

## Expenses

### Passenger service expenses

In 2016, passenger service expenses amounted to RUB 191.8 billion, up 4.4% year-on-year.

#### EXPENSES BREAKDOWN, RUB BILLION

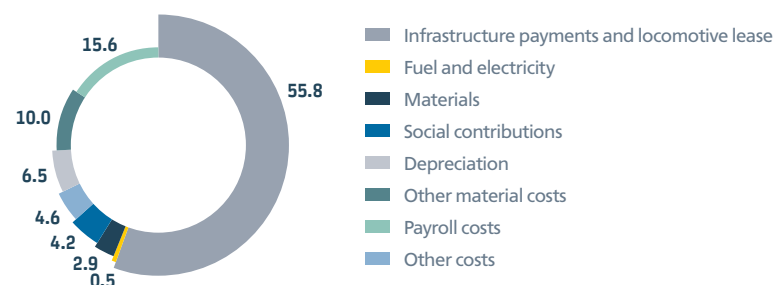
Indicator	2014	2015	2016	2016/2015, %
Payroll costs	28.5	28.2	29.9	106.2
Social contributions	7.8	7.7	8.1	105.2
Materials	6.1	5.0	5.5	109.7
Fuel	0.7	0.6	0.6	92.4
Electricity	0.3	0.3	0.4	111.0
Other material costs	22.6	18.7	19.2	102.4
Other	110.6	110.5	115.7	104.7
including expenses for infrastructure services and locomotives	101.6	101.6	106.9	105.2
Depreciation	12.9	12.5	12.5	99.4
<b>Expenses, total</b>	<b>189.7</b>	<b>183.6</b>	<b>191.8</b>	<b>104.4</b>

Payroll costs amounted to RUB 29.9 billion, which is 106.2% of the previous year's level. Expenses for materials amounted to RUB 5.5 billion, or 109.7% of 2015 level. Fuel and electricity costs totalled

RUB 1.0 billion, down 1.1% year-on-year. The lower costs were due to declines in fuel oil prices, which were 36.5% lower than forecast for the period. Other material costs totalled RUB 19.2 billion,

demonstrating a 2.4% increase year-on-year. Depreciation charges were RUB 12.5 billion, down 0.6% year-on-year. Other costs amounted to RUB 115.7 billion.

#### Breakdown of passenger service expenses, %



### Expenses on other activities

In 2016, expenses on other activities were RUB 15.3 billion, down 0.5% year-on-year

The decline was due to fewer requests for leasing of rolling stock from third parties, and, consequently, fewer lease contracts, and to lower volumes of rolling stock repair, which had a negative impact on related revenues.