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Mai Ove

Marketing Policy Government Relations



### High-quality ticket service

In 2016, the Company launched a mobile app for purchasing tickets for longdistance trains. The app was installed by over 505 thousand users. Over 526 thousand e-tickets were purchased using the app.

Electronic sales account for 40% of the total number of tickets purchased, up 7% year-on-year. The share of e-tickets for Strizh (Moscow – Nizhny Novgorod) trains reached 79%. School students can now purchase tickets online and from ticket offices without presenting a certificate from the school. The certificate is required when boarding a train.

Ticket offices of the railway network have been equipped with integrated payment terminals (IPTs). Over 1,862 IPTs have been installed in ticket offices. FPC's website contains a page for corporate customers where legal entities can apply online for the transportation of organised groups of passengers and children. 1,162 applications were submitted in 2016.

All points of sale have been equipped with conversation recorders to help improve passenger service.

## **Projects implemented:** new transportation products

Daytime Express programme

**10.2** million passengers carried +22.5% year-on-year Car transportation service

**4.6** thousand cars transported in 2016 +42% year-on-year Double-decker trains

around **2.8** million passengers carried double growth versus 2015







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#### New carriages and trains

The comprehensive long-term programme to introduce double-decker passenger carriages on RZD's network (approved by RZD's Order No. 2822r dated 30 December 2016) is intended to maintain the competitive ability of railway transport in the passenger transportation market, improve the cost efficiency of operating passenger rolling stock, and make rational use of the throughput capacity of RZD's railway network. The practical implementation of the Programme is planned on 12 routes (490 carriages worth more than RUB 40 billion), including:

**Stage I (2017–2018)** – introduce doubledecker trains on the Moscow – Kislovodsk (August 2017), Rostov – Adler (September 2017), and Moscow – Izhevsk (December 2018) routes. 119 carriages must be purchased to implement this stage; **Stage II (2019–2020)** – introduce doubledecker trains on the Moscow – Rostov, Moscow – Kazan, Moscow – Novorossiysk, Moscow – Adler, Moscow – Petrozavodsk, Saint Petersburg – Murmansk, Moscow – Penza, Moscow – Anapa, and Moscow – Samara routes in December 2019. 371 carriages must be purchased to implement this stage.

#### Increased demand for Strizh trains

1.2 million passengers

#### carried in 2016

1.9 million passengers carried from the start of operation



Launch of Talgo trains 17 December 2016 Launch of Talgo trains on the Moscow – Berlin route



Multimodal transportation

8 routes

over 75 thousand passengers 1.5 times growth versus 2015



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The Company's Business Model and Assets

Market Overview



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# **Expanding the area covered** by Daytime Express train services



development

# for 2017–2018

Expanding the geography of double-decker trains: Stage I (2017–2018)



#### **Main objectives**

Enhance passenger service quality, improve affordability of railway transport for the population by decreasing ticket prices, and increase passenger comfort by enhancing the technical equipment of the new rolling stock.

#### Expanding the geography of higher-speed trains in 2017



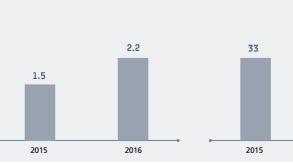
#### New routes

Moscow – Bryansk, Moscow – Voronezh, Moscow – Vyazma, Moscow – Yaroslavl, Saint Petersburg – Nizhny Novgorod, Saint Petersburg – Belgorod. There are plans to make higher-speed trains even faster on the Moscow – Belgorod and Moscow – Smolensk routes.

#### Changes in passenger traffic, million passengers



Growth in the number of RZD Bonus cardholders, million



### Development of electronic sales, %



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# Faster services and improved long-distance passenger train schedule

Travel time is the main criteria in selecting the mode of transport. Therefore, to prepare for the upcoming season, RZD Holding carried out extensive work as part of the Year of the Passenger Programme to accelerate FPC's high-class trains which enjoy the highest demand among passengers.

On 29 May 2016, 102/101 Moscow – Adler and 104/103 Moscow – Adler trains were accelerated, with travel times reduced by 74/24 minutes and 42/23 minutes, respectively. Thus, travel from Moscow to Adler now takes less than 24 hours.

On 29 May 2016, the travel time of the 35/36 Saint Petersburg – Adler train was reduced by 65 minutes / 51 minutes. The journey from Saint Petersburg to Adler now takes around 39 hours. The travel time on this route can be further reduced to 32 hours.

On 29 May 2016, the following trains were accelerated: 12 Moscow – Anapa (by 22 minutes), 30 Moscow – Novorossiysk (by 38 minutes) and 144 Moscow – Kislovodsk (by 96 minutes).

Acceleration of the 33/34 Moscow – Tallin train:

- as of 13 December 2015, the travel time from Moscow was reduced by 1 hour 56 minutes to 14 hours 22 minutes;
- as of 1 June 2016, departure time from Tallin was changed to 17:09 (instead of 16:25), arrival in Saint Petersburg is 23:17 (instead of 23:07), departure from Saint Petersburg is 01:09, arrival in Moscow is 09:40. The travel time

is 16 hours 31 minutes (acceleration by 70 minutes).

Risk Management

From 31 May 2016, the 3/4 (715/716 was reclassified into the higher-speed category) Moscow – Belgorod train was accelerated by 1 hour in both directions, from 7 hours 45 minutes to 6 hours 45 minutes.

From 2 August 2016, the 66/65 Moscow – Togliatti train was accelerated: the travel time from Togliatti was reduced by 30 minutes; from Moscow – by 34 minutes.

On 31 May, the 124 Belgorod – Novosibirsk train was accelerated by 1 hour 20 minutes; departure time from Belgorod was changed from 07:50 to 09:10.



Investment Management

Procurement

International Activities Corporate Governance Framework

# Equipping carriages with air-conditioning units and environmentally friendly toilet facilities

All new rolling stock is equipped with environmentally friendly toilet facilities and air conditioning units. In 2016, the number of carriages equipped with air conditioning units increased by 7.1%, the number of carriages with environmentally friendly toilet facilities – by 8% of the assigned fleet.



