

The Smart Container Terminal system has been in full-scale commercial operation since 17 May 2018 and has already made it possible to achieve certain effects:

- in optimising the placement of containers at the terminal sites and reducing the number of intra-terminal loading/unloading operations that are not related to the handling of trucks and flatcars by 11%;
- in excluding the search for a container in the park and the associated reduction in runs of lifting equipment and loading/unloading time (the time spent by a truck on the territory of the container terminal dropped by 70%, while the flatcar handling time on the railway area decreased by 26%);
- in enhancing the operational efficiency of the security checkpoints by automating the processes of admitting trucks and using the web portal by clients to submit auto-visit applications;
- in scheduled moving in/out of containers using a time-slotting principle, which makes it possible for the clients to reduce the time spent on terminal services of trucks and to predict their further use more reliably;
- in reducing the time of response to changes in the operating environment by real-time tracking over all operational processes at the terminal.

Year	2017	2018
Lifting equipment	212	212

In 2018, we managed to obtain the balance between the purchase and retirement of lifting equipment.

TransContainer's terminals also serve as a base for road transport services to clients to ensure the delivery of containerised cargo directly to their destinations (last mile services).

Year	2017	2018
Number of trucks	491	456

Freight Trucks

The Company's truck fleet to transport high-capacity containers as of 31 December 2018 totalled 456 units, including 165 tractor units, 287 specialised semi-trailers, and 44 special-purpose trucks (utility trucks, high-sided trucks). A total of 43 trucks were retired during the year.

As the road transportation market develops and the number of companies offering competitive road container transportation services grows, the Company is pushing forward its road transportation outsourcing, focusing its fleet on regions underpenetrated by rivals. The fleet in these regions was renewed and expanded. During the reporting period, 4 trucks were registered: three truck tractors and one semi-trailer.

The Company's largest asset outside Russia is a stake in JSC Kedentransservice operating 19 freight terminals across Kazakhstan and transshipment facilities at Dostyk and Altynkol border crossings (Kazakhstan-China border). As at 31 December 2018, Kedentransservice had 159 units of lifting equipment.

Optimisation of Non-core Assets

Pursuant to non-core asset identification and sale guidelines set by the Russian Government Directive No. 894-r dated 10 May 2017, the Board of Directors approved the updated Company's Non-core Asset Disposal Programme (Minutes No. 3 dated 18 October 2017). The Plan of Non-core Assets Sale and the Register of Non-core Assets are approved on an annual basis. Information on the Company's non-core assets is available on its website, the website of Russian Railways in the Property Transactions section at property.rzd.ru, and TransContainer's property shop at avito.ru. The Company's Commission for Sale of Immovable Assets Not Used in Production reviews the implementation of its non-core asset disposal plan on a quarterly basis. The information is submitted to the Company's Board of Directors.