

Fitch Takes Rating Actions on Russian Corporates on Sovereign Downgrade

Fitch Ratings-London/Moscow-4 February 2009: Fitch Ratings has today downgraded the Long-term foreign currency Issuer Default Ratings (IDRs) of four Russian companies. The agency has simultaneously revised the Long-term IDR Outlooks on two Russian companies and affirmed their ratings. The rating actions follow Fitch's downgrade today of Russia's foreign and local currency IDRs to 'BBB' from 'BBB+' respectively. The Outlooks on the sovereign Long-term IDRs remain Negative. A full list of affected corporate ratings follows.

Russian companies whose foreign currency ratings have been downgraded are:

JSC Russian Railways (RZD)

Long-term foreign currency IDR: downgraded to 'BBB' from 'BBB+'; Outlook remains Negative

Long-term local currency IDR: downgraded to 'BBB' from 'BBB+'; Outlook remains Negative

Short-term foreign currency IDR: downgraded to 'F3' from 'F2'

Short-term local currency IDR: downgraded to 'F3' from 'F2'

National Long-term rating: affirmed at 'AAA(rus)'; Outlook remains Stable

National senior unsecured rating: affirmed at 'AAA(rus)'

RZD's ratings are aligned with the sovereign's because the company is 100% state-owned and because of its strategic importance.

Sukhoi Civil Aircraft JSC (SCAC)

Long-term foreign currency IDR: downgraded to 'BB' from 'BB+'; Outlook remains Negative

Long-term local currency IDR: downgraded to 'BB' from 'BB+'; Outlook remains Negative

Short-term foreign currency IDR: affirmed at 'B'

Short-term local currency IDR: affirmed at 'B'

Senior unsecured rating: downgraded to 'BB' from 'BB+'

National Long-term rating: downgraded to 'AA-(rus)' (AA minus) from 'AA(rus)'; Outlook revised to Negative from Stable

National Short-term rating: affirmed at 'F1+(rus)'

SCAC's ratings are linked to the sovereign's because it is majority state-owned and because of its strategic importance.

Federal Hydrogeneration Company HydroOGK (RusHydro)

Long-term foreign currency IDR: downgraded to 'BB+' from 'BBB-' (BBB minus); Outlook remains Negative

National Long-term rating: downgraded to 'AA(rus)' from 'AA+(rus)'; Outlook revised to Negative from Stable

RusHydro's ratings are linked to those of Russia due to its state ownership, the strategic importance of the company to the state, and a degree of reliance by the company on investment funding from the state.

OAo AK Yakutskenergo (YE)

Long-term foreign currency IDR: downgraded to 'BB' from 'BB+'; Outlook remains Negative

Long-term local currency IDR: downgraded to 'BB' from 'BB+'; Outlook remains Negative

National Long-term rating: downgraded to 'AA-(rus)' (AA minus) from 'AA(rus)'; Outlook remains Negative

YE's ratings are linked to those of Russia due to state ownership, the strategic importance of the company to the state, direct federal subsidisation, and its reliance on state-controlled banks for the majority of debt funding and liquidity.

There will be a separate announcement for OJSC Moscow Integrated Power Company later on today.

Russian companies whose foreign currency rating Outlooks have been revised and ratings affirmed are:

OAQ Gazprom (Gazprom)

Long-term foreign currency IDR: affirmed at 'BBB'; Outlook revised to Negative from Stable

Long-term local currency IDR: affirmed at 'BBB'; Outlook revised to Negative from Stable

Senior unsecured rating: affirmed at 'BBB'

Gaz Capital S.A.'s debt issuance programme: affirmed at 'BBB'

Gazprom's ratings are based on its standalone profile, although its state ownership and the influence of the state on Gazprom's business environment and financial profile are factored into the ratings.

OJSC OC Rosneft (Rosneft)

Long-term foreign currency IDR: affirmed at 'BBB-' (BBB minus); Outlook revised to Negative from Stable

Long-term local currency IDR: affirmed at 'BBB-' (BBB minus); Outlook revised to Negative from Stable

Rosneft Capital S.A.'s debt issuance programme: affirmed at 'BBB-' (BBB minus)

Rosneft's ratings benefit from the state's majority ownership as well as implied and historically demonstrated indirect support, which is particularly relevant for the company given its rapid and acquisition-driven growth.

Fitch's 4 February 2009 commentary on Russia's sovereign ratings is available on the agency's public website, www.fitchratings.com.

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Note to Editors: Fitch's National ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(rus)' for **National ratings in Russia**. Specific letter grades are not therefore internationally comparable.

Fitch's rating definitions and the terms of use of such ratings are available on the agency's public site, www.fitchratings.com. Published ratings, criteria and methodologies are available from this site, at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance and other relevant policies and procedures are also available from the 'Code of Conduct' section of this site.