

Reconstruction and development of the Moscow Little Ring Railway

The project to rebuild and develop the Moscow Little Ring Railway will significantly reduce transportation congestion in Moscow and enable urban rail transportation to transition to a whole new level of passenger service.

This project will result in new economic growth points emerging in Moscow and the creation of more than 10,400 modern jobs, including approximately 4,000 jobs in the passenger transportation sector. The electrification of the Moscow Little Ring Railway will significantly improve the environmental situation in the city and enhance the attractiveness of adjacent areas.

The development of the Moscow Little Ring Railway involves electrifying the ring railway with the construction of two new traction substations, the reconstruction of three existing traction substations, the construction of a 38-km third mainline as well as the construction and reconstruction of new engineering structures. A total of 31 stops will be built on the Moscow Little Ring Railway, including 19 major transportation hubs (TH): 12 with transfer to the metro system and six with transfer to radial railways.

Starting in 2016, Moscow Railways will carry more than 250 mln passengers each year on 100 electric train pairs per day with intervals of less than 5 minutes at rush hour.

Russian Railways has currently set up a working group in charge of preparing measures to ensure that the Moscow Little Ring Railway launches transportation services for the public starting in September 2016.

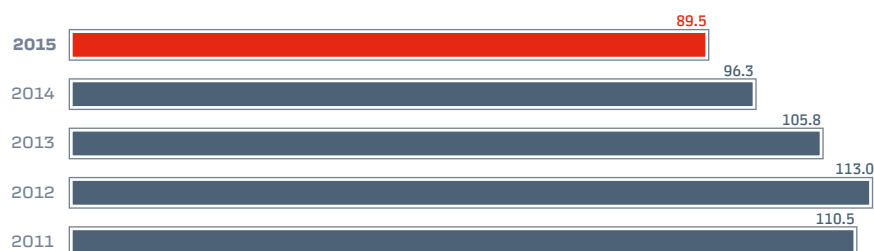
Long-haul passenger transportation via Russian Railways infrastructure

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

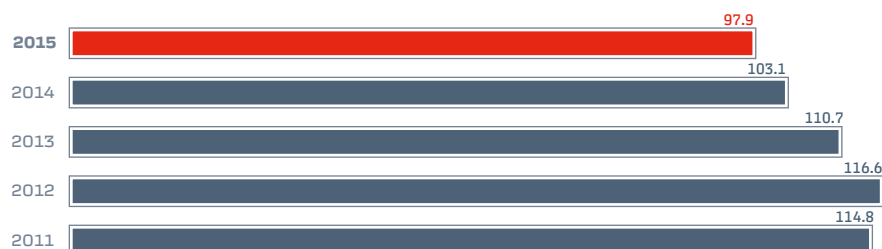
- S&A of Russian Railways (Federal Passenger Company and Sakhalin Passenger Company). Their share of passenger turnover is 95.5%. In particular, Federal Passenger Company has a 95.2% share, including a 89.7% share of passenger turnover via its own trains.
- Independent carriers: Grand Service Express TC, Tverskoy Express and TransClassService. Their share of passenger turnover is 1.4%.
- High-Speed Transportation Directorate. Its share of passenger turnover is 2.8%.

Long-haul passenger turnover via Russian Railways infrastructure decreased 7.0% to 89.5 bln pass. km in 2015, while the number of passengers transported fell 5.0% to 97.9 mln.

Long haul passenger turnover on Russian Railways infrastructure, bln pass. km



Number of long-haul passengers transported, mln passengers



Performance results of Federal Passenger Company

Federal Passenger Company trains transported passengers 86.1 bln pass. km in 2015 (down 9% compared with 2014), including 81.1 bln passengers via its own trains.

Federal Passenger Company had income from core operations of RUB 181.2 bln in 2015 (down 2.4%), including RUB 160.0 bln

of income from passenger transportation (down 2.6%). Operating expenses also decreased – from RUB 204.9 bln in 2014 to RUB 199.0 bln in 2015.

For the year, Federal Passenger Company had net profit of RUB 0.1 bln versus a loss of RUB 0.4 bln the previous year.

For more on the performance results of Federal Passenger Company, see the company's website: <http://fpc.ru/>



Key financial indicators of Federal Passenger Company, RUB bln

Indicator	2014	2015	Change, %
Income from core operations	185.6	181.2	-2.4
Income from passenger transportation	164.2	160.0	-2.6
Income from other sales	21.4	21.2	-0.7
Expenses on core operations	204.9	199.0	-2.9
Expenses on transportation operations	189.6	183.6	-3.2
Expenses on other sales	15.2	15.3	0.8
Operating profit (loss)	-19.3	-17.8	-7.8
Result from other income and expenses	20.5	20.2	-1.6
Profit (loss) before tax	1.2	2.4	50
Net profit/loss	-0.4	0.1	—