

V International Rail Business Forum

«1520 Strategic Partnership»

26 - 28 May 2010
Russia, Sochi, Radisson SAS Lazurnaya

Key topic:

**MODERNIZATION strategy in the «1520 area»:
innovations, investments, integration, intellect**

Due to the increased competition for cargo flows the railway business now faces the problem of consistent and intense raising of the "1520 area" transport system competitiveness. At that the key players' common interests and interdependence in this process require the consolidation of efforts and joint "breakthrough" measures aimed at a comprehensive and balanced modernization of railways. Infrastructure, engineering, transport service and management system are of top priority in this process.

Being a strategic priority of the "wide" gauge partners transport policy, modernization can become a powerful impetus for the introduction of modern technologies on the railway transport, the full realization of its transit potential, promotion of private investment activity, adaptation of international experience and localization of advanced development. For national economies accelerated transport development is the best source of long-term sustainable growth and a means of social mobility, while for industrial corporations - the real mechanism of cutting production costs and expanding their presence in world markets. For the railway transport the quintessence of modernization will be transition to an innovative path of development and successful implementation of key business objectives.

May 26

15-20 **Forum participants registration**

20-00 Welcome cocktail

May 27

10-00 **Forum opening**

Greeting addresses

Vladimir Yakunin, President, Russian Railways
Alexander Zhukov, Deputy Prime Minister of the Russian Federation
Alexander Tkachev, Governor, Krasnodarsky Krai
Anatoly Pakhomov, Head of the Sochi City Administration

10-20 **Plenary session**

How the transport system should adapt to new trends in economic development?

The current global trends indicate the need to abandon traditional approaches to economic development and suggest the adoption of breakthrough solutions. The essence of these measures lies at the confluence of different industries, at the intersection of spheres of various agents, at the supranational level and, consequently, requires partnership and coherence. At the same time, the credibility and effectiveness of supranational institutions of governance today cannot sustain the necessary level of confidence in the financial and economic system, this resulting in an outflow of investments and investment deficit. Under conditions of slowdown of capital traffic, the most perspective and efficient decision would be increase of traffic capitalization as the key and strategic asset of the "1520 area". The solution of this task will predetermine the future of not only the "wide" gauge railway business, but as well the development of Eurasian economic system.

Key issues:

- What kinds of transport services will be of greatest demand in the long run?
- How can the integration and protectionist tendencies, the international nature of goals and national interests be reconciled within the post-crisis program development framework?
- On what rate the freight traffic intensity should the transport services suppliers place their stake and what level of service should consumers expect?
- How to convert the accumulated experience of interaction into actual mechanism of development?
- Are the railway companies' business strategies able become a catalyst for economic development?

Speech of the RF Deputy Prime Minister Alexander D. Zhukov

Moderator:

Michael Tay, Executive Director of the Council on the Russia-Singapore Business Forum Organization

Participants:

- Vladimir Yakunin**, President, Russian Railways
- Hans-Jörg Grundmann**, CEO "Mobility" Division and Vice President of Siemens AG
- Karl-Friedrich Rausch**, Member of the Board, Deutsche Bahn AG
- Mikhail Prokhorov**, President, ONEXIM Group
- Dmitry Pumpyansky**, Chairman of the Board of Directors, TMK (Trubnaya Metallurgicheskaya Kompaniya)*
- Askar Mamin**, President, Kazakhstan Railways
- Rair Simonyan**, Chairman of the Board of Directors, Morgan Stanley Bank

Presenting the Independent Forum Directors by V.Yakunin, President of JSC Russian Railways

11-30 **Coffee break**

12-00 **Panel Discussion №1**

Interactive mode

**“1520 area” Railway MODERNIZATION strategy:
priorities, instruments, prospects**

Modernization strategy is primarily the result of combining the intellectual efforts of the parties concerned in the search for new sources of growth and the formation of long-term development milestones. A full-launch and implementation of this process involve the jointly developed understanding of key priorities and instruments on which specific steps to be taken in pursuit of the "1520 area" comprehensive development will be based.

Key issues:

- What does the strategy of modernization 1520 imply?
- What risks of modernization are evident today, and what barriers must be overcome in the future?
- Can high-tech industries form the basis for innovative breakthrough in transport? What is the demand for innovative solutions in the railway business?
- How can the gap between scientific research and development on the one side and business realities on the other side be reduced?
- What should be done to promote involvement of business in the railway modernization?

Moderator:

Vladimir Yakunin, President, Russian Railways

Participants:

Grigory Berezkin, Chairman of the Board, ESN Group of Companies
Oleg Bukin, General Director, Transport Assets Management*
Niko Warbanoff, Head of Business Development Deutsche Bahn AG and Managing Director of DB International GmbH
Dmitry Komissarov, Chairman of the Board of Directors, Technological Company
Mikhail Kostyuk, General Director, Ukrainian Railways
Ugis Magonis, Chairman of the Board, Latvian Railways
Carlo Tamburi, Managing Director of International Division, Enel
Mukhamed Tsikanov, Senior Vice President for Economics and Management, Mechel
Alexander Babakov, Deputy Chairman of the RF State Duma* //
Sergey Shishkarev, Chairman, RF State Duma Committee for Transport

13-30 **Lunch**

<p>15-20</p>	<p>International Business Dialogue</p>	<p>Dialogue for Leaders</p>
<p>Railway stations as a business area: MODERNIZATION, development, management</p> <hr/> <p><u>Key issues:</u></p> <ul style="list-style-type: none"> ➤ Passenger stations 1435-1520: international experience and the Russian model ➤ Passenger stations management models ➤ Passenger stations as centers for innovative development ➤ Investment potential of passenger stations <p><u>Moderators:</u></p> <p>Sergey Abramov, Head of the Directorate for Railway Stations, Russian Railways Igor Kolomeysky, Head of Department for Investments, Russian Railways</p> <p><u>Participants of the dialogue:</u></p> <p>Etienne Tricaud, General Director, AREP Freddy Opsomer, Director, Plant Location Europe Bertold Kral, Head of Railway Stations Direction, DB International Sophie Boissard, Head of the SNCF Station Directorate and Member of the SNCF Board Mikhail Grudin, General Director, Railway Stations Development</p>		<p>Human capital as a factor of economy MODERNIZATION</p> <hr/> <p><u>Moderator:</u></p> <p>Andrey Sharonov, Managing Director, Head of IK "Troika Dialog" Investment and Banking Activity Administration</p> <p><u>Participants:</u></p> <p>Mikhail Prokhorov, President, ONEXIM Group Vladimir Yakunin, President, Russian Railways</p> <p><u>Experts:</u></p> <p>Andrey Goltsblat, Managing Partner, Goltsblat BLP Nikolay Nikiforov, Chairman, Russian Trade Union of Railwaymen and Transport Builders Oleg Sienko, General Director, Uralvagonzavod* David Yakobashvili, Member of the Board of Directors, WIMM-BILL-DANN FOODS</p>
<p>17-00</p>	<p>Panel Discussion №2 Interactive mode</p>	<p>International business dialogue «Siemens»</p>
<p>«Wide» gauge investment potential: MODERNIZATION as a goal and tool for attracting financial resources</p> <hr/> <p><i>Complex modernization is a large-scale and capital-intensive process that integrates the potential of all segments and lines of railway communications. Its essence and purpose should be clear to all partners and especially for the concerned business community. From this perspective the key priorities of the modernization strategy are the expansion of the industry's market opportunities, enhancing its investment attractiveness and contributing to the joining of state resources and private investors' funds. An effective solution of this problem is an essential prerequisite for successful modernization of the "1520 area" railways.</i></p> <p><u>Key issues:</u></p>		<p>Global technologies for the 4 "I" – MODERNIZATION in the "1520 area"</p> <hr/> <p><u>Key issues:</u></p> <ul style="list-style-type: none"> • Introducing innovative solutions: what are railway equipment consumers expecting? • Investment in joint ventures: experience and prospects in localizing production facilities in the "1520 area" • Integration of production and technological potential in the context of meeting the Client's objectives • Scientific cooperation as a key instrument of modernization in the "1520 area" • The technical and technological base for the 2014 Olympics transport complex <p><u>Moderator:</u></p>

- How does business of the "1520 area" plan to attract investments?
- What modernization areas and projects are most attractive for private investment?
- What are the mechanisms for joining state and private capital in the modernization process?
- How do the financial and investment policies of national railway companies change in post-crisis development of the economy?
- How can investment import from the world's largest financial centers be arranged?
- Will modernization affect the process of interaction between the railway business and banking sector? What will be the loan conditions of the modernization projects?

Moderator:

Igor Vdovin, Chairman of the Board, National Agency for Direct Investments

Participations:

Sergey Generalov, President and Chairman of the Board, FESCO Transport Group*

Harm Sievers, Managing Director, Port of Sassnitz*

Andrey Nedosekov, Deputy Minister of transport of the RF

Yury Novozhilov, President, TransCreditBank

Priit Pedaya, Head of IR Department, Globaltrans Investment PLC*

Andrey Sergeev, Vice President, Morgan Stanley Bank

Julian Smith, Partner, Global Rail and Infrastructure Industry Leader, PricewaterhouseCoopers

Alexey Taycher, First Deputy General Director, Freight One

Andrey Sharonov, Managing Director, Head of IK "Troika Dialog" Investment and Banking Activity Administration

Rold Epstein, Director of the Siemens "Mobility" Department in Russia and Central Asia

Participants:

Sergey Abramov, Head of the Directorate for Railway Stations, Russian Railways

Vladimir Avilov, General Director, Transsignalstroy

Sergey Adadurov, General Director, NIIAS*

Michael Aro, General Director, VR-Group Ltd. (Finnish Railways)*

Valentin Gapanovich, Senior Vice President, Russian Railways

Hans-Jörg Grundmann, CEO "Mobility" Division and Vice President of Siemens AG

Jörn F. Zens, Director of the Rolling Stock subdivision, "Mobility", Siemens AG

Ermek Kizatov, Vice President, Kazakhstan Railways

Alexey Krivoruchko, General Director, Aeroexpress

Karl-Hermann Klausecker, Director of the Locomotives and Componentes subdivision, "Mobility", Siemens AG

Boris Lapidus, Chairman, Joint Scientific Council of Russian Railways, General Director, VNIIZHT

Boris Levin, Rector, Moscow State University of Railway Engineering (MIIT)

Maxim Liksutov, Member of the Board of Directors, Aeroexpress

Dietrich Möller, President of Siemens Russia and Central Asia, Vice President of Siemens AG

Denis Muratov, General Director, High Speed Rail Lines

Dmitry Pumpyansky, Chairman of the Board of Directors, TMK (Trubnaya Metallurgicheskaya Kompaniya)

Karl-Friedrich Rausch, Member of the Board, Deutsche Bahn AG

Kaido Simmermann, Chairman of the Board - Executive Director, Estonian Railways

Oleg Toni, Vice President, Russian Railways

Sergey Shishkarev, Chairman, RF State Duma Committee for Transport

20-30

Gala reception on behalf of Vladimir Yakunin, President of JSC Russian Railways

May 28

1520 MODERNIZATION Innovation Capital

10-00

Business dialogue on Growing Points

EXCLUSIVE FORMAT

Growing Point №1

Innovative scientific policy

Chairman:

Boris Lapidus, Chairman, Joint Scientific Council of Russian Railways, General Director, VNIIZHT

Fresh head

Noubar Afeyan, Senior Lecturer at the Massachusetts Institute of Technology, Managing Partner and CEO at Flagship Ventures*

Participants:

Members of the Joint Scientific Council of Russian Railways

Andrey Sharonov, Managing Director, Head of IK "Troika Dialog" Investment and Banking Activity Administration

Growing Point №2

Reforms in the "1520 area"

Moderator:

Valery Reshetnikov, Senior Vice President, Russian Railways

Fresh head:

Vitaly Kuznetsov, Senior Banker of Transport Department, EBRD*

Key questions:

- National railway companies' economic policies in light of restructuring: key areas of modernization of the regulatory systems
- State regulation: best decisions and balance of interests
- Foreign experience in railway reform and railway market development
- Anticipated prospects for implementing railway transport reform programmes on the "1520 area"
- Target model for railway freight market up to 2015

Participants:

Yerkin Zhusanbayev, Executive Director for Development, Kazakhstan Railways

Innokenty Ivanov, Partner Freshfields Bruckhaus Deringer, Head of practice in the field of infrastructure and transport in Russia

Alexey Illarionov, Information Technology Director, Head of IT and Corporate Management Processes Department, Russian Railways

Sergey Maltsev, Chairman of Presidium of non-profit partnership "Council of Participants of Railway Rolling Stock Operator Services Market", CEO of Globaltrans*

Dmitry Nikitin, General Director, Eurosib

Stefan Roşeanu, Senior Partner, Club Feroviar

Alexander Saprnov, General Director, NTK

Dmitry Kolobov, Head of Project, McKinsey & Company, Moscow*

Growing Point №3

Transportation products development

Moderator:

Andrus Kuusmann, Managing Director, Estonian Transit and Logistics Association

Fresh head

Helen Teplitskaya, President, American-Russian Chamber of Commerce & Industry*

Key questions:

- How is railroad business to comply with the "smart" economy of the future requirements?
- What factors are of greatest consequence for the transport services quality and cost?
- What new measures can "1520 area" business community suggest to perfect the tariff and customs policy?
- Is there demand for quality new transport products? Or supply should form demand?
- Innovative solutions in context of transport services new consumer parameters: is foreign experience of relevance here?

Participants:

Harm Sievers, Managing Director, Port of Sassnitz*

Jorg Siedenbiedel, Head of DB repoffice, Russia and CIS

Dmitry Korolev, Managing Director, partnership "Council of Participants of Railway Rolling Stock Operator Services Market"

Elena Kunaeva, General Director, Corporate Transport Service Center, Russian Railways

Vyacheslav Petrenko, Head of Department for Freight Marketing and Tariff Policy, Russian Railways

Vladimir Prokofiev, General Director, BaltTransService

Igor Romashev, Vice President, Rosneft*

Alexey Skatin, Director for Logistics, Baltika Breweries

Vladimir Sosipatorov, Deputy CEO for Commerce, Freight One

Roman Khomenko, Vice President of Retail Sales and Logistics ,

Tamara Stebunova, Deputy Head of the Federal Tariff Service
Andrey Emilianov, Acting Deputy Director Department of State Transport Policies, Ministry of Transport of the Russian Federation
Dmitry Shusternyack, General Director, FinExpertiza Consulting

Bashneft
Vladimir Horoshilov, Director for Transport and Logistics, Phosagro
Vladimir Chisnakov, General Director, Russkaya Troyka
Iliya Yastrebov, Director of Rail Services, SUEK

11-30 **Coffee break**

12-00

Business dialogue on Growing Points

**Growing Point №4
Innovations
in production**

Moderator:

Valentin Gapanovich, Senior Vice President, Russian Railways

Fresh head

Seu Silvian, President, Engineering Center UES*

Key questions:

- Attracting finances against the background of post-crisis economy: how cheaper can get the "long" money?
- Railroad companies investment programs: should producers expect a considerable increase in demand?
- Railroad machinery and spare parts manufactures founding and localization
- New generation rolling stock exploitation and maintenance: is the complex ready to modernization?
- Investment in the carriage repair segment: the profitability of an own depot for operators?

Participants:

Tulbay Abdiev, Chief Engineer, Kazakhstan Railways
Sergey Kaletin, Deputy CEO for Technological Development, Freight One
Joern F Sens, Head Rolling Stock, Mobility Division, Siemens AG
Maxim Kuzemchenko, Director, Trade House "Tikhvin Railway Car Building Plant"
Alexander Lipatov, Deputy Head of the Technical Policy, Russian Railways
Vladimir Matushin, Vice President NCP "UIRE"
Sergey Palkin, Head of Centre for Technical Audit, Russian Railways
Patrick Paskal, Head of Rep.Office Alstom Transport in Russia*
Yury Saakyan, General Director, IPEM
Alexander Saltaev, General Director «Sinara Group»
Elena Sakhnova, Head of Industrials, Transportation, Infrastructure, Chemicals, VTB Capital*
Oleg Sienko, General Director, Uralvagonzavod
Evgeny Khvorost, Chairman of the Board, Kryukov railway car building works*
Konstantin Khromushkin, General Director, Bombardier

**Growing Point №5
Modernization and
innovative infrastructure
development**

Moderator:

Oleg Toni, Vice President, Russian Railways

Fresh head

Elizaveta Filipova, Partner, PricewaterhouseCoopers

Key questions:

- Joint management as a means of transportation process cooperation in ports: is the interests dialog interesting for all?
- Changes in the rules of investment and construction projects management against the background of post-crisis economy?
- What are the optimal financial instruments for "1520 area" infrastructure projects realization?
- Consolidation of potentials: what mechanisms let the partners within the "wide" gauge raise the effectiveness of business planning, design and construction of railway infrastructure?
- What are the prospects of international cooperation in the sphere of the Olympic railroad infrastructure construction?

Participants:

Sergey Abramov, Head of the Directorate for Railway Stations, Russian Railways
Viktor Balandin, Chief Engineer, JV Alpine-RZDstroy
Anatoly Zaycev, Head of Coordination Council, MOOZS
Innokenty Ivanov, Partner Freshfields Bruckhaus Deringer, Head of practice in the field of infrastructure and transport in Russia
Denis Muratov, General Director, Highway
Michael Peter, Head Rail Automation, Mobility Division, Siemens AG
Gennady Petrakov, Head, Federal Agency of Railway Transport
Vyacheslav Rybkin, General Director, Lengiprotrans*
Dmitry Serejin, Executive Director, MOOZS
Gennady Talashkin, acting CEO, RZDstroy

**Growing Point №6
Financial and Investment
Instruments**

Moderator:

Vadim Mikhaylov, Senior Vice President, Russian Railways

Fresh head

Mikhail Berger, General Director, United Media holding company, General Director, Rumedia group of companies

Key questions:

- Mechanisms for government funding of key projects in the "1520 area"
- How are national railway companies changing their financial and investment policies in the face of the post-crisis economic recovery?
- More efficient use of investments and cost cutting for development purposes. Recommendations by leading investors for modernising cost management systems.
- Implementation of the federal target program for developing Russia's transport system from 2010 through 2015
- Prospects and formats of network contracts as an instrument for collaboration between the infrastructure holder and the government in maintaining and modernising the infrastructure

Participants:

Evgeny Bogdanov, Leader of Automotive and Transportation Practice in Russia and CIS, A.T. Kearney
Valery Veremeev, Head of Department of Economic Conditions and Strategic Development, Russian Railways
Stanislav Voskresensky, Deputy Economic Development Minister of the Russian Federation
Vladimir Gaponko, Head of Management Accounts and Reporting, Russian Railways
Yerkin Zhusanbaev, Executive Director for Development, Kazakhstan Railways
Igor Kolomeysky, Head of Investment Department, Russian Railways
Veniamin Livshits, Head of Laboratory "System analysis of the effectiveness of natural monopolies", Institute of System Analysis, RAS
Alexander Novak, Deputy Finance Minister of the Russian Federation*
Tatyana Paramonova, General

<p>Transportation in Russia Vladimir Shneydmuller, Technical Director, Transmashholding Rold Epstein, Director of the Siemens "Mobility" Department in Russia and Central Asia</p>	<p>Andrey Sharonov, Managing Director, Head of IK "Troika Dialog" Investment and Banking Activity Administration Vasily Shimokhin, General Director, Yakutia Railways Eriks Smuksts, Member of the Board, Latvijas dzelzceļš (Latvian Railways)</p>	<p>Director, ZASO Fedor Pekhterev, Director, GiprotansTEI Maksim Piskunov, Senior Manager, Ernst & Young Oleg Rogachev, First Deputy General Director, Rusagrotans Zhanar Rymzhanova, Senior Banker EBRD Tamara Stebunova, Deputy Head of the Federal Tariff Service Yan Tavrovsky, Managing Director JP Morgan, Head of Investment Banking Business in Russia and Ukraine</p>
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13-30 **Lunch**

15-20 **Tallinn -> 1520 -> Sochi**

Report presentation

**10 Steps Towards Efficient Partnership in the Baltic region:
 First Implementation Results**

Moderator:

Alexander Retyunin, Editor-in-Chief, RZD-Partner Magazine

16-00 **Forum Closing**

Final Session

Sochi 2010: Postscript

- Moderators speeches
- Final speeches of the Forum Independent Directors

21-00 **1520 Strategic Party**

"PLOTFORMA" CLUB
 Transfer from Forum hotels will be
 organized

***participation under negotiations**