Income from other operations

In 2018, the Company's income from other operations rose by nearly 5% y-o-y to RUB 213.3 bn.

While its profit amounted to RUB 25.1 bn, down by 11% y-o-y. This was largely the result of the following factors:

- no indexation of rolling stock leases for suburban passenger companies (RUB 1.7 bn);
- > depreciation restored to support longterm tariff regulation for electricity transmission to third-party consumers (RUB 1.7 bn);

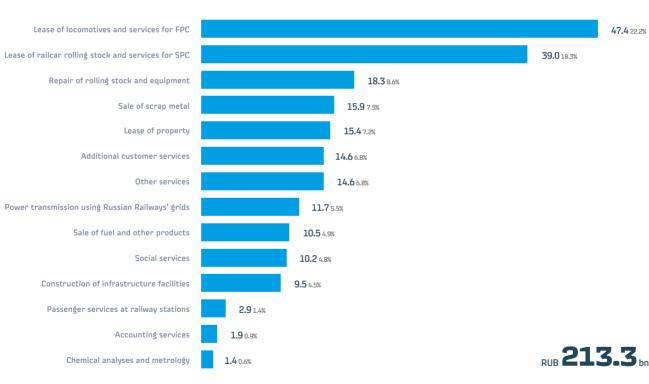
- peak in rolling stock overhaul volumes (RUB 2 bn);
- information services rendered to freight operators free of charge (RUB 0.5 bn);
- > changes to tax laws (RUB 0.5 bn).

Excluding the above factors, the Company's profit increased by 17% y-o-y.

In 2018, given that low-margin services and regionally regulated services account for more than 61% of the Company's income, the above factors were offset by expanding and actively promoting its services portfolio.

In 2018, the key drivers boosting other sales included:

- economic use of inefficient social assets and utilities;
- higher efficiency of passenger services;
- increased share of high-margin cargoes in total handling volumes;
- > sale of scrap metal;
- measures taken to improve the asset management efficiency, including the commercialisation of additional facilities.



Breakdown of income from other operations, RUB bn