

## Freight Turnover



Freight turnover is the most accurate indicator of infrastructure load and Company performance. In 2012, the indicator increased by 4.4%, reaching its highest peak in the entire history of the Russian Federation.

In 2012, freight turnover of JSC "RZD" (excluding empty cars of other owners and leased cars) exceeded the indicator of the pre-crisis year of 2007 by 6.3% and exceeded the level of 1992 by 13%.

In 1992, loading volumes exceeded the volumes of 2012 by 21%. Today, JSC "RZD" is operating in the areas of peak processing loads.

Freight turnover in 2012

**2,222.4** bln

Rail transport freight turnover, excluding the mileage of empty cars of other owners in Russia, increased 4.4% compared to 2011.

### MAJOR TRENDS

Freight turnover and railway loading volumes are growing and have exceeded the pre-crisis level

Freight traffic destinations remain focused on Russian ports

Freight turnover growth rate outperforms loading growth rate

State tariff regulation remains in place

Freight turnover on electrified lines (by 1992) increased 26%, and on diesel lines (which normally run latitudinally), halved, which is evidence of the extremely high load imbalance of the infrastructure.

The highest gain in freight turnover has typically been seen in eastern railways — from Krasnoyarsk to the Far East. Here, freight turnover has increased 5.7% versus 2011 and 32% versus 2007.

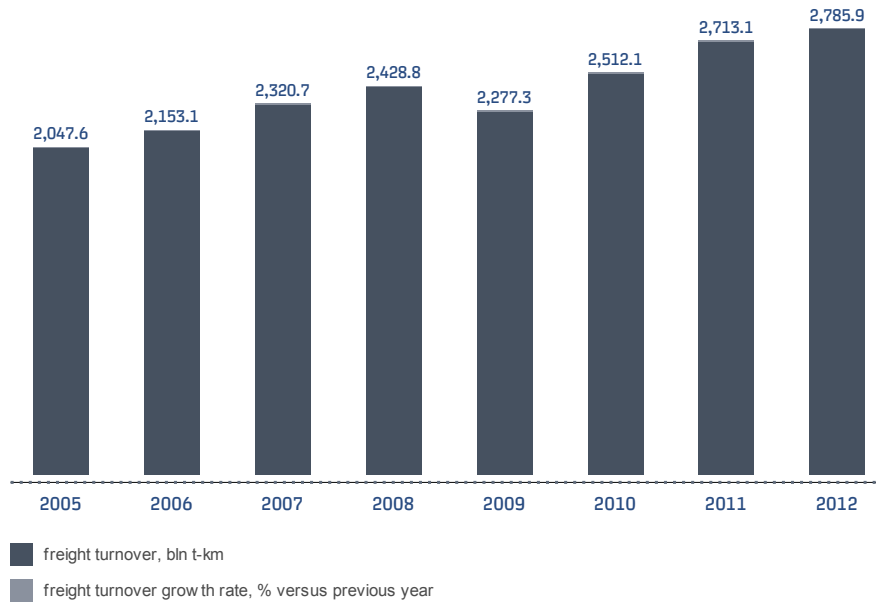
Recently, freight turnover growth rate has overtaken the loading growth rate. These trends are first and foremost determined by the freight transportation distance, which has reached its historical peak: 1,546 kilometers (1.5 times higher than in 1992), which is due to changes in economic conditions and growth in export transportation.

Freight traffic destinations continue to focus on Russian ports. Consequently, the load factor of a number of sections has reached its peak and the management of an unhindered train service will require large-scale infrastructure investments.

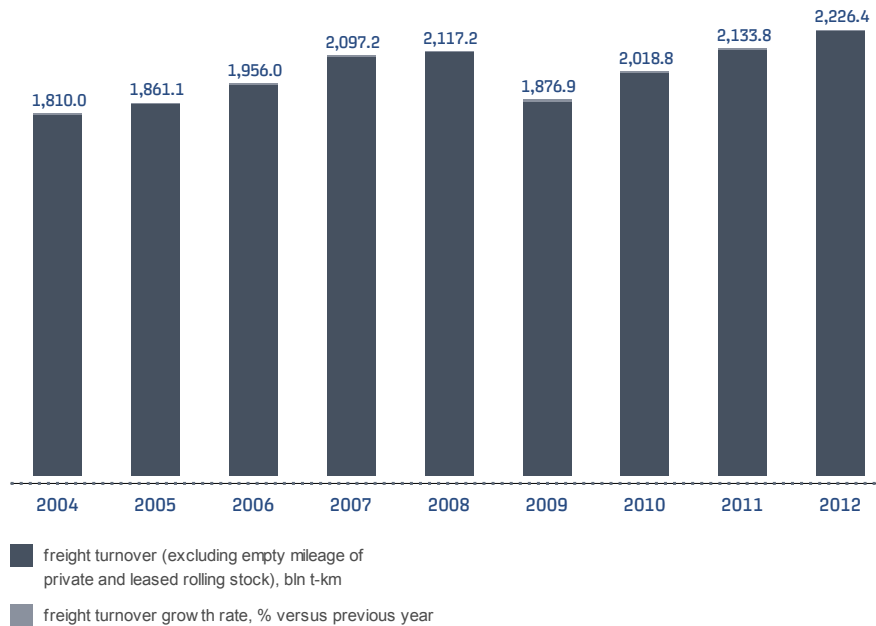
Since 2003, when JSC "RZD" was incorporated, transportation to the ports of the Azov and Black Sea basin has increased by 41%, and to North West and Far East ports 2.1 times. This positive trend in transportation has not been affected at all by a decline in economic growth.

Increase in freight turnover in the domestic market in 2012 was lower (+2.3%) than in the international market (+6.2%).

FREIGHT TURNOVER (INCLUDING EMPTY MILEAGE OF PRIVATE AND LEASED ROLLING STOCK), BLN T-KM



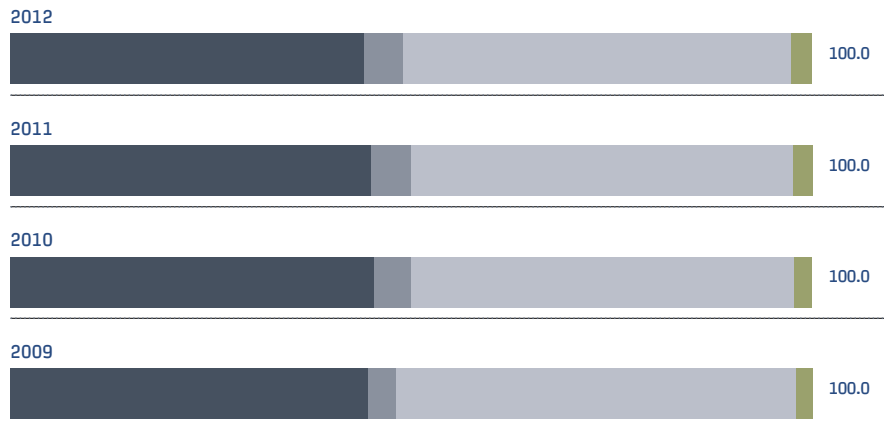
FREIGHT TURNOVER (EXCLUDING EMPTY MILEAGE OF PRIVATE AND LEASED ROLLING STOCK), BLN T-KM



Freight turnover net (monthly) trends, bln t-km

Monthly net freight turnover trends compared to pre-crisis level (% versus relevant month of 2007)

LOADED FREIGHT TURNOVER STRUCTURE,%



- Domestic
- Import
- Export
- Transit

The structure of freight turnover has undergone minor changes. The share of transportation within Russia decreased from 45% to 44.1%; correspondingly, the share of international transportation increased to 55.9%.

Changes in the freight turnover structure are related both to an increased volume of export transportation and its distance: the share of export transportation in the total freight transportation volume increased to 48.4% (+0.8 p.p.).

Share of transportation inside Russia in 2012

44.1%

Share of international transportation in 2012

55.9%