

Strategic Priorities: Passenger Transportation and Services

In passenger transportation and services sector should primarily be focused on the integrated development of the passenger services portfolio in all target markets: municipal, regional ones, in Russia, CIS and Baltic countries, Eurasia.

Passenger services should be continuously improved in terms of their completeness, availability, timeliness, and promptness to allow railways to successfully compete with other means of transport.

"RZD" Holding Company is focused on market segments where it has the greatest competitive advantages. First of all, they are express and high-speed daytime routes between agglomerations, suburban transportation for distances less than 200 km and accelerated suburban and intercity transportation.

The scope of the Holding Company's expansion in the passenger transportation segment is consistent with the State's strategy of the transport development in terms of increase in population mobility, transportation of persons entitled to social welfare benefits, government order for publicly important passenger transportation and regulation of intersectoral competition.

We expect:

- ▶ Investment growth in accelerated suburban and intercity passenger transportation in Russia's agglomerations;
- ▶ Introduction of cost-based tariffs and government order for publicly important passenger transportation;
- ▶ Implementation of major projects related to the development of the Moscow Transport Hub, the Small and Big Rings of the Moscow Railway;
- ▶ Implementation of promising highspeed railway projects (up to 400 km/h) from Moscow to Saint Petersburg, Nizhny Novgorod, Yekaterinburg, Rostov, Adler and express trains (up to 200 km/h) to Russia's largest cities;
- ▶ Development of new electronic services for passengers, bonus and loyalty programs;
- ▶ Development of the station infrastructure and growth of its profitability.