

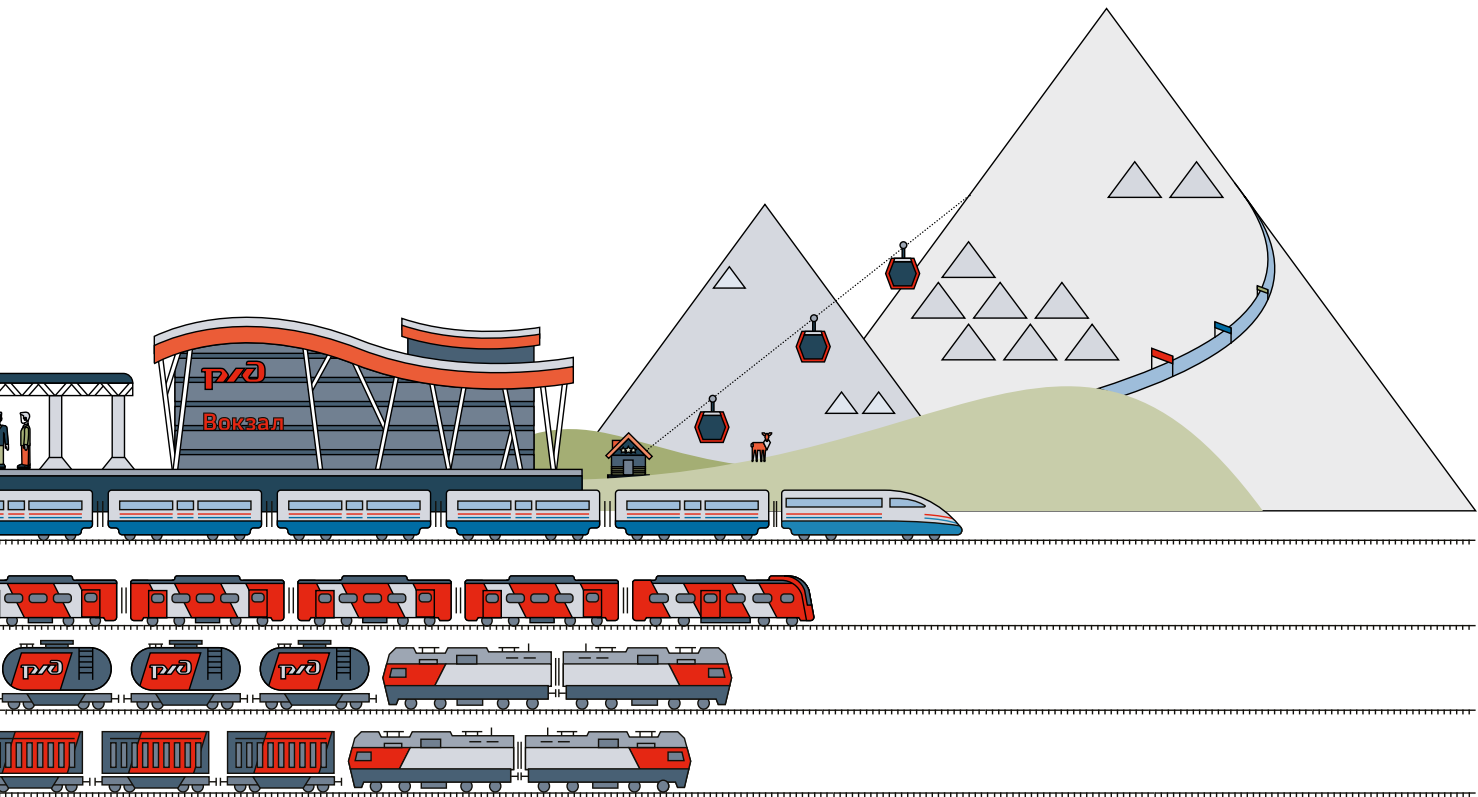
## Russian Railways Group's Long-term Development Programme until 2020

The Long-term Development Programme for the Russian Railways Group and its subsidiaries and affiliates until 2020 (hereinafter the LDP) was drafted as the first step towards implementing the Group's Development Strategy (tentatively approved by the Russian Railways Board of Directors in October 2014). In accordance with the Directives of the Russian Government to representatives of the interests of the Russian Federation for participation in meetings of the boards of directors (supervisory boards) of joint-stock companies included in a special list approved by the Russian Government. The goals and objectives of the LDP have been fully synchronised with the Russian Railways Group's Development Strategy.

In addition, the Russian Railways Board of Directors approved the LDP Audit Standard, which regulates the procedure for conducting such an audit, as well as the Terms of Reference for the LDP Audit for 2014. Due to the absence of a duly approved LDP, no audit of its implementation was performed in 2015.

The LDP is currently being revised as part of Interaction Plan between the Expert Council under the Russian Government and Russian Railways. In accordance with sub-clause b, clause 2 of List of Orders of the Russian President as well as the Orders and Directives of the Russian Government, the LDP was supplemented with the main parameters for workforce needs, including for engineering

and technical professions, as well as a set of measures for the planned and phased substitution of the purchase of foreign products (work, services) with the purchase of equivalent Russian products in terms of technical features and consumer properties that are used in investment projects and daily operations based on the principles of economic viability and technological feasibility. On the basis of this work and during the coordination of the LDP by the federal executive authorities, the LDP will be submitted to the Russian Railways Board of Directors for approval in the prescribed manner.



## Implementation status of the Russian Railways Group's Development Strategy until 2030

In December 2013, the Russian Railways Board of Directors approved the Russian Railways Group's Development Strategy until 2030, which specifies the goals and objectives, key priorities and long-term development projects of the Russian Railways Group.

In order to implement the Development Strategy, the Group approved an Action Plan that consists of broad corporate and regional actions as well as business unit activities and was formed based on strategic initiatives and projects with detailed specific actions.

The Russian Railways Group's Development Strategy was implemented in accordance with this Action Plan in 2015. The main results of this work with a breakdown by business unit are presented in the 'Analysis of operating results by business unit' section.