

into the urban environment by establishing a train connection between districts.

The first Urban Commuter Train project that kicked off in 2012 in Krasnoyarsk is now viewed as similar to a surface metro. During the XXIX Winter Universiade these trains transported spectators and

various client groups. September 2016 saw Moscow launch of the MCC.

The advance of urban railway transport will contribute to:

- › reducing traffic congestion;
- › improving service quality and accessibility;

- › increasing passenger mobility;
- › reducing travel time from the suburbs.

Currently, the project is ongoing in 11 cities: Moscow, Krasnoyarsk, Ufa, Rostov-on-Don, Tambov, Voronezh, Volgograd, Kaliningrad, Kazan, Yaroslavl and Yekaterinburg.

Long-haul passenger transportation

The following carriers are responsible for long-haul rail passenger transportation: Federal Passenger Company, Grand Service Express TC, Tverskoy Express, TransClassService, Sakhalin Passenger Company, and High-Speed Transportation Directorate (branch of Russian Railways).

The share of long-haul transportation services provided by Russian Railways' subsidiaries was as high as 94.7% of passenger turnover. Trains made up by Federal Passenger Company accounted for 94.4% of total passenger turnover, with another 0.3% attributable to trains made up by other subsidiaries and affiliates of Russian Railways. Russian Railways accounts for 4% of passenger turnover, while the share of independent carriers stands at 1.3%.

In 2018, Russian Railways saw a long-haul passenger turnover of 96.3 bn pkm, up 5.7% y-o-y. Passenger traffic increased by 7.9% to 110.3 million.

Federal Passenger Company's performance

In 2018, Federal Passenger Company's passenger turnover totalled 91.6 bn pkm (up 5.3% y-o-y). The Company transported some 102 million people. For the trains made up by Federal Passenger Company, passenger turnover along the route was 87.7 bn pkm (up 6% y-o-y), including

- › 33.6 bn pkm, or up 19.5% y-o-y in the deregulated segment,
- › 54.1 bn pkm, or down 1% y-o-y in the regulated segment.

The reporting year saw the number of passengers transported by day long-haul trains³ increase by 23% to as many as 15 million. The day service is popular with passengers due to convenient departure and arrival time, deployment of innovative rolling stock, shorter travel time and lower cost compared to air and road transport

In 2018, Federal Passenger Company's income from core operations amounted to RUB 226.1 bn (up 4.6%), including RUB 202.4 bn from passenger transportation (up 4.5%). This was due to a 5.3% y-o-y increase in transportation volumes across the Company.

International transportation

In 2018, 6.79 million passengers were transported in the international segment, down 4.8% y-o-y.

Passenger traffic between Russia and CIS and Baltic states decreased by 5.4% y-o-y to 5.79 million people, with the number of passengers transported to and from Kazakhstan, Azerbaijan and Estonia going up by 18.5%, 6.1%, and 0.7%, respectively. Uzbekistan and Moldova railway routes saw the largest decline in passenger traffic (by 18.1% and 1.6%, respectively).

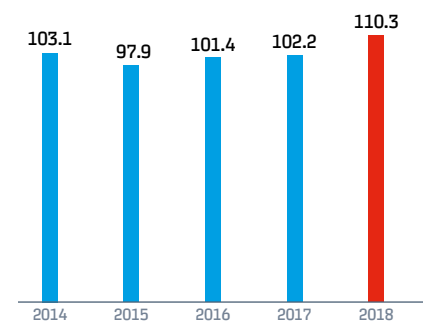
In 2018, passenger traffic to non-CIS countries fell by 0.6% y-o-y to 701,600 people. The number of passengers travelling to and from Finland, Germany and Italy rose by 0.5%, 3.6% and 14.4%, respectively, while a decline was seen across the routes between Russia and

North Korea (19.7%), China (7.9%), Poland (17.5%), Czech Republic (23.3%), Austria (54.2%) and France (23.1%).

High-speed passenger transportation

High-speed transportation services are provided by Federal Passenger Company and High-Speed Transportation Directorate (branch of Russian Railways).

Number of long-haul passengers transported, m people



³ Day trains are scheduled to complete its journey during daylight hours and comprised mostly of coach cars.

The 2018 FIFA World Cup™

The 2018 FIFA World Cup™ was hosted between 14 June and 15 July by 11 Russian cities – Kaliningrad, St Petersburg, Moscow, Nizhny Novgorod, Yekaterinburg, Kazan, Samara, Saransk, Sochi, Rostov-on-Don, and Volgograd.



In line with the Transport Support Strategy for the FIFA 2018 World Cup in Russia, Russian Railways ensured transportation of 2.616 million passengers, including 448,000 fans and client groups carried free-of-charge by additional trains. To that end, the Company scheduled over 14,000 regular train runs and 734 additional free runs made, among others, by six high-speed trains.

During the World Cup, the Company successfully dispatched all additional trains, sold 383,855 tickets, and provided free-of-charge travel to 318,978 fans. Additional trains were most popular with fans from Russia, Argentina, Colombia, USA, China, Brazil, Peru and Egypt.



>14,000
regular trains

RUNNING DURING THE 2018 FIFA WORLD CUP™

734
additional free runs

MADE BY RUSSIAN RAILWAYS TRAINS

>318,000
fans

TRAVELLED BY TRAIN FREE OF CHARGE

In 2018, high-speed and ultra high-speed passenger turnover grew by 19.9% y-o-y to 7.3 bn pkm. The number of passengers transported by high-speed and ultra high-speed trains amounted to 15.6 million, up 25.8% against the previous year.

Customer service

Russian Railways Unified Information Service Centre provides information on the Company's passenger services.

In 2018, the Centre handled 62,771 queries (down 8.2% y-o-y).

To receive feedback and suggestions from the customers, and settle claims, the Company has the following communication channels in place: Unified Information Service Centre, Russian Railways' website and online reception desk. The reporting year saw a total of 99,089 queries (down 2.2% y-o-y).

The quality of passenger services provided by the Russian Railways Group is measured by the passenger satisfaction index, which serves as the target metric of the Passenger Transport Service Improvement Programme for 2017–2019.

RZD Bonus loyalty programme

In 2018, the RZD Bonus loyalty programme saw a record high number of participants reaching 4 million people, with the average annual growth rate before 2018 of 500–600 thousand people and 1 million people joining the programme in 2018.

In 2018, double Sapsan trainsets launched in August 2014 continued to run from Moscow to St Petersburg. On 30 April, they transported a record high of 20,787 passengers per day. The reporting year saw Sapsan trains carry some 5.15 million passengers (up 2.8% y-o-y).

Since its launch, over 1 million tickets have been sold in exchange for the points earned. Russian Railways also set up a family version of the RZD Bonus programme enabling all family members to pool their bonus points.

Russian Railways' mobile app for passengers

RZD passengers mobile app is designed to sell e-tickets for long-haul and suburban trains and related services. The following features benefit users of the app:

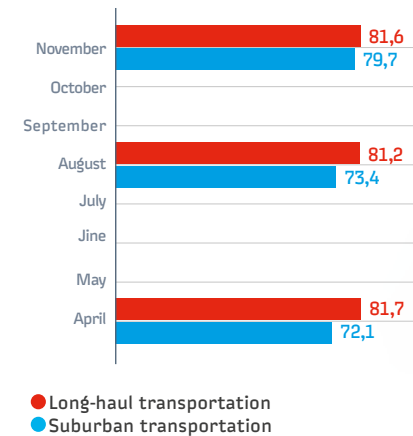
- > Apple Pay support;
- > filtering by lowest prices and nearest dates;
- > document scanning within the app ensuring quick access to passenger data;
- > navigation inside railway stations.

In 2018, the mobile app was installed by Android and iOS users over 2.6 million and 1.29 million times, respectively, with 8.3 million e-tickets sold through the app.

In 2018, suburban carriers¹ started connecting to the mobile app, enabling passengers to buy e-tickets for suburban trains. The connection of suburban carriers will continue well into 2019.

In 2018, 29 pairs of high-speed trains made up by Federal Passenger Company ran along 11 routes. High-speed Lastochka trains transported some 6.8 million passengers (up 42% y-o-y), which is 7% of total volumes transported by trains of Federal Passenger Company.

Results of the passenger satisfaction index survey in 2018, points



¹ Moscow-Tver SPC, Kaliningrad SPC, North-West SPC, Northern SPC, Chernozyemye SPC, Sodruzhestvo, Volga-Vyatka SPC, Sverdlovsk Suburban Company, Baikal SPC, and North Caucasus SPC.