

United Wagon Company

2016

The UWC project developed and supported by ICT group of companies

- The UWC business establishment and development was supported by the **ICT group of companies**
 - ICT is one of the largest private industrial holdings, focuses on the industrial development and greenfield projects
 - ICT manages assets in finance, industry, engineering, mining
- **Government support** of TVSZ as an innovative project:
 - Long-term credit facility for TVSZ construction arranged by VNESHECONOMBANK
 - Subsidies for interest rate and tax benefits for TVSZ



Railroad projects



Other projects



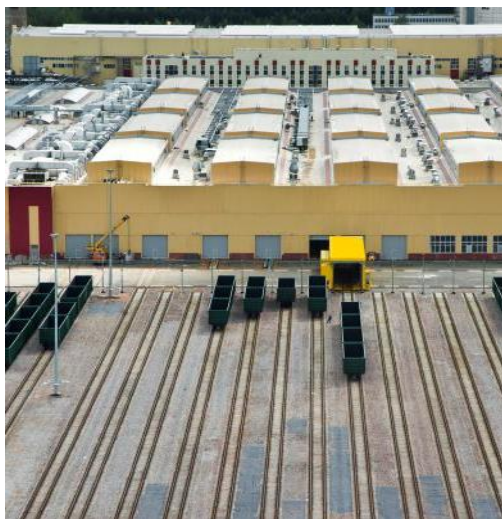
UWC has created sustainable business model

- United Wagon Company is established in order to supply **advanced freight railcars to the Russian and CIS rail market**
- Business model** combines manufacturing, financing and maintenance of freight railcars (similar to US Greenbrier and Trinity rail), which is **unique for Russia**, but proved its efficiency in Europe and USA
- Sustainability of Business model was proved by **IPO in 2015** with the capitalization of **73,9 billion RUR (app. 1,14 billion USD)**



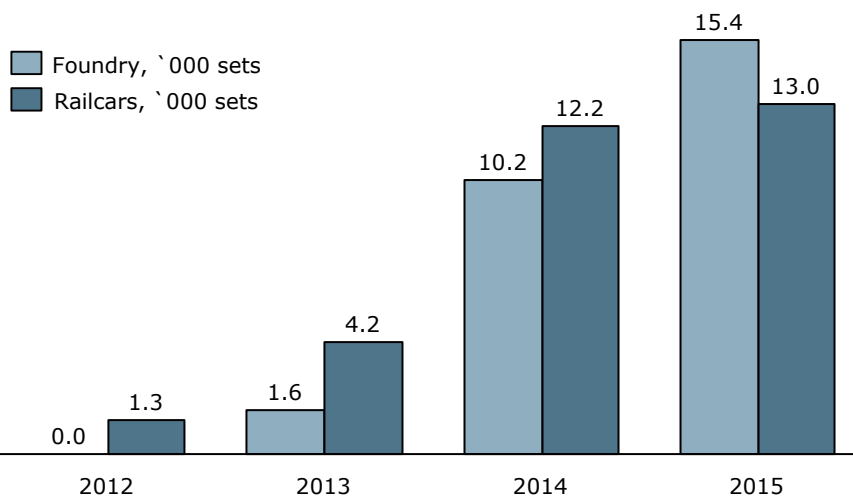
Manufacturing: TVSZ already launched and guarantees railcars supply

- Located near St Petersburg, Russia, **launched in Jan 2012**
- Leading railcar production facility:
 - High-tech and innovative production
 - High labor efficiency due to integration of robotics in the assembly process
 - Reduced stock level due to optimized logistics
 - Low energy and material consumption
- Launch of **TichvinChemMash** – innovative tank car manufacturing division was launched at the end of 2015



Railcars shipped from TVSZ, Jul 2012

Production volumes growth



Annual production capacity

up to
22,000
freight cars

30,000
sets of car castings
and railway springs

65,000
sets of wheel

80,000
cassette bearings

Operating Leasing: UWC manages freight car leasing companies - RAIL1520

>25,000

rail cars privately owned and operated in freight fleet

> 0.36 billion USD – the size of the leasing portfolio

Credit line of

0.6 billion USD



Transportation services: UWC subsidiary Vostok 1520 is the first innovative freight car operator

Vostok1520's freight car fleet

Multi-purpose drop-bottom gondola



Solid-bottom gondola



Hopper car for mineral fertilizers and grain



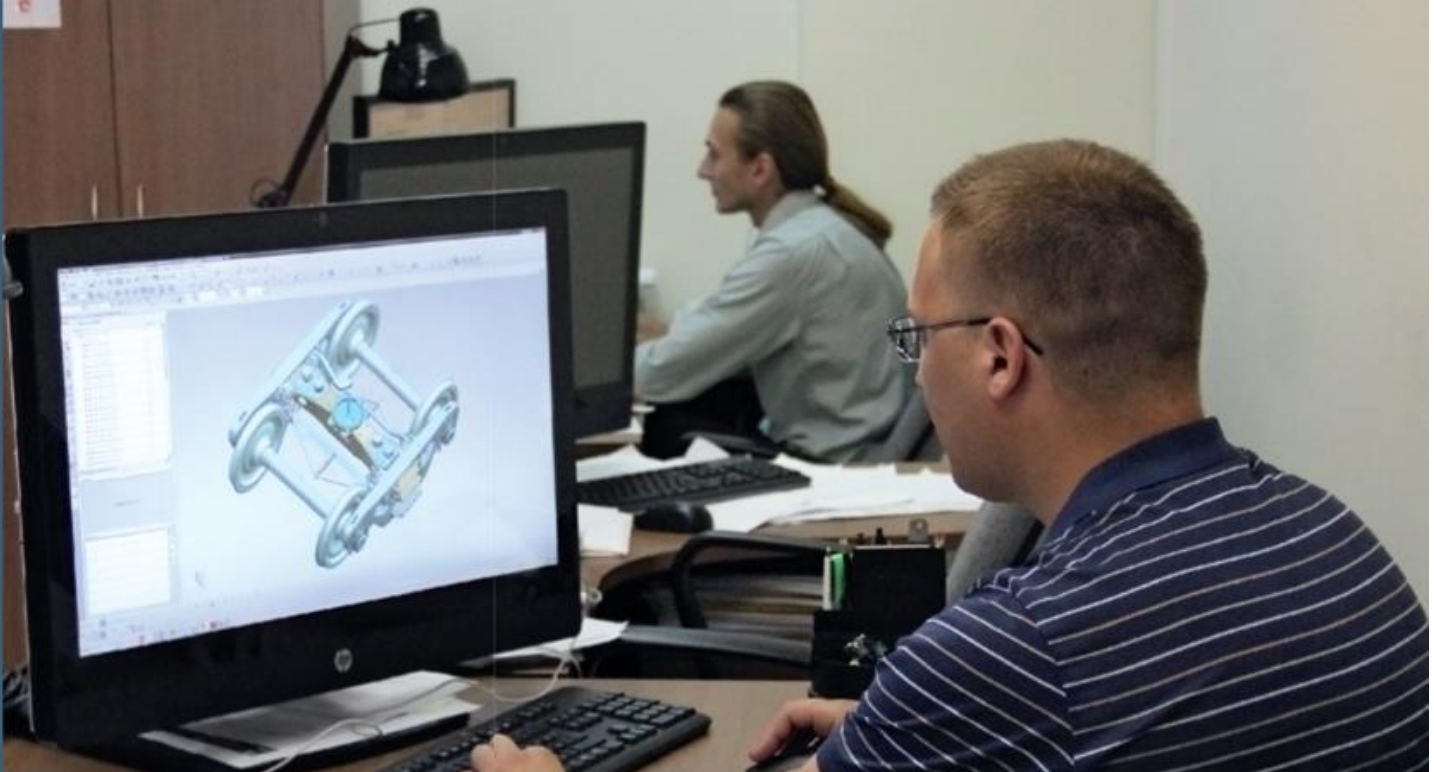
Our clients are the largest freight-generating and transportation Companies:



Engineering: UWC comprises biggest private railway R&D center

▀ R&D center's key activities

- ▀ Designing new and upgraded cars, bogies and their components
- ▀ Implementing projects to develop new production facilities and modernise existing ones
- ▀ Maintenance support, developing and implementing technologies for the repair of railcars and bogies
- ▀ Supporting projects to reduce the cost of products, optimise manufacturing processes, and implement new design solutions



R&D in UWC

> 100
engineers with experience
in the largest freight car
building plants of the CIS

> 20
leading scientists and industry
research experts

60
up to
car modifications certified for
production in a mid-term

Maintenance: UWC operating safety of its products by service centers.

>40

maintenance and repair centers

ВРК 1

ВРК 2



Вагонная
ремонтная
компания - 3

РЖД

КАЛИНИНГРАДСКАЯ
ЖЕЛЕЗНАЯ ДОРОГА

УРАЛЬСКАЯ
ВАГОНРЕМОНТНАЯ
КОМПАНИЯ

**КАМКОР
ВАГОН**

БЧ BELARUSIAN
RAILWAY

ТЭМ ТРАНСВАГОНМАШ

Сибирская
Вагонремонтная
Компания

Томский скоростной завод
ТИТРАН-ЭКСПРЕСС



- We understand crucial importance of such issues as maintenance services and performance of warranty obligations and have the great expertise in building the largest service network in Russia and Kazakhstan with more than 40 centers.

Cooperation with leading suppliers of railroad components brings UWC additional value added

UWC cooperation activity with the top global rail companies:

- Joint Venture with **Timken** – brand new innovative tapered roller bearing facility in Russia with annual capacity of 85,000 bearings
- Cooperation with **Wabtec**
 - Joint Venture with **Wabtec** – targeted to production of railcar brake equipment and other components.
 - Wabtec design unique «**Barber S2R**» bogie for UWC.
 - UWC was awarded by Wabtec with **10-year supply agreement for export** of freight car castings and bogie components
- Cooperation with **Amsted Rail** in terms of high-end freight car components supply to TVSZ
- UWC is a member of The **Association Of American Railroads** - the safest, most efficient, cost-effective, and environmentally sound freight transportation community
- Set relations with a number of American railway companies, purchasers and producers of freight cars and components



UWC product line: all type of railcars and the ability to produce custom design

■ Solid-bottom gondolas



■ Multi-purpose drop-bottom gondolas



■ Hopper cars



■ Tank-wagons



■ Platforms



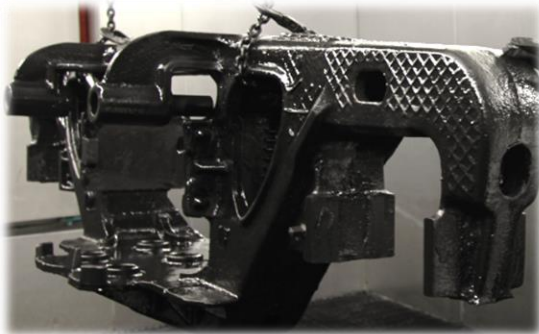
■ Boxcar



- **Due to own design center and close cooperation with leading suppliers of railroad components «Wabtec» and «Amsted Rail» we are ready to design custom railcar for various axle loads, railway gauges.**

UWC product line: freight railcar components

Steel castings



Springs



Wheel sets



ADI castings



■ We are ready to make a wide range of components for freight cars customized for the customer's orders.

Management team of export projects



Roman Savushkin, CEO

- RAIL1520 (railcars leasing)
- Brunswick Rail (railcars leasing)
- Commercial Transport Systems (railcars manufacturing)



Maxim Kuzemchenko,
Deputy CEO, Business
Development

- Tikhvin Freight Car Building Plant (railcars manufacturing)
- Ukrainian Mining Company (mining)
- Polymetal (mining)
- Severstal (metals&mining)



Andrey Krivchenkov,
Executive Director at TH
"UWC"

- Azovmash (railcars manufacturing)



Liudmila Pakhomova,
Deputy CEO, Chief
Legal Officer

- Brunswick Rail (railcars leasing)
- White&Case (law firm)



Tikhvin Freight Car Building Plant production site