large sector" of PLP.

In the reporting year our company has mastered production of new products - terminal crane 271. To organize assembling a specialized area on the areas blank production, released through the optimization of production space.

In 2011, our company has manufactured and put into service six sets of special tooling and test facilities for job accommodations AKP in Yaroslavl, Rostov-on-Don, Ussuriisk, Ishim, Tyumen and Tomsk.

In order to optimize logistics for transporting and storage of materials, intermediate products, components and finished products our company rented (near the village of Marfino) production and warehouse area of 5,000 square meters. To reduce transportation, assembly area of diffusers 483-3, equipped with energy, assembly and testing and lifting equipment is provided there.

*** Quality**

The quality and reliability of brake equipment (ranging from individual device and ending with the entire system of the train or subway train) - is a guarantee of safety and calm the passengers.

Following the policy and quality objectives are designed to ensure competitiveness in the domestic and foreign markets, the maximum satisfaction of customer requirements throughout the product life cycle, we focused on the development and implementation of business management in accordance with the international rail industry standard (IRIS).

In the past year there were:

- Recycled action and develop documented quality control procedures on all ranges of production;
- Developed and introduced new standards of the organization;

- Drawn up new techniques and instructions.

In 2011, all structural units of the enterprise were trained in the operation of SMBs in accordance with IRIS.

A significant event of the year was the successful completion of a certified audit of the enterprise to meet the requirements of the international standard of IRIS. This fact increases the authority of the Company in the market sales. In December 2011, received a certificate of conformity in foreign bodies on certification "Bureau Veritas Certification Rus".

*** Staff**

One of the major issues affecting the stability of the company is the work with staff. At the end of the reporting period, number of employees was 1,283 people (that is 4.5% higher than in 2010).

Our science-intensive production requires skilled educated workers. Of all employees in the company higher and specialized secondary education have 54.7% of employees (in 2010 the figure was 50.4%).

Skills development objectives are always in the spotlight. Among the employees, 7 received people at the institute. In college received 15. Currently, 74 people are trained (without discontinuing work) in colleges and technical schools and 4 people are studying in post-graduate courses.

In 2011 only received training (including training in refresher courses and seminars) 602 people. Total costs for training and retraining of personnel in 2011 is 3,215,100 rubles, which is 17.2% higher than expected.

In 2011, 29 people got secondary and higher education (without discontinuing work).

Summing up the work of the Board of Directors of MTS TRANSMASH in 2011, we can note that for the year 2011 12 meetings were held and the most important decisions significantly affect the Company during the year were:

1. Decisions related to the preparation and conduct of the annual general meeting of shareholders
2. Decisions determining the financial and economic policy of the Company, approval of business plans and development plans of the Company
3. Approving the budget of income and expenses of the Company
4. Decisions determining the plans of development of a new technology

Under federal law "About Joint Stock Companies" the Board of Directors is given the most important role in providing good shareholder rights, in the

formation and implementation of the development strategy of the Company, and in ensuring its successful financial and business operations.

The Board of Directors was convened in accordance with the approved work plan. There are no non-enforcements during the reporting period.

In assessing the work of the Board of Directors, I would like to note that in the discharge of their rights and responsibilities they have acted in the interests of the Company in good faith and reasonably and also took an active part in all the meetings.

In subsequent years, the Board of Directors will give priority attention to improving the company's profitability, as well as robust, reliable and competitive politics in main sales markets.

III. The company's prospects of development

Business plan of the Company is currently approved for the year 2012 and includes achieving the following financial and economic indicators:

Table 1. Actual and planned values for the period 2011-2012.

Item	Reporting Year 2011	2012
Sales (Revenue)	4 657, 9 million rubles	4 654, 4 million rubles
Labour productivity	4 010 000 rubles	4 200 000 rubles
Share of the market, %	≈ 40	≈ 40
Profit before tax	913, 6 million rubles	802, 4 million rubles
The ratio of own and borrowed funds	13, 56	13, 56

To achieve the planned indicators of financial and economic activity of the Company intends to continue:

- Improving the existing quality management system in order to improve the competitiveness of products;
- Improving marketing and distribution policy;
- Using a flexible pricing policy.

The growth in rail traffic demands constant increasing and upgrade rolling stock, the additional issue of cars and locomotives of the new generation, equipped with high-precision electronic control systems security and diagnostics of brake equipment that meets the latest requirements.

Western manufacturers of brake equipment are focused not on the delivery of individual devices controlling the movement of rolling stock, but on the whole set of instruments, including all the equipment that controls the movement of the same time in all the required parameters.

Stringent conditions of market competition dictate the Company the need for such modules.

Feature a modern brake system is the presence of remote control devices and diagnostics brakes, both in the process of movement, and on the repair facilities to service vehicles.

Development and production of innovative modern brake systems have been unthinkable without the use of electronics and microprocessor technology, so it is necessary to pay special attention to the strengthening of engineering and laboratory facilities.

The further development of the Company and strengthen the competitiveness is not possible without significant investment allocated for the expansion of production, improvement and modernization of manufactured products and technology research improving the quality, reliability and safety of the brake equipment.

Business plan provides for the allocation of significant funds for modernization, reorganization of production, purchase of new modern efficient equipment, computer equipment of the new generation, the software and staff training.

The resulting profit will be used to perform the tasks of the Company.

IV. Status of private assets of the Company.

Indicators (in thous.)	2010	2011
Value of net assets	2 624 963	3 260 615
The authorized capital	37 654	37 654

V. Information on the amount of each of the energy used in the reporting year.

Forms of energy recourses	Consumption in volume terms	Unit of measurement	Consumption (in thous.)
electrical energy	6859	Thousand kWh	27850, 0
motor petrol	102	Tons	3 148, 0
diesel fuel	193	Tons	5 225, 4
natural gas	2743	thousand cubic meters	10 027, 1

VI. Report on the payment of declared (accrued) dividends on the shares of Joint Stock Company.

According to the results of the financial year 2010 annual general meeting of shareholders held on April 22, 2011, it was decided to pay of dividends on the shares of the Company at the rate of 5 rubles per ordinary share, in cash, on the terms and conditions defined by the Charter of the Company, dividend payment period to 21 June 2011.

Incomplete payment of dividends during the reporting period is caused by the fact that shareholders of the company failed to provide relevant information on their registration and accommodation.

VII. The main risk factors related to the activities the Company

In the course of business there is always a risk that, at the confluence of circumstances, can significantly affect the financial results (sales, cost, profit, profitability) and the assets of the Company.

Industry and market risks.

This, above all, is the existence of unscrupulous suppliers in the market of brake production, who offer (under the guise of Company's products) a second-hand, written-off, taken from cars and refurbished products. Such devices do not meet the technical requirements and do not provide safety. It creates an emergency situation on the railways and undermined the image of the Company. Interests of the Company and the protection of intellectual property require urgent action to counter this "competition".

Qualities of the location businesses, the availability of markets and the demand for unique products manufactured by the Company, strong financial position, the presence of mandatory reporting of transparent information about the state of the enterprise - all this makes the Company attractive to the raiders and other interested parties.

The financial and economic risks.

Recently, more and more important value gets the question of prices. On the one hand, the rise in prices for components, raw materials and energy resources leads to higher production costs and lower profitability.

On the other hand, the rigid framework of prices established for machinery main consumer (Russian Railways) did not allow the Company to increase prices for its products.

All this leads to a decrease in revenue and profitability of business.

Environmental risks.

Taking into account the location of the Company in the Central District of Moscow, any changes to legislation in the field of environmental protection, environmental health and aesthetic condition of the neighborhood can lead to significant costs and impact on the financial position and profitability of the Company.

Town planning risks.

Taking into account that in Moscow a reconstruction plan is carried out, there is a danger of loss of part of the territory occupied by industrial and office buildings of the Company, the gasket highways, buildings and objects of national and local significance. It can lead to a reduction in the volume of production, to the extra-costs of relocation and, consequently, to the deterioration of the financial position of the Company.

The above mentioned risks are reflected in the financial performance of companies: profit, cost price and sales volumes, which ultimately will have a negative impact on the assessment of the cost and stability of the company.

The influence of industry factors on the Issuer is reduced to a minimum due to the constant efforts to improve the efficiency of production and financial management company, is developing and implementing a program of modernization of equipment.

Regarding the risks associated with possible changes in product prices and their impact on the issuer, it should be noted that there is a steady, commensurate with the rate of inflation, the rise in prices for the products of the issuer. The existing portfolio of products allows the issuer to reduce the risk of negative price changes to the minimum value.

VIII. The Board of Directors of the Company.

In 2011, in accordance with the decision of the Annual General Meeting of Shareholders on 22.04.2011 in the Board of Directors were elected:

Chairman of the Board of Directors:

Mahortov Ilya Viktorovich

Date of birth: 1958

Place of work: JSC WTF Transmasheksport

Name of the post on the main job: General Manager

Share in authorized capital: 0%

Percentage of ordinary shares in the Company: 0%

Members of the Board of Directors:

Azarevich Larisa Igorevna

Date of birth: 1963

Place of work: JSC WTF Transmasheksport

Name of the post on the main job: Executive Director

Share in authorized capital: 0.0811%
Percentage of ordinary shares in the Company: 0.0811%

Afanasiev Sergrey Ivanovich

Date of birth: 1996
Place of work: JSC MTZ TRANSMASH
Name of the post on the main job: First Deputy General Manager
Share in authorized capital: 0.20907%
Percentage of ordinary shares in the Company: 0.20907%

Egorenko Anatoly Andreevich

Date of birth: 1932
Place of work: JSC MTZ TRANSMASH
Name of the post on the main job: Adviser to Director General
Share in authorized capital: 9.22713%
Percentage of ordinary shares in the Company: 9.22713%

Egorenko Nikolay Andreevich

Date of birth: 1957
Place of work: JSC MTZ TRANSMASH
Name of the post on the main job: General Manager
Share in authorized capital: 0.06054%
Percentage of ordinary shares in the Company: 0.06054%

Pluhanov Sergey Ivanovich

Date of birth: 1947
Place of work: JSC Transmash
Name of the post on the main job:
Share in authorized capital: 0.01386%
Percentage of ordinary shares in the Company: 0.01386%

Seledsov Nikolay Nilokaevich

Date of birth: 1956
Place of work: JSC MTZ TRANSMASH
Name of the post on the main job: the chief of production of freight diffusers
Share in authorized capital: 0.7679%
Percentage of ordinary shares in the Company: 0.7679%

In 2011, members of the Board of Directors didn't made any committed deals with the shares of the company.

IX. The executive bodies of the company.

In accordance with the Charter of the Company, the General Director shall exercise the powers of the sole executive body.

The collegial executive body is not provided.

Director General of the Company is:

Egorenko Nikolay Anatolevich

Date of birth: 1957
Place of work: JSC MTZ TRANSMASH

Name of the post on the main job: General Manager
 Share in authorized capital: 0.06054%
 Percentage of ordinary shares in the Company: 0.06054%

X. Criteria for determining the amount of remuneration paid by the members of the management bodies of the Company in 2011.

At the end of 2011, the total remuneration paid to all members of the management bodies was 5 551570.17 rubles. Each member of the Board of Directors were paid a monthly fee, the amount of which was determined from the average monthly salary, accrued in the current month to employees of the Company, which payment was made by a single qualifying grid (with coefficient 1). Chairman of the Board of Directors is paid, the amount of which was determined from the average monthly salary, accrued in the current month to employees of the Company, which payment was made by a single qualifying grid (with coefficient 7).

Chairman of the Board of Directors of the fee paid, the amount of which was determined from the average monthly salary, accrued in the current month to employees of the Company, which payment was made by a single qualifying grid (with a coefficient?).

XI. Information on observance the Code of Conduct society

The Company complies with the provisions of the basic recommended for use by the Code of Conduct.

XII. Major transactions made by the Company during the responding year.

Such transactions in 2011 were not made.

XIII. List of Interested Party Transactions in 2011 Approved by The Company

Date of transaction settlement	Date of transaction approval	Organ of the Company, which approved the transaction	Information about the persons interested in the transaction, the subject of the transaction and its material terms.
11.01.2011	23.04.2010	Annual General Meetings of shareholders *	Supply contract of cutting and measuring supplies and machining attachments in 2012. Customer: JSC Transmash Supplier: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
12.01.2011	23.04.2010	Annual General Meetings of shareholders *	Rental equipment (skimmer) for a period of 5 years Leaseholder: JSC Transmash

			Lessor: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
24.01.2011	23.04.2010	Annual General Meetings of shareholders *	Rental equipment for a period of 5 years Leaseholder: JSC Transmash Lessor: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
24.02.2011	11.02.2010	Board of Directors	Rental space for storage for the period from 26.02.2010 to 24.02.2011 Leaseholder: LLC "Komplekt-tormoz" Lessor: JSC MTZ TRANSMASH Interested parties: Egorenkov A.A., Egorenkov N.A.
02.03.2011	23.04.2010	Annual General Meetings of shareholders *	Rental equipment for a period of 5 years Leaseholder: JSC Transmash Lessor: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
24.03.2011	23.04.2010	Annual General Meetings of shareholders *	Commission agreement to enter into contracts for the purchase in 2011 (importation) Consignor: JSC MTZ TRANSMASH Commission agent: JSC WTF "Transmasheksport" Interested parties: JSC WTF "Transmasheksport", Mahortov I.V., Egorenkov A.A., Egorenkov N.A.
25. 03.2011	23.04.2010	Annual General Meetings of shareholders *	Rental equipment for a period of 5 years Leaseholder: JSC Transmash Lessor: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
29.03.2011	29.03.2011	Board of Directors	The loan agreement in the amount of 50 million rubles for the period up to 30.03.2016 Borrower: JSC Transmash Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
14.04.2011	23.04.2010	Annual General Meetings of shareholders *	Sale and Purchase of equipment. Supplier: JSC Transmash Customer: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
25.04.2011	22.04.2011	Annual General Meetings of	Rental equipment for a period of 5 years

		shareholders *	Leaseholder: JSC Transmash Lessor: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
29.04.2011	22.04.2011	Annual General Meetings of shareholders *	Rental equipment for a period of 5 years Leaseholder: JSC Transmash Lessor: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
21.07.2011	30.06.2011	Board of Directors	Guarantee agreement for a period of 12 months between JSC MTZ TRANSMASH and JSC Bank of Moscow of enforcement of JSC TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
20.07.2011	30.06.2011	Board of Directors	Rental space for offices for the period from 06.08.2011 to 04.08.2012 Leaseholder: JSC MTZ TRANSMASH Lessor: LLC "Komplekt-tormoz" Interested parties: Egorenkov A.A., Egorenkov N.A.
04.08.2011	22.04.2011	Annual General Meetings of shareholders *	Supply contract of between MTZ TRANSMASH and JSC WTF "Transmasheksport" Interested parties: Mahortov I.V., Egorenkov A.A., Egorenkov N.A. Sum: 104 692. 31 including VAT
25.10.2011	22.04.2011	Annual General Meetings of shareholders *	Rental equipment for a period of 5 years Leaseholder: JSC Transmash Lessor: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
28.10.2011	25.10.2011	Board of Directors	The loan agreement in the amount of 60 million rubles for the period up to 01.11.2016 Borrower: JSC Transmash Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
15.12.2011	22.04.2011	Annual General Meetings of shareholders *	The contract for the supply of products. Customer: JSC Transmash Supplier: JSC MTZ TRANSMASH Interested parties: Plyuhanov S.I., Mahortov I.V., Afanasiev S.I
20.12.2011	20.12.2011	Board of Directors	Real estate lease agreement: - Room office at the address Lesnaya str., 28; - Engineer Corps, rooms:

			<p>#412 (33.8 m²) #415 (7,7 m²) #414 (32, 9m²) #416 (14,7 m²) - The room for storage at the address Lesnaya str., 28 Period: from 21.12.2011 to 16.12.2012 Leaseholder: JSC MTZ Transmash Lessor: JSC WTF "Transmasheksport" Interested parties: JSC WTF "Transmasheksport", Mahortov I.V., Egorenkov A.A., Egorenkov N.A.</p>
30.12.2011	28.12.2011	Board of Directors	<p>Additional agreement on the extension contract of Commission №78 until 31.12.2012 dated 28.12.2009 for sale of braking equipment and its spare parts in the territory of the Russian Federation. Consignor: JSC MTZ TRANSMASH Commission agent: JSC "Transpribor" Interested parties: Egorenkov A.A., Egorenkov N.A.</p>
30.12.2011	28.12.2011	Board of Directors	<p>Additional agreement on the extension contract of Commission №77 until 31.12.2012 dated 28.12.2009 for sale of braking equipment and its spare parts in the territory of the Russian Federation. Consignor: JSC MTZ TRANSMASH Commission agent: JSC "Komplekt-tormoz" Interested parties: Egorenkov A.A., Egorenkov N.A.</p>
28.12.2011	28.12.2011	Board of Directors	<p>Lease agreements for office equipment and furniture Period: from 01.01.2012 to 31.12.2012 Consignor: JSC MTZ TRANSMASH Commission agent: JSC "Komplekt-tormoz" Interested parties: JSC WTF "Transmasheksport", Mahortov I.V., Egorenkov A.A., Egorenkov N.A.</p>
<p>*Decisions were made in order of approving transactions that will be committed by JSC MTZ TRANSMASH in the future in the ordinary course of business.</p>			

XIV. Additional information for shareholders.

The authorized capital of the company is 37,654,000 rubles and is divided into 129,840,000 ordinary shares.

Registrar MTZ TRANSMASH in accordance with the signed agreement is a Public Joint Stock Company "Registrar ROST":

Location: Stromynka Street, 18, corp. 13

Contacts: 8 (495) 771-73-36

The information about the license: №10-000-1-00264

Date of issue: 03.12.2002

Expiry date: unlimited

Authority which issued the license: FCSM of Russian Federation

Concerning payment of accrued dividends and access to information for shareholders you can access to the address: Moscow, Lesnaya Street, 28, JSC MTZ TRANSMASH

Contacts: 8 (495) 978-35-36

Our web-site: www.mtz-transmash.ru

**DATA ON COMPLIANCE BY THE COMPANY WITH THE
CORPORATE CONDUCT CODE.**

№	Provision of the Corporate Conduct Code	Complied or not complied	Note
General Meeting of Shareholders			
1	Notification of shareholders on carrying out of general meeting of shareholders not less than 30 days prior to the date of its carrying out irrespective of the items included in its agenda, unless a larger term stipulated by the laws	Complied	
2	Shareholders' opportunity to examine the list of the persons who have the right to participation in general meeting of shareholders, starting from the day of notification on carrying out of general meeting of shareholders and up to closing the internal general meeting of shareholders, and in case of correspondence general meeting of shareholders - up to the date of voting bulletins obtaining termination	Complied	
3	Shareholders' opportunity to examine the information (data) which is subject to submission at preparation for carrying out of general meeting of shareholders, by means of electronic communication facility, including by means of the Internet	Complied	
4	Shareholder's opportunity to submit an item to the agenda of general meeting of shareholders or to demand convocation of general meeting of shareholders without giving an extract from the register of shareholders if the account of his rights to shares is carried out in the system of conducting the register of shareholders and in case his rights to shares are considered on the account of deposit, sufficiency of an extract from the account of deposit in order to exercise the above-stated rights	Complied	
5	Requirement on obligatory presence of general director, members of the management board, members of the board of directors, members of the	Complied	

	internal audit commission and the auditor of the joint-stock company at the general meeting of shareholders, containing in the articles of association or internal documents of the joint-stock company		
6	Candidates' obligatory presence at consideration of the items on election of members of the board of directors, general director, members of the management board, members of the internal audit commission, as well as the item on approval of the auditor of the joint-stock company at the general meeting of shareholders	Complied	
7	Registration procedure of participants of general meeting of shareholder in internal documents of the joint-stock company	Complied	
The Board of Directors			
8	Board of directors authority for annual approval of the financial and economic plan of the joint-stock company in the articles of association of the joint-stock company	Complied	
9	The procedure of risks management approved by board of directors in the joint-stock company	Not complied	
10	Provision of the right of the board of directors to make a decision on abeyance of the powers of general director appointed by general meeting of shareholders in the articles of association of the joint-stock company.	Not complied	
11	Provision of the right of the board of directors to establish requirements to professional skill and amount of remuneration of general director, members of management board, heads of the main structural divisions of the joint-stock company by the articles of association of the joint-stock company	Not complied	
12	Provision by the articles of association of the joint-stock company of the right of the board of directors to approve terms of agreements with general director and	Complied	

	members of management board		
13	Provision by the articles of association or internal documents of the joint-stock company of the requirement that votes of members of the board of directors, being general director and members of management board, are not taken into account at calculation of votes at approval of agreement terms with general director (managing organization, managing director) and members of the management board	Not complied	
14	Presence of at least 3 independent directors who meet requirements of the Corporate Conduct Code, in the structure of the board of directors of the joint-stock company	Not complied	
15	Absence in the structure of the board of directors of the joint-stock company of persons who were accused of crimes in the sphere of economic activities or crimes against the government, interests of public service and service in institutions of local government or who experienced administrative punishments for violations of law in the field of the enterprise activity or in the field of the finance, taxes and tax levies, the securities market.	Complied	
16	Absence in structure of the joint-stock company's board of directors of persons, being a participant, general director (managing director), member of regulatory body or employee of the legal entity competing with the joint-stock company	Complied	
17	Requirement to election of the board of directors by cumulative voting containing in the articles of association of the joint-stock company	Complied	
18	Provision by internal documents of the joint-stock company of obligation of members of the board of directors to abstain from actions which will lead or are potentially capable to lead to occurrence of the conflict between their interests and interests of the joint-stock company;	Complied	

	obligation of disclosing the information on this conflict to the board of directors in case of occurrence of such a conflict		
19	Provision by internal documents of the joint-stock company of the board of directors members' duty to notify the board of directors in writing on intention to make transactions with securities of the joint-stock company, if they are members of the board of directors of this JSC, or its subsidiaries (dependent) entities, as well as to disclose the information on the transactions with such securities accomplished by them	Not complied	
20	Provision by the internal documents of joint-stock company of the requirement to carrying out meetings of the board of directors at least every six weeks	Complied	
21	Meetings of the board of directors of the joint-stock company during the year which is object of the annual report of the joint-stock company, are carried out with periodicity of at least every six weeks	Complied	
22	Provision by the internal documents of the joint-stock company of the order of carrying out meetings of the board of directors	Complied	
23	Provision by internal documents of the joint-stock company of regulations about necessity of approval by the joint-stock company's board of directors of transactions for the sum of 10 and more percent of the Company asset value, except for the transactions made during every day economic activities	Complied	
24	Provision by internal documents of the joint-stock company of the right of members of the Board of Directors to receive the information from executive bodies and heads of the main structural divisions of the joint-stock company , which is necessary for implementation of their functions, as well as responsibility for failure to provide such information	Complied	
25	The committee of the board of directors for strategic planning or giving functions	Not complied	

	of the specified committee to another committee (except for audit committee and personnel and remuneration committee)		
26	The committee of the board of directors (audit committee) which recommends the auditor to board of directors of the joint-stock company and cooperates with it and with the internal audit commission of the joint-stock company	Not complied	
27	Presence of only independent and non-executive directors in the audit committee	Not complied	
28	The audit committee management by independent director	Not complied	
29	Provision by in internal documents of the joint-stock company of access right of all members of the audit committee to any documents and information of the joint-stock company under the condition of nondisclosure of the confidential information by them	Not complied	
30	Creation of a committee of the board of directors (the personnel and remuneration committee), the function of which is definition of criteria of candidates choosing for members to board of directors and development of the joint-stock company policy in the field of remuneration	Not complied	
31	The personnel and remuneration committee management by independent director	Not complied	
32	Absence of officials of the joint-stock company in the structure of personnel and remuneration committee	Not complied	
33	Creation of risks committee of the board of directors or giving functions of the specified committee to another committee (except for the audit committee and the personnel and remuneration committee)	Not complied	
34	Creation of corporate conflicts settlement committee of the board of directors or giving functions of the specified committee to another committee (except	Not complied	

	for the audit committee and the personnel and remuneration committee)		
35	Absence of the joint-stock company officials in the structure of corporate conflicts settlement	Not complied	
36	Management by corporate conflicts settlement committee performed by an independent director	Not complied	
37	Internal documents of the joint-stock company providing the order of formation and work of the board of directors committees approved by board of directors	Not complied	
38	Provision by the articles of association of the joint-stock company of the order of definition of quorum of the board of directors, allowing to provide obligatory participation of independent directors in meetings of board of directors	Not complied	
Executive powers			
39	The joint executive body (management board) of the joint-stock company	Not complied	
40	Provision by the articles of association or internal documents of the joint-stock company of the regulations about necessity of approval of transactions with the real estate, obtaining of credits by the joint-stock company, if the specified transactions are not referred to large transactions and their fulfillment is not referred to usual economic activities of the joint-stock company	Not complied	
41	Coordination procedure of operations in internal documents of the joint-stock company which are beyond the financial and economic plan of the joint-stock company	Not complied	
42	Absence in structure of executive bodies of persons, being participant, general director (managing director), member of managing body or employee of the legal entity competing with the joint-stock company	Complied	
43	Absence of persons in the structure of executive bodies of the joint-stock company who were found guilty in fulfillment of crimes in the sphere of economic activities or crimes against the	Complied	

	government, interests of public service and service in institutions of local government, or who experienced administrative punishments for violations in the field of enterprise activity or in the field of the finance, taxes and tax levies, the securities market. If functions of the sole executive body are carried out by managing organization or managing director, conformity of general director and members of board of the managing organization or managing director to the requirements made to general director and members of management board of the joint-stock company		
44	Provision by the articles of association or internal documents of the joint-stock company of the prohibition for the managing organization (managing director) to carry out similar functions in the competing company, as well as to be in any other property relations with the joint-stock company, besides rendering services of the managing organization (managing director)	Not complied	
45	Provision by internal documents of the joint-stock company of executive bodies of the duties to abstain from actions which will lead or are potentially capable to lead to occurrence of the conflict between their interests and interests of the joint-stock company, and duties to inform board of directors on this in case of such conflict occurrence	Complied	
46	Provision in the articles of association or internal documents of the joint-stock company of criteria for election of the managing organization (managing director)	Not complied	
47	The joint-stock company executive bodies' presentation of monthly reports on their work to board of directors	Not complied	
48	Determination of the responsibility for infringements of provisions about the use of confidential and service information stated in the agreements concluded by the joint-stock company with general director (managing organization, managing director) and members of the managing board	Complied	
Secretary of the Company			

49	Presence of special official (secretary of the company) in the joint-stock company whose task is maintenance of observance by bodies and officials of the joint-stock company of the procedural requirements guaranteeing implementation of the rights and legitimate interests of the company shareholders	Complied	
50	The order of appointment (election) of the secretary of the company and duties of the secretary of the company stipulated by the articles of association or internal documents of the joint-stock company	Complied	
51	Requirements to a candidate of the company secretary stipulated in the articles of association of the joint-stock company	Not complied	
Essential Corporate Actions			
52	Requirement to approval of the large transaction before its fulfillment in the articles of association or internal documents of the joint-stock company	Complied	
53	Obligatory involving of the independent appraiser for estimation of the market value of the property which is a subject matter of the large transaction	Complied	
54	Presence in the joint-stock company's articles of association of the interdiction for taking any measures in the event of purchase of large share holdings of the joint-stock company (absorption), which are aimed to protect the interests of executive bodies (members of these bodies) and members of the board of directors of the joint-stock company, as well as measures worsening shareholders' position in comparison with the existing position (in particular, the interdiction for taking the decision by the board of directors before termination of prospective term of purchase, which concerns issue of additional shares, issue of the securities convertible into shares, or the securities giving the right to purchase shares of the Company even if the right of such decision-making is given to it by the articles of association)	Not complied	
55	Requirement in the articles of association of the joint-stock company to obligatory involvement of an independent appraiser for estimation of the current market value	Not complied	

	of shares and possible changes of their market value as a result of absorption		
56	Absence in the joint-stock company's articles of association of the purchaser's release from the duty of proposing to shareholders to sell ordinary shares of the Company belonging to them (the equity securities convertible into ordinary shares) at absorption	Complied	
57	Presence in the articles of association or internal documents of the joint-stock company of the requirement to obligatory involvement of an independent appraiser for definition of shares converting ratio at reorganization	Not complied	
Information Disclosure			
58	Presence of the internal document approved by the board of directors which defines rules and approaches of the joint-stock company to information disclosure (Information Policy Regulation)	Not complied	
59	Presence in internal documents of the joint-stock company of the requirement to information disclosure on the purposes of shares placement, on persons who are going to purchase the placed shares, including a large share holding, and on the fact whether the top officials of the joint-stock company will participate in purchase of placed shares of the company	Not complied	
60	Presence of the list of the information, documents and data in internal documents of the joint-stock company which should be given to shareholders for solution of the issues submitted to the general meeting of shareholders	Not complied	
61	Presence of the joint-stock company website in the Internet and regular disclosure of information on the joint-stock company on this website	Complied	
62	Presence in internal documents of the joint-stock company of the requirement to disclose the information on transactions of the joint-stock company concluded with the persons referred according to the articles of association to the top officials of the joint-stock company, as well as on transactions of the joint-stock company concluded with the organizations, in which the top officials of the joint-stock company directly or indirectly own 20 and	Not complied	

	more percent of the authorized capital of the joint-stock company or which may be essentially influenced by such persons.		
63	Presence in internal documents of the joint-stock company of the requirement to disclose the information on all transactions which may influence the market value of the joint-stock company shares	Not complied	
64	Presence of the internal document approved by board of directors on use of the essential information on activity of the joint-stock company, shares and other securities of the company and transactions with them, which is not available to all and disclosure of which may essentially influence the market value of shares and other securities of the joint-stock company.	Not complied	
Control over Financial and Economic Activity of the Company			
65	Presence of the procedures of the internal control over financial and economic activity of the joint-stock company approved by the board of directors	Not complied	
66	Presence of a special division of the joint-stock company providing observance of procedures of the internal control (the control-and-inspection service)	Complied	
67	Requirement to definition of structure and membership of control-and-inspection service of the joint-stock company by the board of directors stipulated in internal documents of the joint-stock company	Not complied	
68	Absence in the structure of control-and-inspection service of persons who were found guilty in commitment of crimes in the sphere of economic activity or crimes against the government, interests of public service and service in institutions of local government, or who experienced administrative punishments for infringements in the field of enterprise activity or in the field of the finance, taxes and tax levies, the securities market	Complied	
69	Absence in structure of the control-and-inspection service of the persons who are part of executive bodies of the joint-stock company, and the persons who are participants, general director (managing director), members of managing bodies or	Complied	

	employees of the legal entity competing to the joint-stock company		
70	Presence in internal documents of the joint-stock company of the term of submission of documents and data to control-and-inspection service for estimation of the financial and economic operation held, and responsibility of officials and employees of the joint-stock company for their failure to submit them within the specified term	Complied	
71	Presence in the internal documents of the joint-stock company of the duty of the control-and-inspection service to inform the audit committee on the revealed infringements, and in case of its absence, presence of the duty to inform the board of directors of the joint-stock company on it	Complied	
72	Presence in the joint-stock company's articles of association of the requirement to preliminary estimation by the control-and-inspection service of expediency of fulfillment of the operations which are not stipulated by the financial and economic plan of the joint-stock company (non-standard operations)	Not complied	
73	Presence in the joint-stock company's internal documents of the order of coordination of a non-standard operation with the board of directors	Not complied	
74	Presence of the internal document approved by the board of directors defining the order of carrying out inspection of financial and economic activity of the joint-stock company by the internal audit commission	Complied	
75	Implementation of the auditor opinion assessment by the audit committee before its presentation to shareholders at the general meeting of shareholders	Not complied	
Dividends			
76	Presence of the internal document approved by the board of directors, which the board of directors is guided by at taking recommendations about the amount of dividends (Dividend Policy Regulation)	Not complied	
77	Presence in the Dividend Policy Regulation of the order of definition of the minimum	Not complied	

	net profit share of the joint-stock company assigned for dividends payment, and conditions of non-payment or incomplete payment of dividends per the preference shares, the amount of dividends per which is defined in the articles of association of the joint-stock company		
78	Publication of the data about the dividend policy of the joint-stock company and changes made to it in the periodical edition stipulated by the articles of association of the joint-stock company for publication of statements on holding the general meetings of shareholders, as well as placement of the specified data on the website of the joint-stock company in the Internet	Not complied	