

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 long-term 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

