

Russian Railways' Investment Programme for 2018 was approved by the Company's Board of Directors (Minutes No. 4 dated 20 November 2018).

Target volume of the Company's investment programme in 2018 was RUB 547.4 bn, with the actual programme costs amounting to RUB 530 bn (including RUB 14.6 bn in capitalised interest). The investment expenses included:

RUB 460.4 bn using the Company's own cash;

RUB 66.7 bn in government support;

RUB 2.9 bn raised to add certain non-public infrastructure assets to the infrastructure portfolio of Russian Railways.

Out of total investment spending, RUB 162.8 bn was allocated to support projects implemented in pursuance of instructions of the President and the Government of Russia, and the remaining RUB 367.2 bn was earmarked for the Russian Railways projects.

The Company's investment programme has seven key focus areas:

projects implemented in pursuance of instructions of the President and the Government of Russia;

rail infrastructure development projects;

safety enhancement initiatives;

infrastructure debottlenecking;


projects to enhance transportation accessibility;

rolling stock renewal initiatives;

other projects.

**ACTUAL EXPENSES UNDER
RUSSIAN RAILWAYS'
INVESTMENT PROGRAMME
TOTALLED**





RUB
530
bn

Projects implemented in pursuance of instructions of the President and the Government of Russia

Those are comprehensive infrastructure projects financed by both Russian Railways and the federal government and governments of Russian regions.

Development of the Central Transport Hub

In 2018, the investment expenses amounted to RUB 50.1 bn (including RUB 16.2 bn allocated by the federal government).

The Central Transport Hub is designed to ensure transport accessibility against the expected rise in passenger traffic, reduce overall travel times and improve the passenger experience. It will help decrease traffic density on the highways, subway and key stations of Moscow and the Moscow Region, while also improving the quality of services (including for passengers with reduced mobility).

The first stage of the Moscow Central Diameters project was launched, covering the routes from Odintsovo to Lobnya (MCD 1) and from Nakhabino to Podolsk (MCD 2).

Upgrade of rail infrastructure of the Baikal–Amur and Trans-Siberian main lines designed to enhance the throughput and carrying capacity of the railways

In 2018, the investment expenses amounted to RUB 48.5 bn.

The project seeks to boost freight transportation volumes from the key mineral deposits of the Eastern Operating Domain by removing infrastructure constraints on the Baikal–Amur and Trans-Siberian Railways. Implementation of this project will help increase the carrying capacity of the main lines to 180 mt by 2024 and 210 mt by 2025.

Development and renovation of the rail infrastructure serving ports of the Azov and Black Seas

In 2018, the investment expenses amounted to RUB 39.9 bn (including RUB 21.7 bn allocated by the federal government).

In 2018, 90.7 km of second tracks were constructed. As planned, freight volumes transported to the ports of the Azov and Black Seas totalled 84 mt.

Development and renovation of the rail infrastructure serving ports of the North-Western basin

In 2018, the investment expenses amounted to RUB 15.5 bn.

Authorised train mass metrics were successfully increased in 2018, with the carrying capacity of the operating domain's infrastructure rising to 147 mtpa (up 9 mtpa y-o-y) thanks to the deployment of heavy-duty trains. The throughput capacity reached 120 pairs of trains per day (up 5 train pairs y-o-y).

Comprehensive development of the Krasnoyarsk Railway's Mezhdurechensk–Tayshet section

In 2018, the investment expenses amounted to RUB 3.7 bn, (including RUB 2.5 bn allocated by the federal government).

2018 saw commissioning of even-numbered tracks at the Ilanskaya Station and launch of the Dzheb–Shchetinkino section of the second Dzhebsky Tunnel. After commissioning of the adjacent second track on the Dzheb–Shchetinkino section the throughput capacity of the Kuragino–Sayanskaya section in 2019 will increase to 37 train pairs per day (up 6 train pairs).

Construction of the Moscow–Kazan High-Speed Railway

In 2018, the investment expenses amounted to RUB 1.9 bn, (including RUB 0.1 bn allocated by the federal government).

In 2018, the design and cost estimates and engineering surveys for the project were completed, with Russia's State Expert Review Board giving a green light for the Vladimir–Nizhny Novgorod section.

Construction of the Prokhorovka–Zhuravka–Chertkovo–Bataysk line (new rail line on the Zhuravka–Millerovo route)

In 2018, the investment expenses amounted to RUB 1.7 bn.

In 2017, the Company completed construction of the two-track electrified Zhuravka–Millerovo line (137.5 km), with the line put into operation on a permanent basis.

2018 saw the issuance of preliminary permits.

Construction of a western bypass at the Saratov Transport Hub of the Privolzhskaya Railway with the expansion of the Lipovsky-Kurdyum section

In 2018, the investment expenses amounted to RUB 0.9 bn.

The main aim of this project is to expand the railway infrastructure with a view to enhancing the carrying capacity on the approaches to the Saratov Transport Hub and increasing freight volumes by at least 49.2 mt compared to 2015. This initiative is designed to complement the Development and Renovation of the Rail Infrastructure Serving Ports of the Azov and Black Seas project. In 2018, drafting of design documents was underway.

Infrastructure expansion and upgrade on the Severnaya and Sverdlovskaya Railways allowing for additional cargo traffic as part of the Northern Latitudinal Railway project

In 2018, the investment expenses amounted to RUB 0.6 bn.

The project aims to put in place a latitudinal railway connecting the Severnaya and Sverdlovskaya Railways as an essential element in the Arctic Transport System and associated infrastructure. The project will help reduce the length of transportation routes linking mineral deposits in the northern part of West Siberia to the ports of the Baltic, White, Barents and Kara Seas and thereby contribute to the development of the Russian Arctic.

To that end, a concession agreement was signed between the Federal Agency for Rail Transport (Roszheldor) and SShKh in 2018.

**INVESTMENT
EXPENSES UNDER**

PROJECTS
IMPLEMENTED
IN PURSUANCE OF
INSTRUCTIONS OF
THE PRESIDENT
AND
THE GOVERNMENT
OF RUSSIA
TOTALLED

RUB

162.8

bn in
2018

Rail infrastructure development projects

Those are priority projects requiring accelerated financing to ensure planned freight and passenger transportation volumes. In 2018, expenses under these projects were as follows:

RUB 2.1 bn for upgrade of the Baikal–Amur and Trans-Siberian Railways (Stage 2);

RUB 0.7 bn for electrification of the Rtishchevo–Kochetovka section;

RUB 0.7 bn for electrification of the Ozherelye–Uzlovaya–Yelets section (adjustments required for passenger transportation);

RUB 0.9 bn for the throughput increase on the Artyshta-Mezhdurechensk-Tayshet section;
RUB 1 bn for the construction of the Selikhin-Nysh railway line with a passage across the Nevelsky Strait;
RUB 0.2 bn for the development of the Perm-Solikamsk connection;
RUB 0.1 bn for the development of the Perm Railway Hub and the construction of a river crossing;
RUB 0.1 bn for the reconstruction of the Morozovskaya-Volgodonskaya section of the North Caucasus Railway

INVESTMENT
EXPENSES UNDER
RAIL
INFRASTRUCTURE
DEVELOPMENT
PROJECTS
TOTALLED



RUB
5.9
bn in
2018

Safety enhancement initiatives

As part of the Transportation Safety investment project, the Company implemented a set of initiatives in the run-up to the 2018 FIFA World Cup and the 2019 Winter Universiade in Krasnoyarsk.

As part of the Transport Safety of Infrastructure Projects initiative, Russian Railways completed engineering surveys for infrastructural development in restricted areas involving installation of transport safety equipment at four bridges on a railway route bypassing Ukraine and five facilities on a route bypassing Krasnodar.

INVESTMENT
EXPENSES UNDER
SAFETY
ENHANCEMENT
INITIATIVES
TOTALLED

RUB

92.8

bn in
2018

Infrastructure debottlenecking


This category includes projects to:

- construct second tracks;
- extend station tracks;
- develop railway hubs and border crossing stations;
- develop marshalling yards;
- construct and upgrade engineering structures;

upgrade the tracks and rail infrastructure on the island of Sakhalin; develop the Tobolsk–Surgut–Korotchaevo railway section; reconstruct railway facilities in the Chechen Republic.

Railway track upgrade

In 2018, the investment expenses amounted to RUB 106.6 bn.

In 2018, 4,700 km of tracks were upgraded  in line with the approved targets.

Upgrade of rail infrastructure on the island of Sakhalin

In 2018, the investment expenses amounted to RUB 5.3 bn.

60.1 km of track panels were laid on a dual gauge track with three rails.

Develop the Tobolsk–Surgut–Korotchaevo railway section

In 2018, the investment expenses amounted to RUB 3.3 bn.

In 2018, the following pieces of infrastructure were put into operation:

45.8 km of tracks, including 26.2 km of main tracks;
142 turnouts.

Reconstruction of railway facilities in the Chechen Republic

In 2018, the investment expenses amounted to RUB 0.4 bn.

Target key performance indicators were successfully achieved by the end of the year, with 54 km of power supply lines along the Shelkovskaya–Kargininskaya and Kargininskaya–Kizlyar sections reconstructed, including power supply units at five railway crossings.

Construction of second tracks, extension of station tracks, and development of railway hubs and border crossing stations

In 2018, the investment expenses amounted to RUB 3.5 bn.

The project aims to increase the throughput and handling capacities of the key railway routes with a view to allowing passage of freight trains with a unified mass of 6,300 t and length of 71 standard cars.

Development of marshalling yards

In 2018, the investment expenses amounted to RUB 2.8 bn.

The project aims to ensure the development of track infrastructure and equip marshalling yards with comprehensive mechanisation and automation systems with a view to increasing handling capacities at railway stations.

Construction and upgrade of engineering structures

In 2018, the investment expenses amounted to RUB 7.7 bn.

The project involves construction and upgrade of bridges and tunnels, including the ones designed for pedestrians.

Construction preparations. Design of future facilities

In 2018, the investment expenses amounted to RUB 1.2 bn.

During 2018, work was underway to duly substantiate construction investment decisions and prepare design documents for infrastructure development projects scheduled for the future.

INVESTMENT
EXPENSES UNDER
INFRASTRUCTURE
DEBOTTLENECKING
INITIATIVES
TOTALLED

RUB

130.8

bn in
2018

Enhancement of transportation accessibility in Russia

This category includes projects to develop suburban transit infrastructure and renovate train stations from the long-haul network. 2018 saw completion of the following projects:

upgrade of the Rostov-Glavny train station;

construction of a transport interchange hub in Gudermes;
commissioning of the Volgograd, Yekaterinburg and Nizhny
Novgorod train stations and putting into operation of St
Petersburg's Moskovsky station;
upgrade of St Petersburg's Finlyandsky, Vitebsky, Baltiysky and
Ladozhsky (Stage 5) stations;
upgrade of the Samara train station.

INVESTMENT
EXPENSES UNDER
TRANSPORTATION
ACCESSIBILITY
ENHANCEMENT
PROJECTS
TOTALLED

RUB

11.3

bn in
2018

Rolling stock renewal initiatives

2018 saw the purchase of:

631 locomotives, including:

439 electric and diesel locomotives for freight transportation,
including those used for pulling heavy-duty trains,

144 shunting diesel locomotives used for shunting, road-switching

and hump-shunting operations,
48 passenger locomotives;
310 cars for multiple unit trains, including 180 cars for electric
Lastochka trains and 130 cars for electric EP3D trains.

INVESTMENT
EXPENSES UNDER
THE ROLLING
STOCK RENEWAL
INITIATIVES
TOTALLED



RUB
116.7
bn in
2018

Other projects

As part of the project to introduce resource-saving technologies in railway transportation, 1,790 units of resource-saving equipment were installed across the Company's operations in 2018.

The initiatives to build section houses for railroad employees helped increase the Company's housing stock by 7,190 sq m (or 143 housing units).

2018 also saw efforts to build and renovate boarding houses, health resorts, recreation centres and other healthcare facilities,

including Russian Railways' facilities of social significance such as recreational camps for children.

INVESTMENT
EXPENSES UNDER
OTHER PROJECTS
TOTALLED

