

## Railway transportation and infrastructure

This unit consolidates the core production business divisions that support the Company's priority activities in railway transportation as well as the maintenance and development of infrastructure and locomotives.

### Key achievements in 2016

The efficiency of production activities was improved, making it possible to fulfil the enhanced budget parameters for the use of rolling stock, including for the average freight train weight (+1% versus the 2015 level), average daily locomotive productivity (+2.9%) and service speed (+1.5%).

The share of shipments delivered within the required period increased by 3.2 p.p. versus the 2015 level (including by 2 p.p. in loaded railcars). Updates were made to the action plan to ensure a 2.4% increase freight shipment delivery speed.

The route speed of containerised trains totalled 899 km/day, an increase of 0.3% versus the 2015 level, including 1,145 km/day as part of the 'Trans-Siberian Railway in 7 Days' project, up 1.1%.

The freight train traffic schedule improved by 0.4 p.p. in terms of departure and by 3.2 p.p. in terms of travel time versus 2015.

All parameters of passenger train scheduling were improved, including by 0.2 p.p. for departure and arrival, and 0.3 p.p. for embarkation/disembarkation stations on the train's route versus the 2015 level.

The scheduling of suburban trains ensured growth versus 2015 of 0.3 p.p. for arrival at destination points.

Railway stations improved their quality of work. The downtime of transit railcars at marshalling yards declined 6.3% without processing and 2.3% with processing, while the time of railcar terminal operations at stations decreased 16.8% compared with 2015.

The number of downtime hours in the work time of locomotive crews decreased 13.7% compared with 2015, including 14.2% in freight traffic, while the plan was for a 10% reduction.

Track repair work was performed on 5,963 km (100% of the annual plan) as part of the renovation of Russian Railways infrastructure.

The number of technological violations based on the responsibility of branches on the railway network fell by 50.3%.



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In 2016, we ensured positive trends in qualitative production indicators versus the 2015 level. Our achievements in freight speed delivery received high praise from our clients and were reflected in the up to 2% additional targeted indexation of tariffs for freight transportation and infrastructure services in 2017.

The budget targets for the qualitative indicators of rolling stock use were met in 2016, in particular:

- the average freight train service speed was 39.7 km/h, or 0.3% higher than the planned level and 1.5% higher than in 2015;
- the average freight train weight was 4,006 t, which is 0.7% higher than the target and 1% higher than the 2015 level;
- the average daily productivity of the active locomotive fleet in freight traffic reached 2,097,000 tkm gross, which is 1.7% above the plan and 2.9% higher than the 2015 level.

#### Key performance indicators

Indicator	Measurement unit	2015	2016	
			value	change, %
Freight turnover	bln tkm	2,954.9	2,997.8	1.5
Loaded freight delivery speed	km/day	371.5	380.5	2.4
Share of loaded shipments delivered by the required date	%	94.7	96.7	2.0 p. p.
Decrease in specific consumption of electricity for train traction (2015 – 100%)	%	100.0	99.5	–0.5 p. p.
Decrease in specific consumption of standard fuel for train traction (2015 – 100%)	%	100.0	98.2	–1.8 p. p.