

**Rating Action: MOODY'S ASSIGNS A (P)Baa1 RATING TO GUARANTEED NOTES ISSUED BY KAZAKHSTAN TEMIR ZHOLY FINANCE BV; AFFIRMS ALL OTHER RATINGS; OUTLOOK POSITIVE**

---

Global Credit Research - 20 Apr 2006

Milan, April 20, 2006 -- Moody's Investors Service has assigned a provisional debt rating of (P)Baa1, to the Senior Unsecured Notes to be issued by Kazakhstan Temir Zholy Finance BV (KTZ BV), a finance company incorporated in the Netherlands and jointly owned by JSC Kazakhstan Temir Zholy (KTZ) (99.64%) and by its subsidiary, JSC Kazzheldortrans ("KZDT") (0,36%). The Notes are guaranteed by KTZ and its main operative subsidiaries KZDT and JSC Lokomotiv ("Lokomotiv") whose activities are to operate, respectively, all freight cars and locomotive fleet of KTZ group. At the same time Moody's has affirmed the Baa3 Foreign Currency Rating and A3 Local Currency Rating assigned to KTZ. The rating outlook remains positive.

Moody's issues provisional ratings in advance of the final sale of securities and these ratings reflect Moody's preliminary credit opinion regarding the transaction. Upon a conclusive review of the final versions of all the documents and legal opinions, Moody's will endeavor to assign a definitive rating to the transaction. A definitive rating may differ from a provisional rating.

The (P) Baa1 rating for KTZ BV's proposed senior unsecured notes has pierced Kazakhstan's country ceiling of Baa3, in accordance with rating methodology for such situation as updated in January 2005. The rating input factors under this methodology are: (1) KTZ's A3 local currency issuer rating; (2) the Baa3 country ceiling; (3) the Kazakhstan 's low moratorium risk; and, (4) a moderately high risk for KTZ as a railways company to be affected by any such moratorium.

In accordance with Moody's GRI methodology, the Baa3 Foreign Currency Rating of KTZ reflects the combination of the following inputs:

- Baseline credit assessment ("BCA") of 5 (on a scale of 1 to 6, where 1 represents lowest credit risk)
- The local currency debt rating of the Government of Kazakhstan of Baa1 with positive outlook
- Dependence: Medium
- Support: High

Based in Astana, City, (Kazakhstan), KTZ is the monopoly operator of the rail network in Kazakhstan and is the country's leading provider of freight services and passenger services.

Milan  
Marco Vetulli  
Vice President - Senior Analyst  
Corporate Finance Group  
Moody's Investors Service  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Frankfurt  
Michael West  
Managing Director  
Corporate Finance Group  
Moody's Deutschland GmbH  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable, including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody.com](http://www.moody.com) under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness or a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.