

## Long-haul passenger transportation via Russian Railways infrastructure

The following companies provide long-haul passenger transportation services via Russian Railways infrastructure:

- S&A of Russian Railways (Federal Passenger Company and Sakhalin Passenger Company). Their share of passenger turnover is 94.84%. In particular, Federal Passenger Company had a 90.0% share of passenger turnover via its own trains.
- Independent carriers: Grand Service Express TC, Tverskoy Express and TransClassService. Their share of passenger turnover is 1.64%.

- Russian Railways as represented by High-Speed Transportation Directorate. Its share of passenger turnover is 3.52%,

Long-haul passenger turnover via Russian Railways infrastructure increased by 4.5% to 93.5 bln pass. km in 2016, while the number of passengers transported grew by 3.6% to 101.4 mln.

## Performance results of Federal Passenger Company

Federal Passenger Company had passenger turnover of 89.465 bln pass. km in 2016, up 3.9% from 2015.

On trains formed by Federal Passenger Company, passenger turnover throughout the route increased by 4.8% to 85.076 bln pass. km, including in the de-regulated segment – 25.963 bln pass. km (up 7.2% versus 2015), and in the regulated

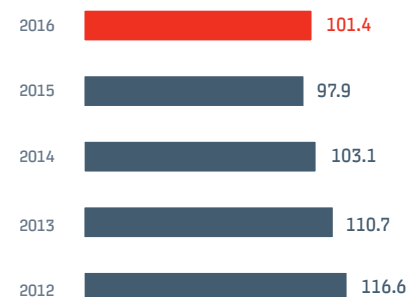
segment – 59.113 bln pass. km (growth of 3.9 % versus 2015).

In trains formed in CIS and Baltic countries using Russian Railways infrastructure, passenger turnover totalled 4.389 bln pass. km in 2016, a 10.8% decrease from 2015.

The Company transported more than 93 mln passengers over the course of the year.

Federal Passenger Company had income from core operations of RUB 201.2 bln

## Number of long-haul passengers transported, mln passengers



in 2016 (up 11.0%), including RUB 180.1 bln of income from passenger transportation (growth of 12.6%). Operating expenses also increased – from RUB 199.0 bln in 2015 to RUB 207.1 bln in 2016.

For the year, Federal Passenger Company increased net profit from RUB 0.1 bln in 2015 to RUB 5.3 billion in 2016.

**For more on the performance results of Federal Passenger Company, please see the Company's website.**

## Key financial indicators of Federal Passenger Company, RUB bln

Indicator	2015	2016	Change, %
Income from core operations	181.2	201.2	11.0
Income from passenger transportation	160.0	180.1	12.6
Income from other activities	21.2	21.1	-0.6
Expenses on core operations	199.0	207.1	4.1
Expenses on transportation	183.6	191.8	4.5
Expenses on other activities	15.4	15.3	-0.5
Operating profit (loss)	-17.8	-5.9	-67.0
Result from other income and expenses	20.2	14.3	-29.0
Profit (loss) before tax	2.4	8.5	3.5x
Net profit	0.1	5.3	37.5x

## International transportation

In the 2015-2016 train schedule, Federal Passenger Company transported passengers as part of direct and transit travel to 16 countries of Europe and Asia – Germany, France, Poland, Austria, Slovakia, the Czech Republic, Hungary, Serbia, Montenegro, Bulgaria, Monaco, Italy, Finland, China, Mongolia and North Korea – via 21 international routes. Passengers were also transported to CIS and Baltic countries.

The trend of decreased passenger traffic internationally continued in 2016, although the rate of decrease slowed. A total of 7,253,836 passengers were transported in 2016, or 4.8% less than in 2015 (the decrease in 2015 was 31.9% versus 2014). Passenger transportation with CIS and Baltic countries totalled 6,300,400 (-6.5% versus 2015), while transportation with other countries totalled 645,700 passengers (+8.5% versus 2015).

The share of passengers transported with non-CIS and Baltic countries increased from 7.8% to 8.9% of the total volume of international transportation.

In transportation with CIS and Baltic countries, the biggest decrease in passenger transportation was seen with Lithuania (-27.5%), Moldova (-24.0%), Kazakhstan (-16.1%), Latvia (-14.3%) and Kyrgyzstan (-14.2%).

Transportation between Russia and Ukraine totalled 2,256,240 passengers in 2016, down 2.3% from 2015. The share of passengers travelling to and from Ukraine increased 1.5 p.p. to 35.8% of total passenger transportation with CIS and Baltic countries.

Travel with Abkhazia totalled 307,748 passengers, or 8.9% of total passenger transportation with CIS and Baltic countries (up 4.2% versus 2015).

Finland accounted for the largest amount of travel with non-CIS countries in the reporting period at 452,448 passengers, a 5.7% increase from 2015 (versus a 17.3% decrease in 2015).

The only decrease in passenger traffic with non-CIS countries during the reporting year was between Russia and Mongolia (-3.9% versus 2015).

# 7,253,836

people

number of passengers transported internationally in 2016

# 6,300,400

people

passenger traffic with CIS and Baltic countries in 2016

