

## Establishment of the Joint Transport and Logistics Company

### The Assets in the Authorized Capital

JSC "Russian Railways": controlling stocks in JSC "TransContainer" (50% +1 share) and JSC "Russian Railways Logistics" (100% -1 share)

JSC "NC" Kazakhstan Temir Joly: shares of the "Kaztransservice", JSC "Kedentransservice", border terminals Dostyk and Altyn-col(Horgos)

Belarusian Railways: terminals in Brest and the "Belintertrans" assets

### Forecast Outcomes

4.2 TEU

Expected freight turnover by 2020 according to the Company's business plan

2.7

US bln

Preliminary assessment of capitalization of JTLC

### Outcomes

Additional revenues by 2020 of national rail companies from using infrastructure: up to US \$ 1.7 bln, including JSC "Russian Railways" \$ 0.6 bln

The cumulative contribution to GDP of the CES countries: US \$ 11.3 bln (of which Russia almost \$ 5 bln, Kazakhstan \$ 5.3 bln, and Belarus \$ 1 bln)

A unified logistics platform and sustainable transport link between the economies of the three countries will be formed

The development of the transit potential of the CES countries in the East-West direction by 2020 will additionally attract up to 1.1 million TEU to the railways of the three countries

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The Joint Transport and Logistics Company (JTLC) will be an important element of the integrated transport system of the Common Economic Space (CES). The Company will specialize in the provision of integrated transport and logistics services (3PL), and container and intermodal transportation in the CES.

The authorized capital of the joint venture is formed from stocks of the profile companies, contributed by all three parties, and cash resources. The size of the initial contribution of each participant will be considered on the basis of an independent assessment of the value of assets. Dividends are to be distributed by the amount of the respective contributions.

Within a few years, the parties are obliged to pay the difference in the value of the contributed assets, until parity is reached. According to preliminary estimates, the initial share of JSC "Russian Railways" will be the largest due to the contributed stock of JSC "TransContainer" and "Railways Logistics."

The JTLC business model involves the vertical integration of the rail operator's assets of the three countries and the integrated transportation services within the CES.

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The Company will focus on international container traffic.

For JSC "Russian Railways", the creation of the JTLC, with its powerful logistics capacities and transport assets, is regarded as a logical complementary step to the Gefco acquisition. The latter will bring updated logistics technologies to the CES.