

# COMPANY

## PROFILE

### OUR HISTORY

#### CARRIAGE OPERATOR

2010

2011

2012

2013

#### KEY MILESTONES



FPC was included in the Register of Natural Monopolies.

FPC was officially admitted to the international Organisation for Cooperation of Railways (OSJD) and was made a member of the International Union of Railways (UIC).

FPC was awarded with the Company of the Year 2012 National Award by Ros Business Consulting (RBC) information agency.

FPC was assigned observer status at the OSJD, enabling the Company to represent itself at meetings of the OSJD working bodies, thereby strengthening the Company's position in the international transport market.

#### STATE AND RESTRUCTURING



Restructuring of long-distance rail passenger services was completed under Stage III of the Railway Restructuring Programme.

Regulatory and legal framework for calculating revenue shortfall was finalised.

Cooperative Agreements were signed with the governments of the Republic of Karelia, the Komi Republic, and the Republic of Ingushetia.

The Plan to Develop and Implement a Mechanism for Long-Term Subsidising of Long-Distance Rail Passenger Transportation was approved by instruction of the Russian Deputy Prime Minister Arkady Dvorkovich.

**Company Profile**

Company Strategy  
Business Model and Assets  
Market Overview

Marketing Policy  
Government Relations  
Risk Management  
Passenger Service

Quality and Safety  
Operating Performance Review  
Investment Management  
Procurement

International Activities  
Corporate Governance  
Sustainable Development



## INTEGRATED MOBILITY PROVIDER

### 2014

Credit ratings were assigned to FPC by leading rating agencies.

FPC's Annual Report was awarded in the Best Presentation of a Business Model for Non-Public Companies category at the Annual Report Competition by the Moscow Exchange.

Third-class sleeping and sitting carriage fares were reduced following a resolution by the Federal Tariff Service (FTS of Russia).

In accordance with the Resolutions of the Russian Government No. 1223 dated 19 November 2014 and No. 1044 dated 11 October 2014, FPC was entitled to subsidies covering part of its interest expenses under loans granted to purchase rolling stock (double-decker carriages) and included as a beneficiary of the Programme to Support Investment Projects in Russia Based on Project Financing Arrangements.

### 2015

Awarded at the national loyalty marketing competition Loyalty Awards Russia 2015 in the Best Loyalty Programme by a Transportation Company category.

A double-decker train seating 1,320 from Moscow to Voronezh was entered into the Russian Book of Records as "the year-round scheduled long-distance train with the most passenger seats".

The Moscow Exchange awarded FPC's Annual Report for the Best Presentation of a Business Model for Non-Public Companies category for the second time at the Annual Report Competition.

The Russian Government resolved to reduce the VAT rate from 18% to 10% for long-distance rail passenger services from 1 January 2016 to 31 December 2017.

### 2016

FPC's 2015 Annual Report was awarded the Best Annual Report of a Non-Public Company by the Moscow Exchange.

FPC won the Best Employer for Young People 2016 award in the Reliable Partnerships category.

The Year of the Passenger Programme was successfully implemented: in 2016, FPC reversed its declining passenger rates for the first time in five years, achieving a growth of 4%.

The Russian Government resolved to reduce the VAT rate for long-distance rail passenger services from 10% to 0% between 2017 and 2030.

The Federal Antimonopoly Service (FAS) of Russia agreed to reduce infrastructure tariffs for higher-speed trains travelling at 91 to 140 km/h.

### 2017

In 2017, FPC won the Moscow government's Best Employer for Young People 2017 award for Efficient Fulfilment of Student Team Potential.

The new JSC FPC's 2030 Development Strategy was developed.

The VAT rate applicable to long-distance rail passenger services was reduced from 10% to 0% until 2030.

# OUR HISTORY

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## 2011

## 2012

## 2013

### BUSINESS DEVELOPMENT



FPC began independent operations.

Online registration was made available on all FPC's domestic trains.

JSC FPC's 2030 Development Strategy was approved.

A double-decker train was launched on the Moscow – Adler route.

The RZD website was modified to enable sale of e-tickets for FPC's trains via mobile devices.

Ticket sales on credit were launched.

A co-branded card was launched with Bank VTB 24 (PJSC).

A controlling share of LLC RZD Travel was acquired to expand FPC's presence in the rail travel market.

Technology for including trains in the general turnaround schedule was expanded.

A unified maintenance facility for double-decker rolling stock was launched at the Mineralnye Vody depot.

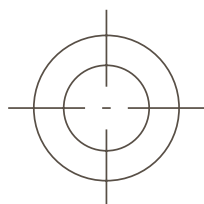
FPC-Logistics, a logistics subsidiary focused on unaccompanied baggage and mail transportation, was established.

The procedure for e-ticket purchases and cancellations was simplified, and the English version of the website for ticket purchase was launched.

Revenue Management System and RZD Bonus Loyalty Programme were launched.

The High-Speed Traffic Improvement Programme was implemented.

Car transporters were put into service.



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**2014**

A pilot project on multimodal transportation was implemented (Moscow – Valuyki).

FPC fully adopted technology for transporting baggage in a dedicated compartment.

Lastochka electric trains were launched.

The Cost Optimisation Programme was implemented, bringing RUB 15 billion in savings.

Total effect in 2010–2014 reached RUB 39 billion.

**2015**

The high-speed Strizh train made up of Talgo carriages was launched on the Moscow – Nizhny Novgorod route.

A double-decker train made up of carriages with open-plan seating was launched between Moscow and Voronezh.

Sales of e-tickets for multimodal routes were launched.

The Cost Optimisation Programme was implemented, bringing RUB 15.7 billion in savings.

**2016**

The new international Strizh train embarked on its first passenger journey from Moscow to Berlin with a travel time of 20 hours – a 4.5-hour reduction.

Booking dates for domestic trains were increased to 60 days.

Trains to resort destinations were accelerated.

Passengers were provided the option to use bank cards to pay for goods purchased on board all FPC trains.

Shower units were made available on 93 trains operated by FPC.

**2017**

Over 3 million customers registered to the RZD Bonus Loyalty Programme of RZD Holding.

Booking dates for domestic trains were increased to 90 days.

The RZD website launched sales of e-tickets for wheelchair users and their accompanying persons.

Sales of e-tickets for trains going to and from the Kaliningrad Region via Lithuania were launched on the RZD website.

During the FIFA Confederations Cup 2017, 42 additional trains for 262 journeys were added to the schedule.

Free transportation totalling 33% of all passenger seating was provided for 52,900 football fans, and additional stops were introduced at Vladimir and Tver.

Customer loyalty monitoring through NPS (Net Promoter Score) has been conducted since 2017, with an overall score registered at 4.1 on a five-level scale.

# GEOGRAPHY

## Russian Railways rail infrastructure

Federal Passenger Company is a national rail passenger carrier of the Russian Federation, and an entity subject to antimonopoly regulation.

Russian Railways rail infrastructure forms the basis of FPC's route network (over 85,500 km as at the end of 2017) – the world's third-longest rail network.

The Company's organisational structure includes administration, 15 regional branches, and one central carriage site.

The branches comprise 22 passenger carriage depots, 32 carriage sites, 11 railway agencies, and the Vehicle Transportation Centre.

FPC operates international long-distance passenger services to

**22**

**countries**

**on 40**

**international routes**

providing direct and transit passenger services





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77 / 85

**Russian regions**

covered by FPC

ensuring transport accessibility and connectivity between regions

85,500

**km**  
of track

63,000

**people**

the Company's total headcount

19,000

**carriages**

rolling stock fleet

850

**trains**

19

**years**

average fleet age

The Company's route network includes several routes within Russia for which no other alternative modes of transport are available, such as Tynda - Komsomolsk, Petrozavodsk - Kostomuksha, Kamyshin - Moscow, and Tomsk - Bely Yar.

