BUSINESS MODEL

AND ASSETS

BUSINESS MODEL

State

- Regulation, subsidies, and interest in increased population mobility
- Control of service quality and safety levels to ensure approved standards are met
- Enhanced investment appeal of the transport industry
- Enhanced budgetary efficiency of transport

Key partners

RZD HOLDING

O JSC RZD

Providing locomotive and infrastructure services

Roszheldorsnab

Supplying equipment and materials

Commuter companies

Ticket sales, multimodal transport services

MARKET

O JOINT STOCK COMPANY RAILWAYCAR BUILDING WORKS TVER TVZ

Carriage supplier

- Finance market
- Labour market
- O Materials and equipment market
- Technology market
- Technical services and maintenance market Resource suppliers

JSC FPC

Lines of business

- Regulated domestic long-distance passenger services
- Deregulated domestic long-distance passenger services
- International long-distance passenger services
- Long-distance baggage, unaccompanied baggage, and mail transportation
- Other lines of business

Key resources



60,800 employees staff (average headcount)



19,400 carriages railcar fleet



22 depots equipment and materials



3 billion carriage kilometres locomotive and infrastructure services

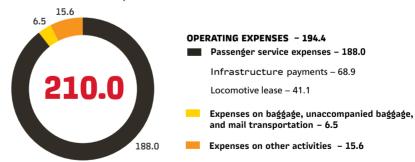


OVER 300 contractors technical services and maintenance



RUB 17 billion in loans and credits borrowings

Cost breakdown, RUB billion



Investment expenses

Acquisition of rolling stock Upgrades of rolling stock Depot upgrades and safety IT programme Other



Company Profile

Marketing Policy Government Relations Risk Management Passenger Service

Quality and Safety Operatiné Performance Review Investment Management Procurement

International Activities Corporate Governance Sustainable Development

Company Strategy Market Overview

Product range

Transport services

- Regional branded trains: luxury, first-class, compartment, third-class sleeping, multiple unit, open-plan seating carriages
- International services: luxury, RIC, open-plan seating carriages
- Standard trains: luxury, first-class, compartment, third-class sleeping,

seating carriages

multiple unit, open-plan

Tourist trains

Promotion

- O Recognisable RZD brand
- **RZD Bonus Loyalty Programme Marketing**
- Promotions Internet presence
- Advertising campaigns

Other

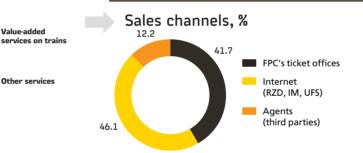
 Baggage, unaccompanied baggage, and mail

maintenance

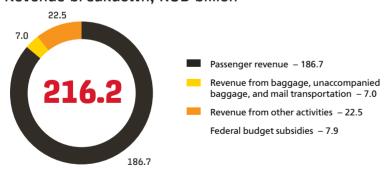
transportation Repair and Other services

of clients' rolling stock

Value-added



Revenue breakdown, RUB billion



Profit

Net profit



RUB 7.9 billion

Key value proposition for customers

VALUE FOR PASSENGERS

- Safe, accessible, and comfortable transportation
- Great travel experience
- Saves time

VALUE FOR THE STATE

Transport mobility of population and efficient use of budget funds

VALUE FOR CORPORATE AND OTHER CUSTOMERS

High quality of service at affordable prices within a reasonable amount of time

Customers

- Passengers
- Corporate
- Other
- Governmental authorities and agencies