High-potential projects

- Upgrade of the Baikal-Amur and Trans-Siberian Railways
- Development and renovation of the railway infrastructure serving ports of the Azov and Black Seas
- Development of the Moscow Transport Hub (MTH)
- Upgrade of the railway infrastructure serving ports of the North-Western basin
- Construction of the Moscow-Kazan High-Speed Railway
- Development of the Krasnoyarsk Railway's Mezhdurechensk-Tayshet section
- Development of diametrical intracity rail routes within the MTH
- Development of the Northern Latitudinal Railway
- Construction of a bypass at the Saratov Transport Hub
- Construction of the Selikhin-Nysh railway line with a passage across the Nevelsky Strait
- Electrification of the Rtishchevo-Kochetovka section
- Electrification of the Ozherelye-Uzlovaya-Yelets section
- Development of the Perm Railway Hub and the construction of a river crossing
- Development of the Perm-Solikamsk connection



For more details see the annual report website at HYPERLINK http://ar2017.rzd.ru/en





Priority capex projects in 2018

This section outlines the priority and most capital-intensive capex projects of Russian Railways. Funding for these projects is provided by Russian Railways, the Russian National Wealth Fund, the federal budget, and the city of Moscow. Funding figures for the capex projects are based on the mid-term Investment Programme of Russian Railways approved by the Company's Board of Directors.

Messages from Management



RAIL INFRASTRUCTURE UPGRADES AT THE BAIKAL-AMUR (BAM) AND TRANS-SIBERIAN MAIN LINES

The capex project is aimed at the expansion and renewal of rail infrastructure to increase capacity on routes to Far Eastern seaports and border points.

The throughput will increase 1.5-fold over six years to 180 mln tonnes. Containers from Vladivostok in the Far East will be delivered to Russia's western border in just 7 days.

The total cost of the project is RUB 562.4 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 86.2 billion for the project, including RUB 41 billion by Russian Railways and RUB 45.2 billion by the Russian National Wealth Fund.





RUB 86.2 billion

to be invested in the project in 2018



EXPANSION AND RENEWAL OF RAILWAY INFRASTRUCTURE ON THE APPROACHES TO THE PORTS OF THE AZOV-BLACK SEA BASIN

Freight shipments to the ports of the Azov-Black Sea basin account for a significant portion of rail freight traffic within the Southern Federal District.

Projects to expand the deep seaport of Taman already featuring an oil terminal operated by Tamann eftegaz and construct a dry bulk area for dry bulk, grain, container, and other cargoes will significantly contribute to higher freight traffic through ports in the Southern Federal District.

The total cost of the project is RUB 155 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 42.1 billion for the project, including RUB 22 billion by Russian Railways and RUB 20.1 billion from the federal budget.





RUB **42.1** billion



DEVELOPMENT OF THE MOSCOW TRANSPORT HUB

The launch of a regular passenger service on the Moscow Central Circle (MCC) in 2016 marked a milestone in the development of the Moscow Region.

Overall, 138 million passengers were carried in 2016–2017, and the passenger traffic continues to grow. There is already a clear need to further develop the MCC – increase throughput and passenger capacity, reduce headways, and thereby develop passenger and rail infrastructures.

The total cost of the project is RUB 155 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 31.1 billion for the project, including RUB 12.1 billion by Russian Railways, RUB 14.6 billion from the federal budget, and RUB 4.4 billion by the Moscow Government.







UPGRADES OF RAILWAY INFRASTRUCTURE ON THE APPROACHES TO THE NORTH-WESTERN BASIN PORTS

The project is aimed to support the anticipated freight flows around the ports of the Northwestern basin, which are projected at 145.6 mln tonnes. The project provides for the expansion of the Volkhovstroy–Murmansk link to increase network throughput on the far approaches to the port of Murmansk.

The total cost of the project is RUB 253.6 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 17 billion for the project by Russian Railways.





RUB **17** billion



CONSTRUCTION OF THE MOSCOW-KAZAN **HIGH-SPEED RAIL**

Construction of the Moscow-Kazan High-Speed Rail (the Moscow-Kazan HSR) is Russia's pilot high-speed rail project. The Moscow-Kazan High-Speed Rail will be the first leg of the new Eurasian transport corridor. The project provides for the extension of high-speed rail service to Yekaterinburg in the medium term, and further to Berlin in the west and Beijing in the east over the longer term.

The capex project will reduce 4-fold the travel time between Moscow and Kazan, from 14 to 3.5 hours, and 7-fold the travel time between Nizhny Novgorod and Kazan, from 10.5 to 1.5 hours.

The average travel time between the administrative centres of Russian regions will be reduced to one hour. The annual passenger traffic on the railway line during the first years of its operation is projected at 10.5 million passengers and will grow to 17 million passengers by 2030.

The total cost of the project is estimated at RUB 1,288.9 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 16.4 billion for the project, including RUB 16.3 billion by Russian Railways and RUB 100 million from the federal budget.





TILL RUB 16.4 billion

to be invested in the project in 2018



Messages from Management

DEVELOPMENT OF THE MEZHDURECHENSK-TAYSHET SECTION OF THE KRASNOYARSK **RAILWAY**

The project is aimed to support transportation of 15 mln tonnes of cargoes by 2020 via the Kyzyl-Kuragino railway line currently under construction, including coal shipments to a total of 12 mln tonnes from the Elegestskoye coal deposit to the Far Eastern ports. The required throughput on the section is 45 train pairs per day to the east and 32 train pairs per day to the west.

The total cost of the project is RUB 45.6 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 6.8 billion for the project, including RUB 1.7 billion by Russian Railways and RUB 5 billion from the federal budget.





RUB **6.8** billion



LAUNCHING DIAMETRICAL INTRACITY RAIL **SERVICES WITHIN THE MOSCOW TRANSPORT** HUB

The capex project is aimed at increasing the throughput and passenger traffic within the Moscow transport hub by launching diametrical intracity rail services as per the updated General Moscow Railway Hub Development Plan.

The total cost of the project is estimated at RUB 155.4 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 5.1 billion for the project, including RUB 400 million by Russian Railways and RUB 4.7 billion by the city of Moscow.



DEVELOPMENT OF THE NORTHERN LATITUDINAL RAILWAY

The capex project is aimed at constructing the Northern Latitudinal Railway connecting the Northern Railway and Sverdlovsk Railway. The Northern Latitudinal Railway will become part of the Arctic transport system and infrastructure shortening transport routes between the fields in the north of Western Siberia and ports in the Baltic, White, Barents, and Kara Seas, and facilitating the development of the Russian Arctic. The project is implemented under the Instructions of the President of the Russian Federation.

Railway stations in the north of the Ural Federal District are projected to generate 50 million tonnes of freight traffic by 2025 (up 12 million tonnes vs 2015).

The total cost of the project is estimated at RUB 235.9 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 2.7 billion for the project by Russian Railways.





TILL RUB 5.1 billion

to be invested in the project in 2018





TILL RUB 2.7 billion



THE SARATOV RAILWAY HUB BYPASS

To minimise the risks associated with freight traffic related to the Azov-Black Sea basin ports, construction of a western bypass for the congested Saratov railway hub is required in addition to the activities outlined in the project Expansion and Renewal of Rail Infrastructure on the Approaches to the Ports of the Azov-Black Sea Basin.

The project's Phase 1 cost is estimated at RUB 25.9 billion. Phase 2 of the project will be finalised once the updated cargo base data is available for the ports of the Azov-Black Sea basin. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 1.7 billion for the project by Russian Railways.





RUB **1,7**

to be invested in the project in 2018



Messages from Management

CONSTRUCTION OF THE SELIKHIN-NYSH RAILWAY LINE WITH A PASSAGE ACROSS THE NEVELSKOY **STRAIT**

The new railway line will connect the Selikhin station on the Komsomolsk-on-Amur - Vanino section and the bridge across the Nevelskoy Strait, and run further to the Nysh station on Sakhalin Island. The total length of the new railway link between the Selikhin station on the mainland and the Nysh station on Sakhalin Island is 585 km, including the 6-km long bridée.

The construction of the Selikhin-Nysh railway line will enable:

- → capacity expansions for existing ports on Sakhalin Island
- new transshipment opportunities to support transit flows from Kazakhstan and Mongolia
- → implementation of resource development projects within a gravity area along the new railway line
- → significant boost to the economic development of the Sakhalin Region and the entire Far Eastern Federal District.

The total cost of the project is estimated at RUB 386.6 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 1 billion for the project by Russian Railways.







ELECTRIFICATION OF THE RTISHCHEVO-KOCHETOVKA SECTION

The project is aimed at cutting fuel and energy costs, reducing freight train travel times, speeding up freight delivery, and increasing the throughput on the Rtishchevo-Kochetovka section of the rail network. The General Railway Network Development Plan of Russian Railways provides for 39 train pairs passing the Rtishchevo-Kochetovka link per day by 2025.

The total cost of the project is estimated at RUB 15.8 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 760 million for the project by Russian Railways.



ELECTRIFICATION OF THE OZHERELYE-UZLOVAYA-YELETS ROUTE

The project is aimed at rerouting 27 train pairs from the Kazan route to the Pavelets route of the Moscow Railway and increasing to 65 train pairs the throughput of passenger trains on the Uzlovaya-Yelets section of the rail network.

The total cost of the project is estimated at RUB 18.5 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of ca. RUB 738 million for the project by Russian Railways.





TILL RUB 760 million

to be invested in the project in 2018





TILL RUB 738 million



DEVELOPMENT OF THE PERM RAILWAY HUB THROUGH A BRIDGE CONSTRUCTION PROJECT

The project is aimed at the construction of a new Perm bypass railway, including the construction of a railway bridge across the Kama River and a 25-km two-track electrified bypass. The throughput on the new bypass railway will be ca. 61 train pairs in both directions.

The total cost of the project is estimated at RUB 15.7 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of RUB 423 million for the project by Russian Railways.



DEVELOPMENT OF THE PERM-SOLIKAMSK ROUTE

The project is aimed at enabling increased freight traffic between Solikamsk and Perm Marshalling Yard. The project is being finalised through consultations between various relevant units.

The cost of the project is estimated at RUB 13.7 billion. The Russian Railways Investment Programme for 2018 provides for the allocation of ca. RUB 337 million for the project by Russian Railways.





RUB 423 million

to be invested in the project in 2018





TILL RUB 337 million