

# PERFORMANCE OVERVIEW

## MESSAGE FROM THE GENERAL DIRECTOR

Dear shareholders, partners, and colleagues,

FPC has always measured its performance by the quality, speed, and affordability of passenger services. We are moving forward at a confident pace while maintaining the best traditions of the Russian rail passenger industry.

In 2018, we continued our ambitious efforts to upgrade our carriage fleet and optimise our route network while achieving a significant improvement in customer service. For our service running between Moscow and Nizhny Novgorod, frequent travellers may now use Business Passes. We also launched the FPC Market service and introduced an option for pet owners to have their pets travel unaccompanied while we continued our cultural and educational projects, the Traveller's Library and the Knowledge Carriage.

As of July 2018, we accept requests to have teenagers (aged 10 to 16) travel unaccompanied on the higher-speed train No. 747/748 between Moscow and Saint Petersburg.

During the year, FPC continued to develop its Poputchik (Fellow Passenger) multimedia portal service offered on the Company's branded trains. The portal's standard services include an interactive map of the journey's route with details of tourist attractions, train-related information, the on-board store and restaurant, on-board feedback feature, news and games, the Luchshe Poezdom (Better by Train) magazine, and educational films produced by the Russian Geographical Society.

FPC is proud to have been part of major sports events held in our country – in 2018 we provided safe and efficient rail passenger services to the 2018 FIFA World Cup football fans and volunteers. During the days of the event, additional 734 train journeys were made, carrying over 300,000 passengers. Our employees made every effort to prepare themselves and the Company for the major sports event. Over 2,300 FPC train attendants received special training which included the basics of football culture.

Improvements are being made to the e-ticketing system. Almost one half of our customers are now purchasing train tickets through our new, successfully implemented online services, with 64 million e-tickets sold in 2018. The share of e tickets in the total amount of seats sold across the railway network was at 52%. Berths in special, wheelchair-accessible compartments may also be booked online.

FPC is making every effort to develop RZD Holding's RZD Bonus Loyalty Programme. By year-end 2018, the programme's member count was at 4 million. By earning points, members can travel effectively free of charge every sixth journey. Generous points are also credited to members who use our partner banks' services. Our partners include several major Russian banks such as Sberbank, ALFA-BANK, ROSBANK, Bank Otkritie Financial Corporation, and also Raiffeisenbank. Plans have been made to expand upon member privileges and the partner network in the near future.

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Key trends in the rail passenger market include advances in ICT technology and a shift from focusing on customer groups to focusing on each individual customer. We maintain a diverse range of customer feedback channels, from official FPC pages on social media to the General Director's virtual reception office. By keeping an open line of communication with our customers and processing all inbound queries swiftly and efficiently, we reached a remarkable achievement: the amount of negative feedback declined substantially in 2018. It therefore goes without saying that we will continue our efforts in this regard.

FPC is facing new challenges, and by overcoming them, we will further improve the quality and affordability of the service we provide to our passengers. I am confident that 2019 will be a year of dynamic growth as we adopt the latest technology, innovative approaches, and advanced management practices.

**Petr Ivanov**

