

JOINT STOCK COMPANY
«**RUSSIAN RAILWAYS**»

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Strategic player in the Russian economy

- Accounts for 2,5% of Russia's GDP
- Handles 42% of all freight in Russia (excluding pipeline 85%)
- Transports 1,3 billion passengers, 1,5 billion tons of freight annually

One of the biggest railway companies in the world

- 85,2 thousand km of track covering Russia's 11 time zones
- 1,2 million employees, 131 subsidiaries and affiliated companies
- Considerable scientific potential creating by the research institutes – associated companies of JSC «Russian Railways»

Excellent financial results

- Authorized capital of \$ 48,6 billion
- Sustainable business in the era of crisis
- First Russian company to be classed as investment grade by all three international rating agencies

2008-2015 Railway transport modernization

- ➔ Development of efficient transport and logistic holding «RZD»
- ➔ Accelerated modernization of existing technical basis
- ➔ Forming financing via investment Fund
- ➔ Development of public private partnership (PPP)
- ➔ Development of railway tracks to russian ports
- ➔ Construction of high-speed railway St.Petersbourg - Moscow
- ➔ Intensification of research and project development activity for the construction of new railway lines

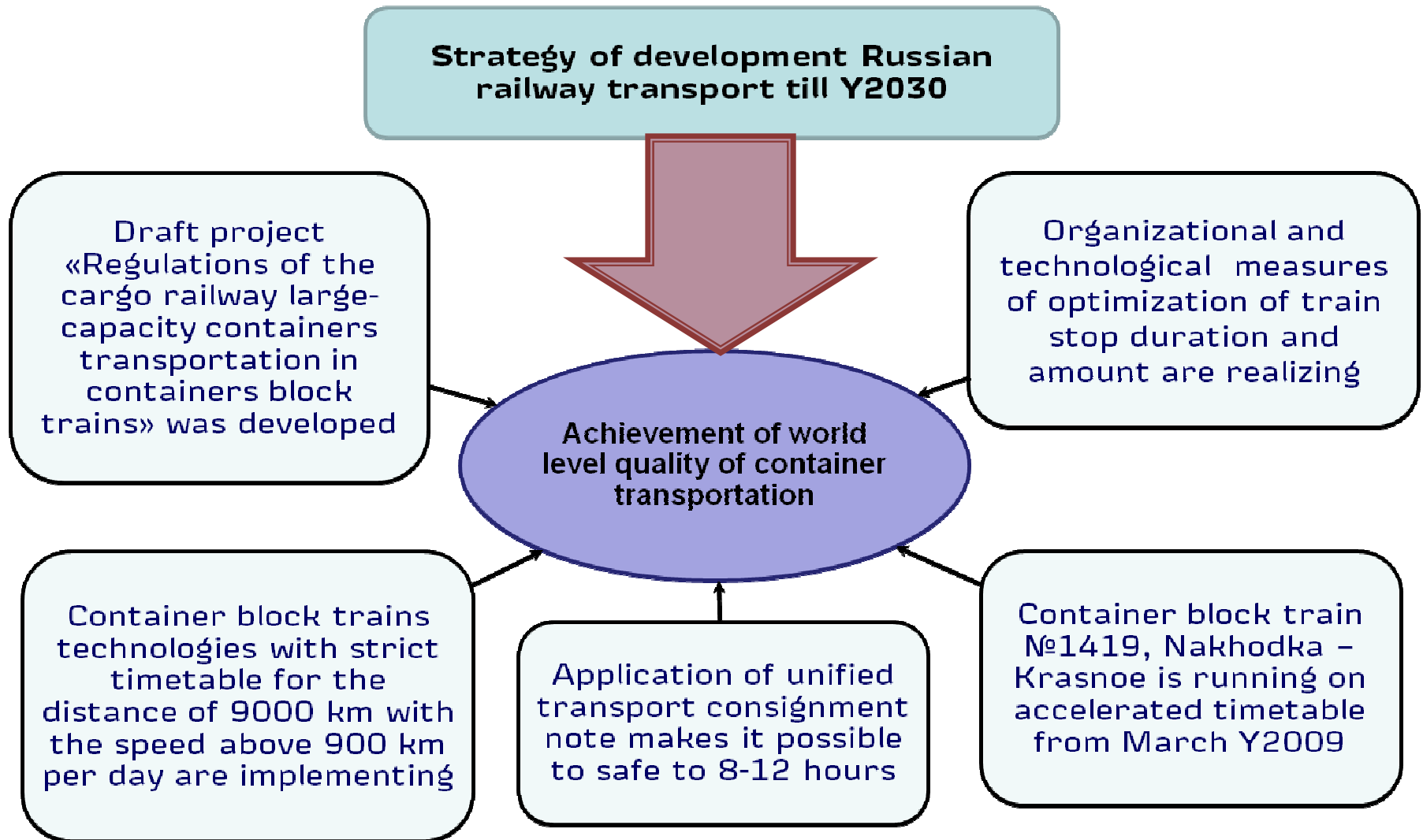
2016-2030 Phase of dynamic expansion of railways network

- ➔ Complex realization of governmental policy of railway transport development
- ➔ Expansion of railway network
- ➔ Achievement of international standards of technological and technical development
- ➔ Increasing of annual container transit to 1 million TEU
- ➔ Forming of unified transport space Europe Asia Economic Community

DEVELOPMENT OF RAILWAY SYSTEM TILL 2030

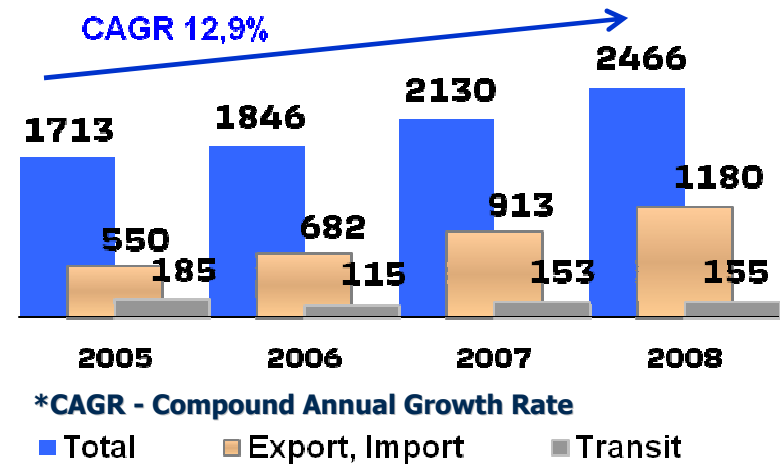


WORLD LEVEL QUALITY OF CONTAINER TRANSPORTATION – ONE OF THE STRATEGY-2030 FIRST-PRIORITY GOAL

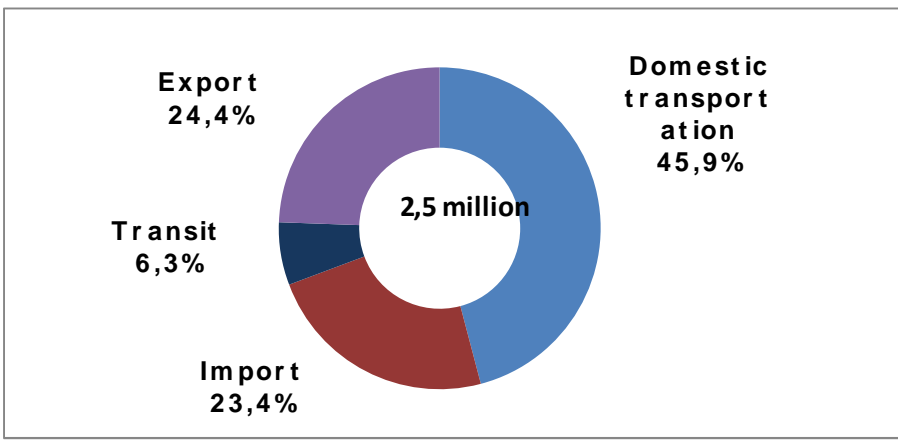


RUSSIAN MARKET OF CONTAINER RAILWAY TRANSPORTATIONS

Volumes of container railway transportations in Russia, thousands TEU



Structure of container railway transportations in 2008



Export, import container transportations

Route	2005	2008	Change
Russia – China	104 000 TEU	270 000 TEU	in 2,6 times
Russia– Republic of Korea	55 000 TEU	206 000 TEU	in 3,8 times
Russia – Japan	22 000 TEU	57 000 TEU	in 2,6 times

Volumes of container railway transportations along the Trans-Siberian Railway in 2008

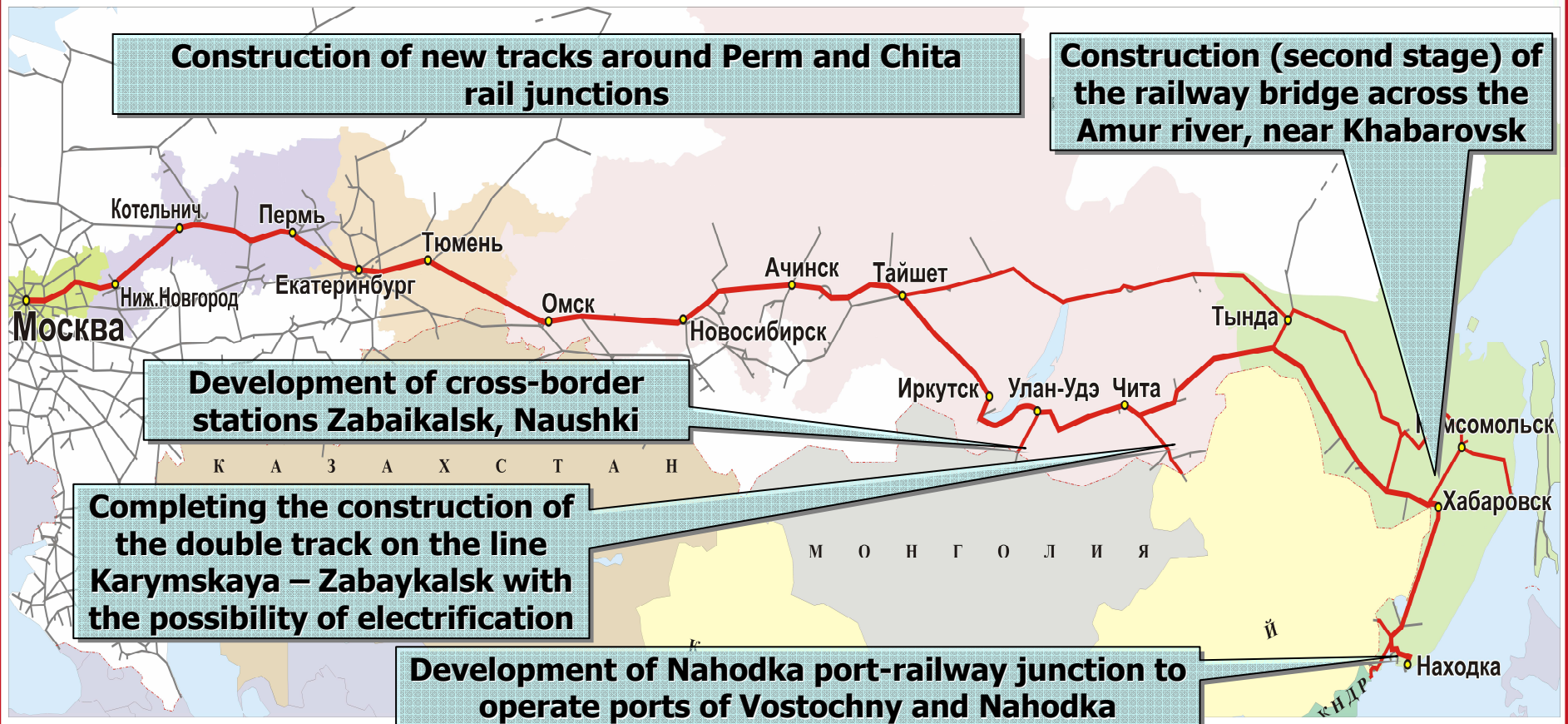
2008	Total	587 000 TEU
	Including transit	29 000 TEU

MAIN OBJECTIVES FOR INFRASTRUCTURE DEVELOPMENT OF THE TRANS-SIBERIAN RAILWAY

Construction of new container terminals

Reconstruction of stations in order to handle 71 wagon trains

Modernization and enhancement of energy supply, IT, communications and automatic systems



TARGET CONDITIONS OF PRODUCT «TRANSSIB IN 7 DAYS»

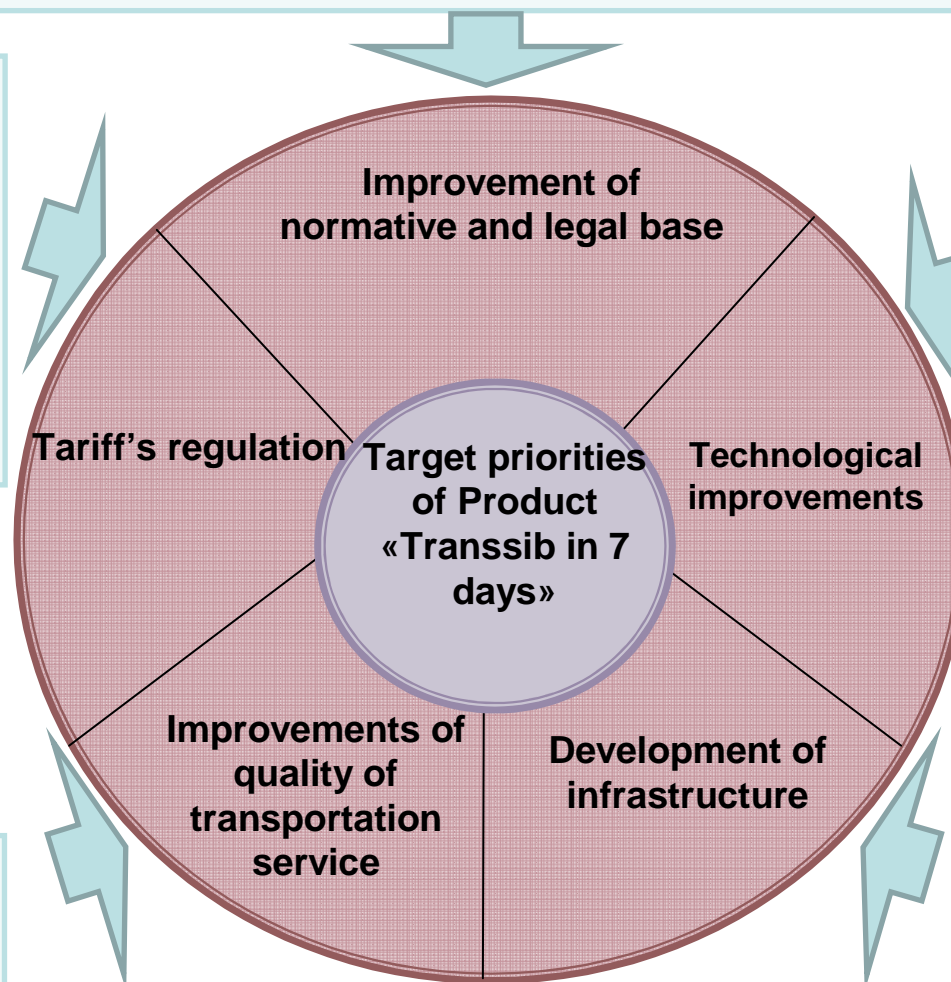
- ✓ speed of delivery and stability of transit time → 9806 km Nakhodka – Krasnoe 7 days
1400 km per day
- ✓ regularity of service → possibility to provide to 15 pairs of trains per day
- ✓ maintenance of fixed train schedule → on transportation time
on time arrival at last station
- ✓ competitive tariff on criterion «price – time of delivery» → target rate
“deep-sea” + \$1000
- ✓ stability of tariff policy → in 2-3 years (minimum)
- ✓ early information about future tariff changes → In advance of 60 days before the beginning of operation

TARGET PRIORITIES OF PRODUCT «TRANSSIB IN 7 DAYS»

- Rules of transportation in container block trains approval ;
- Improvements of International normative base.

- Competitive tariff;
- Stability of tariff policy;
- Establishment of container transportation tariffs per coach and, further, per container block train.

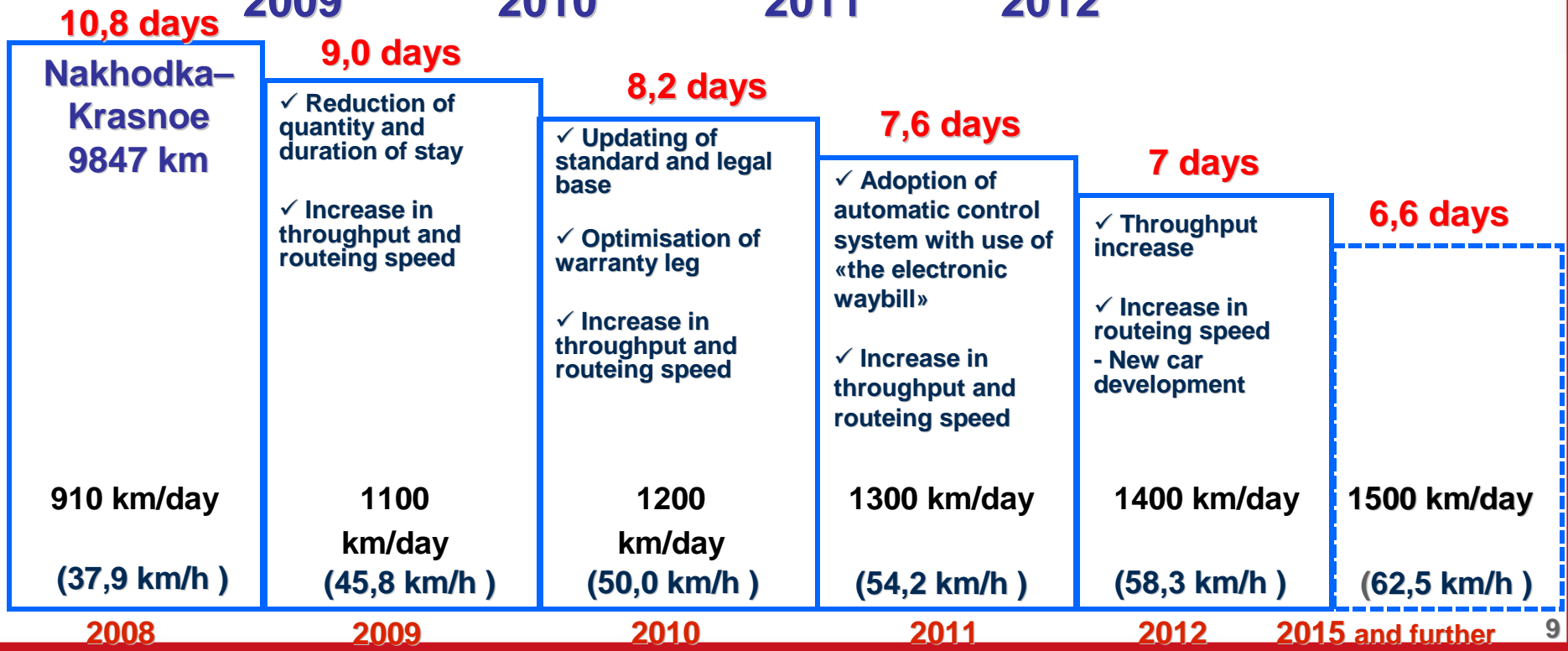
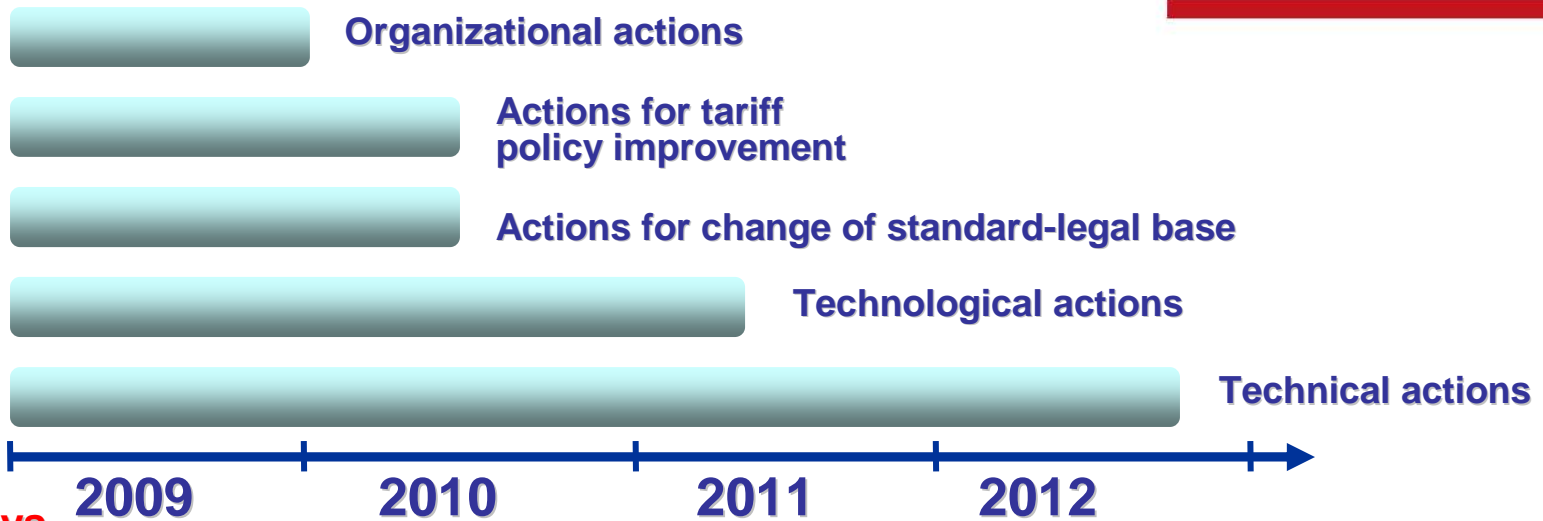
- Speed rise to 1400 km per day;
- Polling stock renewal;
- Implementation of up-to-date information system.



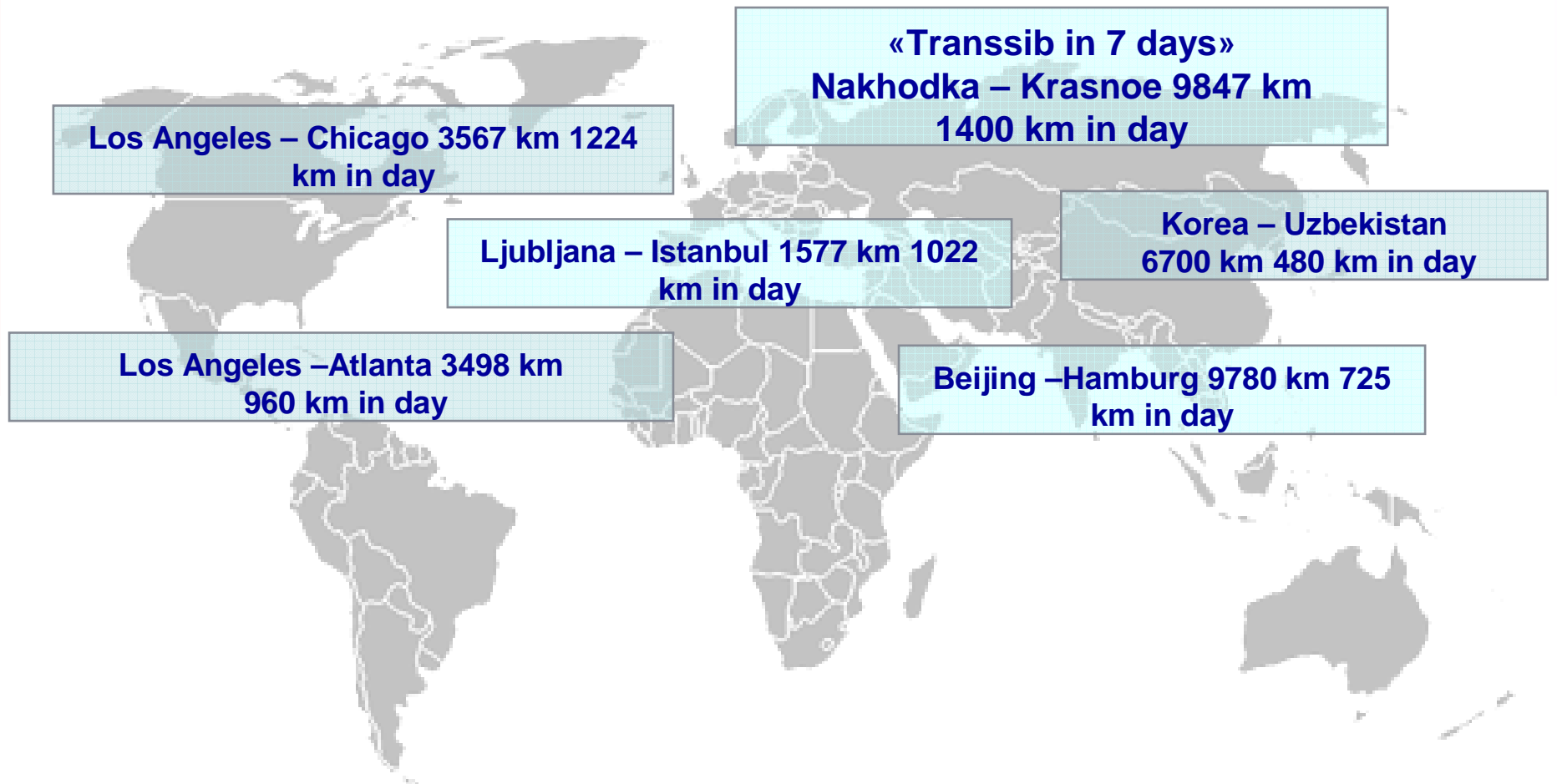
- Facile circulation of documents;
- Schedule's observance;
- Service's regularity .

- Excluding of infrastructural speed limitations;
- Modernization and construction of new container terminals.

FORMATION STAGES OF PRODUCT «THE TRANS-SIBERIAN RAILWAY FOR 7 DAYS»



INTERNATIONAL EXPERIMENT OF CONTAINERS ROUTE TRANSPORTATION



Product «Transsib in 7 days» could be unique on route length and speed in international railway practice