



●●●● Pricing policies

Regulated segment

Fares for domestic long-distance passenger services vary by age (adult and children fares, based on rate components) depending on:

- the train category (branded express; express; branded passenger; passenger);
- carriage type (third-class sleeping, open-plan seating) and travelling distance;
- seasonal coefficients set out in the flexible tariff regulation schedule, and are consistent throughout the Russian railway network.

Before 2016

Under regulatory documents (Tariff Guidelines, approved by Decree No. 156-t/1 of the FTS of Russia dated 27 July 2010), domestic fares for third-class sitting and sleeping carriages are regulated

by the state, represented by the FTS of Russia. Pricing flexibility in the regulated segment was only provided under the Flexible Tariff Regulation Schedule set by the FTS of Russia on an annual basis. In 2015, FPC was authorised to run marketing promotions for third-class sitting and sleeping carriages depending on the location of seats/berths and booking date.

From 2016

In accordance with paragraphs 1 and 2 of Decree of the Russian President No. 373 On Certain Issues of Government Management and Control in Antimonopoly and Tariff Regulation dated 21 July 2015, the functions of the disbanded FTS of Russia were assigned to the FAS of Russia.

In 2016, pursuant to Decree of the FAS of Russia No. 1227/15 dated 10 December 2015 (as amended by Decree of the FAS of Russia No. 103/16 dated 4 February 2016), FPC continued to run marketing promotions for third-class sitting and sleeping carriages depending on the location of seats/berths. The price differentiation of tickets for various seat categories in third-class sleeping carriages made train fares more affordable to various consumer categories. The Company did not increase fares in this segment as the upper limit of the tariff range is set in the Tariff Guidelines and the Flexible Tariff Regulation Schedule, and is adjusted for a service category coefficient.

Deregulated segment

FPC may set the prices of fares for first-class and compartment carriages at its own discretion¹.

In the deregulated segment, FPC provides passenger services in compartment, first-class and luxury carriages, and in all carriages of higher-speed trains.

The deregulated segment also covers tourist and commercial services.

In this segment, FPC may set the prices of passenger fares at its own discretion.

To reinforce its positions in the passenger services market, the Company has been

running various marketing promotions to stimulate consumer demand in the deregulated segment and boost its revenue. Besides, the Company continuously improves the flexibility of its pricing tool in use: since March 2013, FPC has been phasing in a dynamic pricing system.



¹ According to item 5 of the List of Services of Natural Rail Monopolies with Regulated Fares, Fees and Charges, as approved by the Russian Government's Resolution No. 643 On Government Regulation of, and Control Over, Fares, Fees and Charges for Services of Natural Rail Monopolies dated 5 August 2009.