

# Development prospects for Russian Railways in 2016; goals and objectives of the Russian Railways Group for 2016

The plans and objectives of Russian Railways in 2015 are directly linked to the economic development prospects of the Russian Federation.

The Company's activities will focus on meeting the objectives set forth by the Russian President and Government and approved by the Russian Railways Board of Directors as well as ensuring the implementation of the Russian Railways

Group's Development Strategy until 2030 and the Long-term Development Programme of Russian Railways and its S&A until 2020 as a mechanism for implementing the first stage of the Strategy.

## Priority objectives of the Russian Railways Group for 2016:

- 1** Ensuring a positive financial result in the activities of Russian Railways in 2016 given the tariff indexation parameters for freight and passenger transportation, including by:
  - increasing income and optimising operating costs;
  - enhancing the effective management of subsidiaries and affiliates;
  - improving the governance system at the Company;
  - implementing structural reform measures for railway transportation in accordance with the programme documents and decisions of the Russian Government.
- 2** The Company's commitment to the principle of continuous improvement in guaranteed traffic safety control and the reliability of the transportation process by implementing priority tasks in traffic safety.
- 3** Continuing work to introduce process approach principles and methods to evaluate the effective use of fixed assets, organise labour according to core operations and take effective measures on this basis to optimise the use of production capacity, and improve the technology, quality and cost of production processes.
- 4** Strengthening the positions and increasing the share of business on the transportation and logistics services market based on the principles of a customer-oriented focus and improvements to the tariff policy and quality of the services provided.
- 5** Efficient passenger transportation and interaction with federal and regional executive authorities as regards receiving full compensation for economically justified losses in income.

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**6** Improving the quality of interaction with suppliers of material resources to ensure an uninterrupted supply for the production process and reduce integral price pressure taking into account the compliance of product quality with regulatory requirements.

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**7** Improving procurement activities by making purchases based on sustainable demand for goods, work and services in accordance with production programmes, budget parameters and the procurement plan.

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**8** Utilising the competitive advantages of railway transportation by establishing quality parameters for services and above all increasing speeds and complying with the required freight delivery dates.

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**9** Implementing the measures of the Company's investment projects, including the modernisation of the Baikal-Amur and Trans-Siberian Mainlines and the Moscow Transport Hub and the development of approaches to ports in the south and northwest parts of the country, taking into account the volume of investment planned for 2016, including federal budget funds, as well as interaction with the federal executive authorities concerning the full allocation of the federal budget funds earmarked for these purposes.

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**10** Implementing measures that aim to establish an integrated network of rapid-transit and high-speed transportation in the Russian Federation, above all the construction of the Moscow-Nizhny Novgorod-Kazan High-Speed Railway.

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**11** Pursuing a unified personnel and social policy at the Russian Railways Group that aims to staff the Company with qualified personnel, continuously develop personnel, establish a reliable talent pool, enhance the efficiency of personnel, involve personnel in meeting corporate objectives and foster a stable social and psychological climate in the workforce.

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**12** Strengthening the Russian Railways Group's positions on foreign markets for logistics and railway infrastructure construction based on cooperation with foreign partners and specialised international organisations.

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