

## Glossary

**1520 mm** — the official track gauge of railways within the Commonwealth of Independent States, Baltic countries, Mongolia and Finland. The total length of tracks within the '1520 space' exceeds 150,000 km. It is referred to as the 'broad' gauge. The '1520 space' is the territory served by the 'broad' gauge railways.

**2PL, 3PL and 4PL** — levels of logistics service (PL-Party Logistics): partial logistics outsourcing, comprehensive logistics outsourcing and integrated logistics outsourcing.

**Belarusian Railway** — State Association Belarusian Railway.

**Common Economic Space (CES)** — the economic and political integration of three nations: Russia, Kazakhstan and Belarus.

**Federal Freight Company (FFC) (Second Freight Company prior to 13 October 2012)** — a subsidiary of Russian Railways established in accordance with the decision of the Russian Railways Board of Directors dated 26 August 2010 and one of the largest railway freight transportation operators in Russia.

**Federal Passenger Company (FPC)** — a subsidiary of Russian Railways that provides long-haul passenger and luggage transportation by railways.

**Freight turnover** — the volume of work to transport freight measured by tonne-kilometres. It is calculated by adding the multiplied value of the freight transported in tonnes by the distance travelled in kilometres.

**Federal Tariffs Service (FTS)** — The federal executive authority in charge of regulating natural monopolies; handles the government regulation of prices (tariffs), in particular on railway transportation, in accordance with the legislation of the Russian Federation.

**GEFCO S.A.** — a subsidiary of Russian Railways, which concluded a transaction on 20 December 2012 to purchase a 75% of shares in the French logistic operator GEFCO from PSA Peugeot Citroen for a cost of EUR 800 mln.

**Handling (freight shipment)** — the weight of freight in tonnes accepted for transportation via the railway network. The value is calculated as the sum of all shipments accepted during the reporting period for transportation within the country directly from shippers, from other types of transportation for further transportation and from foreign railways.

**HSTD** — High-Speed Transportation Directorate — branch of Russian Railways.

**HSR** — high-speed railway.

**Intermodal transportation** — sequential freight shipments using two or more types of transportation in the same transportation unit or vehicle without the trans-shipment of the actual freight when switching transportation modes.

**International Union of Railways (UIC)** — (French — Union Internationale des Chemins de fer) — an international organisation that unites national railway companies in order to jointly resolve problems involving the development of railway transportation.

**IFRS** — international financial reporting standards.

**Logistics costs** — expenses on logistics operations (warehousing, transportation, collection, storage and transmission of inventories, supplies, etc.).

**MLRR** — Moscow Little Ring Railway.

**Multimodal transportation** — shipments using two or more types of transportation based on a single contract.

**NPS (Net Promoter Score) loyalty index** — the index used to determine a consumer's commitment to a product or company (index of how willing one is to recommend) to assess the willingness to repurchase a product.

**NC Kazakhstan Temir Zholy** — National Company Kazakhstan Railways.

**Organisation for Cooperation between Railways (OSJD)** — an international organisation whose objectives include developing international freight and passenger transportation, establishing a common railway transportation space in the Eurasian region, improving the competitiveness of transcontinental railway routes and promoting technological progress as well as scientific and technical cooperation in railway transportation.

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**Passenger turnover** — the volume of work to transport passengers measured by passenger-kilometres. It is determined by adding the multiplied value of number of passengers for each transportation category by the distance travelled in kilometres.

**Passenger transportation (dispatch)** — the volume of work performed to transport passengers as determined by the number of tickets sold and issued for of charge in a particular reporting period taking into account the passenger trips made attributable to this period based on group tickets, freight documents, commuter tickets and other tickets.

**Process and price audit (PPA)** — an expert assessment of the feasibility of an investment project, the selection of the projected technological and cost solutions for building facilities as part of an investment project, the compliance of the solutions with market practices and international analogues as well as reliability of construction costs and operating expenses to implement the investment project during the process of its life cycle.

**RAS** — Russian Accounting Standards.

**RasonKonTrans JV** — a company established by RZD Trade House and the Rason port (North Korea). Registered on 16 July 2008 in North Korea in the Rason Special Economic Zone for a period of 49 years. The Russian side, which is the investor in the project, owns 70% of charter capital, while North Korea owns 30% (stake represented by the rights to use the Rason port).

**RCGC** — Regional Corporate Governance Centre.

**ROR** — the railway operating rules of the Russian Federation.

**RRS** — railcar rolling stock.

**RZD International** — a specialised engineering company set up within the Russian Railways Group to centralise the functions of strategic planning of foreign economic activities and to manage infrastructure projects abroad.

**SMGS** — Agreement on International Goods Transport by Rail. The CIM/SMGS is a unified consignment note.

**SPC** — suburban passenger companies.

**S&A** — subsidiary and affiliate companies of Russian Railways.

**TEU (twenty-foot equivalent unit)** — the standard unit used to measure the quantity of transport flows, the acceptance capacity of container terminals or carrying capacity of freight vehicles. Equal to ISO container dimensions with length of 20 feet (6.1 metres).

**Traffic routing** — the system used to arrange freight shipments (entire trains) on routes from one or more destination railway stations to unloading points (station, berth, port) located in the same area.

**TRMS** — traction resource management centres.

**UBR** — Ulan Bator Railway.

**United Transportation Logistics Company (UTLC)** — a joint project by Russian Railways, Belarusian Railway and NC Kazakhstan Temir Zholy to establish a single logistics operator.