

**JSC “Russian Railways” investment program in 2012: new approaches to budgeting and major projects**



JSC “Russian Railways” and the Government of the Russian Federation have reached a mutual understanding regarding the sources of financing for the development of the railways infrastructure.

**428.4**

RUR bln

JSC “Russian Railways” initial investment budget for 2012 approved in 2011

**481.6**

RUR bln

Revised investment budget of JSC “Russian Railways” for 2012

**480.1**

RUR bln

The actual amount of the Company’s investment budget allocated in 2012

JSC “Russian Railways” met all the targets of the investment program specified for 2012, including those by order of the Government of the Russian Federation.

Initially, the JSC “Russian Railways” Board of Directors approved the investment budget of JSC “Russian Railways” for 2012 for the amount of RUR 428.4 bln. Based on the outcome of the first half 2012 the investment budget of the Company in 2012 was increased by RUR 63.8 bln, and in December 2012 was optimized at RUR 10.6 bln with federal budget funds.

Therefore, with the adjustments carried out, the investment budget of JSC “Russian Railways” amounted to RUR 481.6 bln.

In general, due to annual costs increases, as well as through the redeployment of limits within the investment budget for 2012 without changing the overall parameters, additional resources have been allocated to the major investment projects:

- ▶ implementation of projects related to the orders of the Government of the Russian Federation: RUR 9.0 bln;
- ▶ reconstruction of the railway: RUR 6.6 bln;
- ▶ acquisition of shares of the international logistics operator Gefco: over RUR 30.0 bln;
- ▶ modernization of the traction rolling stock (planned acquisition of 532 units): RUR 18.4 bln.