

RAIL BALTIC/RAIL BALTICA

STRENGTHENING THE BALTIC CONNECTION TO EUROPE

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CEO and Chairman, Management Board
RB RAIL AS

April 2016



Co-financed by the European Union
Connecting Europe Facility

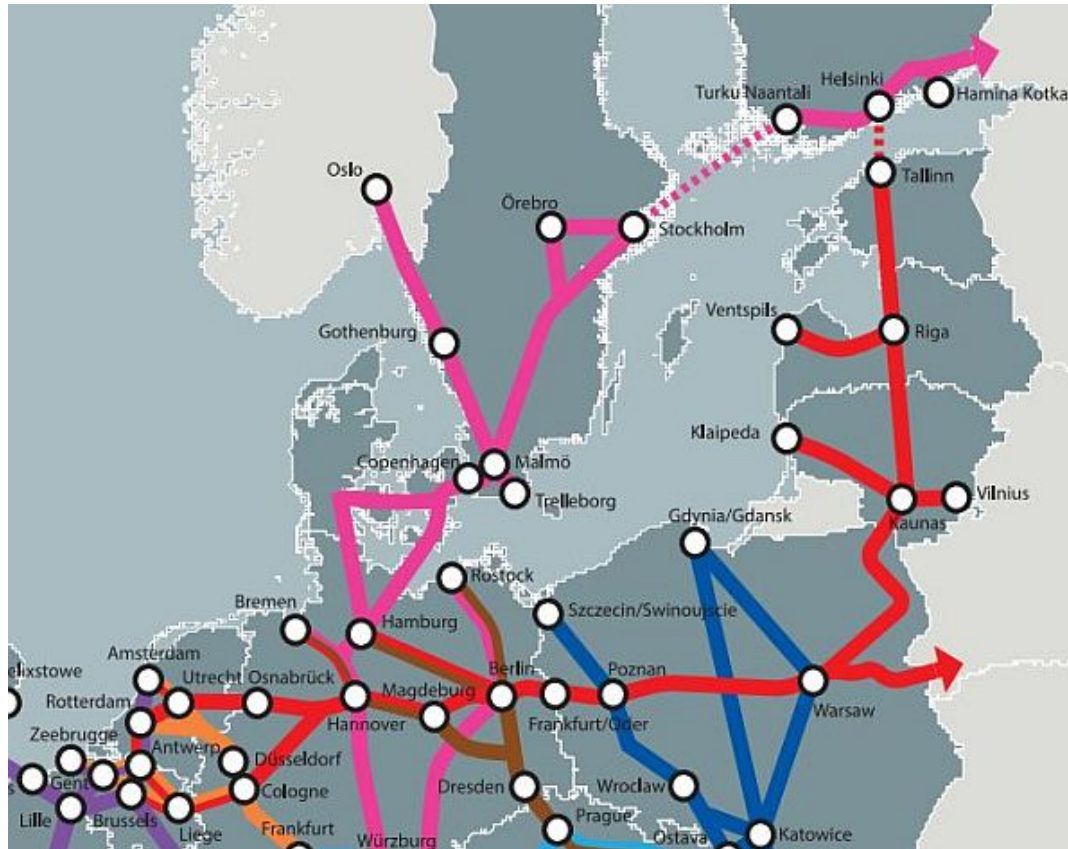
RAIL BALTIC/RAIL BALTICA

Our project of the century

- The largest railroad infrastructure project in the Baltic countries in the last 100 years
- 3 country trans-national collaboration in one joint venture (and 2 more expected to join)
- An estimated 5 billion EURO investment over 15 years in the Baltic countries
- Significant EU support: technical & financial

EU STRATEGIC AMBITION: NORTH SEA-BALTIC CORRIDOR

Completing integration with the European Union



- Sustainable national economy with diversified development
- Establish & improve North/South freight and passenger flows
- Enhance East/West flows

CHOSEN ROUTE FOR RAIL BALTIC/RAIL BALTICA (international traffic)

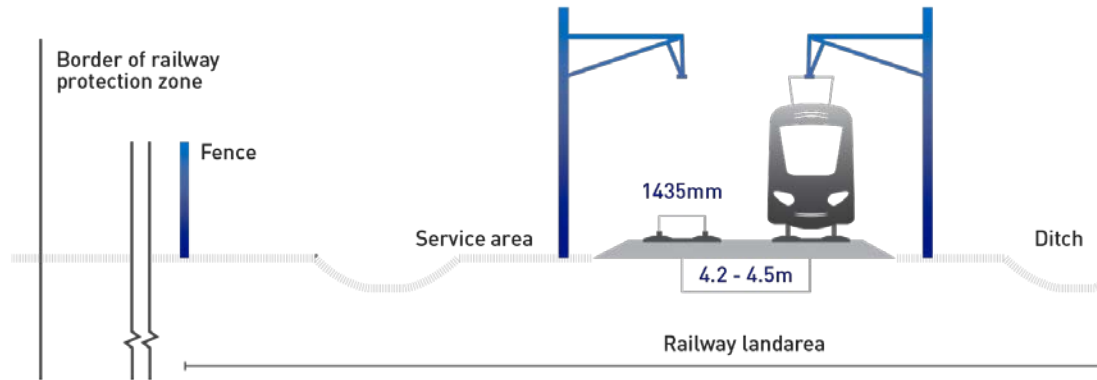


Rail width
1435 mm



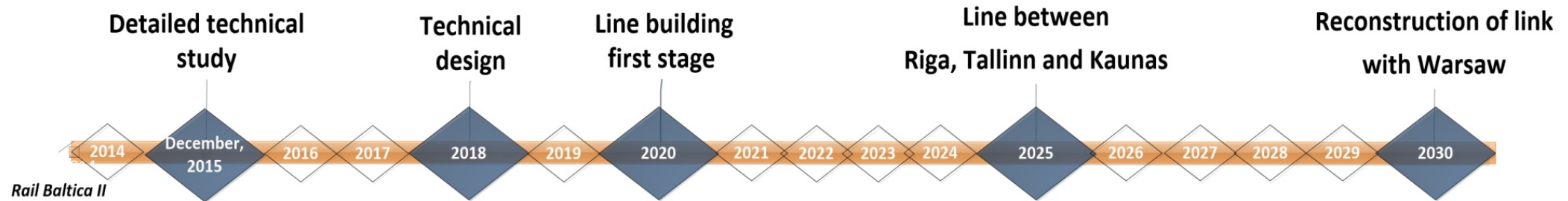
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GLOBAL PROJECT DEFINITION / MAIN TECHNICAL DATA



- Standard gauge: 1435 mm
- Total length of line: >700 km
- Maximum design speed:
 - for passenger trains: 240 km/h
 - for freight trains: 120 km/h
- Double track electrified: 25 kV AC
- Axle load: 22.5 t
- Minimal length of freight train: 740 m
- Stations in Tallinn, Parnu, Riga (city & airport), Panevezys and Kaunas (with link to Vilnius)
- All crossings with roads at two levels
- Environment protection
 - Animal streaming systems
 - Noise barriers

GLOBAL PROJECT TIME LINE: Baltic countries (Estonia, Latvia, Lithuania)



- 2016 National studies completed
- 2018-2022 Studies & technical design completed
- 2019-2020 Land acquisition completed
- 2022 Construction (phase 1) completed
- 2025 Construction completed in Baltic

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RB RAIL AS: CENTRAL COORDINATION

CORE TASKS:

central project management, railway design guidelines, construction and marketing (including branding) of the new railway line

ORGANIZATION

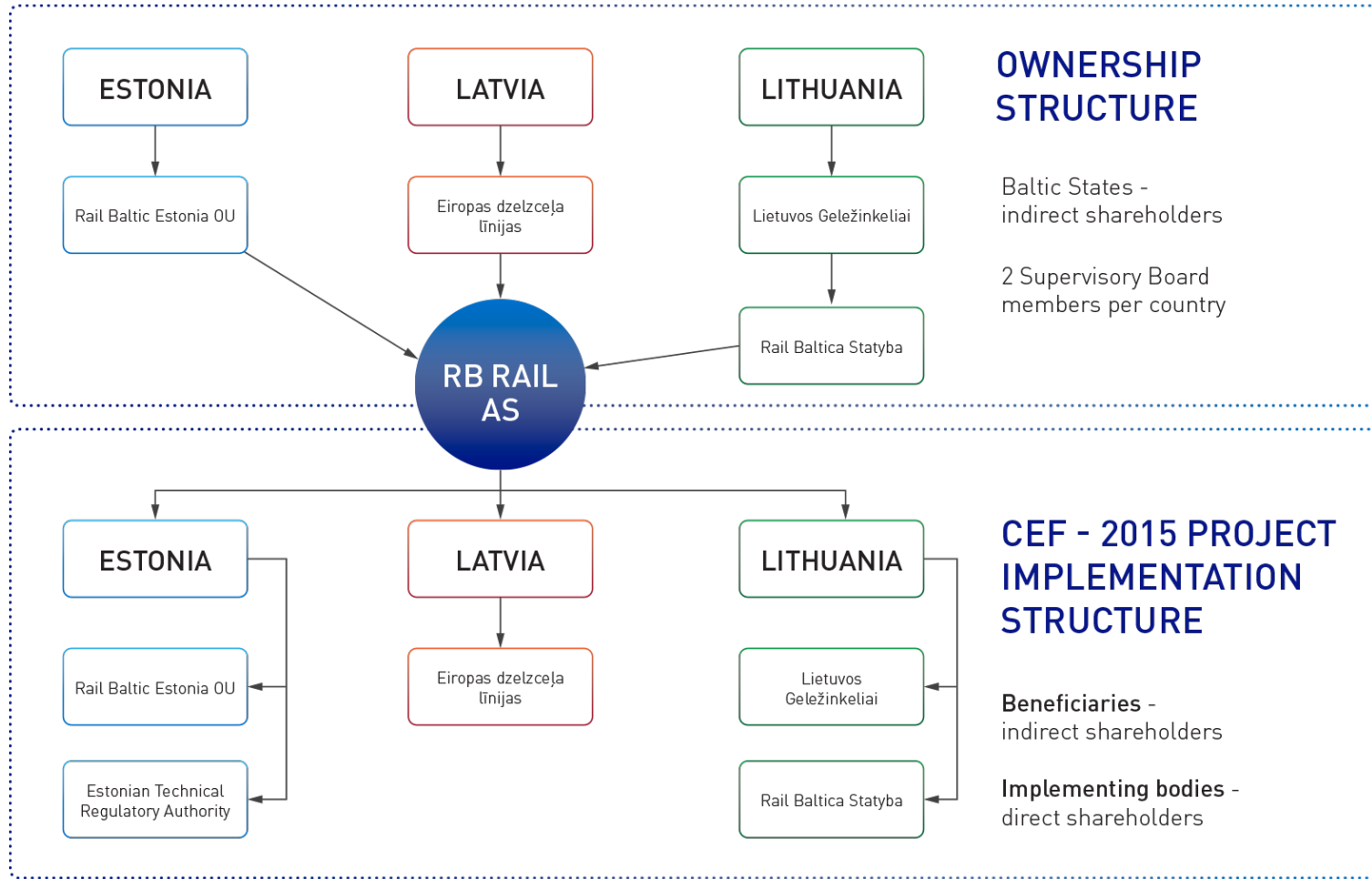
- Estonia, Latvia and Lithuania have established national Holding Companies (SPV's) to be Shareholders in Joint Venture – «RB Rail» AS
- Each Shareholder invested 650 000 EUR to hold 1/3 of share capital
- Joint Venture registered in Riga according to Latvian Commercial law

KEY ACTIVITIES FOR PHASE I

(2014 - 2016)

- CEF (Connecting Europe Facility) grant acquisition and management for investments related to Rail Baltic/Rail Baltica
- Create sustainable business case, including (cost/benefit analysis, operational and maintenance models) for Phase II and full operations

OWNERSHIP AND IMPLEMENTATION MAP



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Expected opportunities from Baltic cooperation

FIRST SUCCESSFUL BALTIC STATE OWNED JOINT VENTURE

- Governance according to OECD guidelines
- Transparent procurement and reporting
- Professional management and supervision

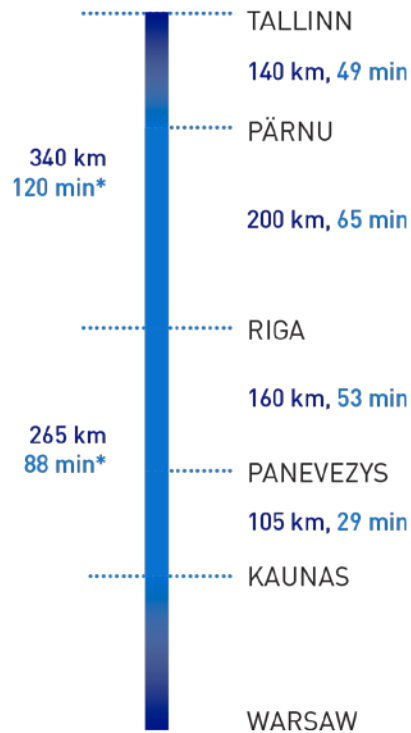
ESTABLISH FUTURE-DRIVEN BALTIC LEADERSHIP WITH COMMON TECHNICAL DESIGN





- Environmentally responsible (energy consumption, noise, air, water, flora & fauna)
- Safe & secure (in operations)
- Modern technical solutions, created in the Baltic

EFFECTIVE CENTRALISED PURCHASING (PROCUREMENT)

- Lowest cost by consolidated purchasing
- Improved long-term maintenance and upgrade costs

PEOPLE BENEFITS: ENHANCED MOBILITY



Average trip (h:m)				
	Rail Baltica	Bus	Air	Car
TALLINN - RIGA	2:00	4:25	3:30	4:00
RIGA - KAUNAS	1:28	4:00	N/A	3:45

ADVANTAGES

- Fast
- Comfortable
- Affordable

FORECAST

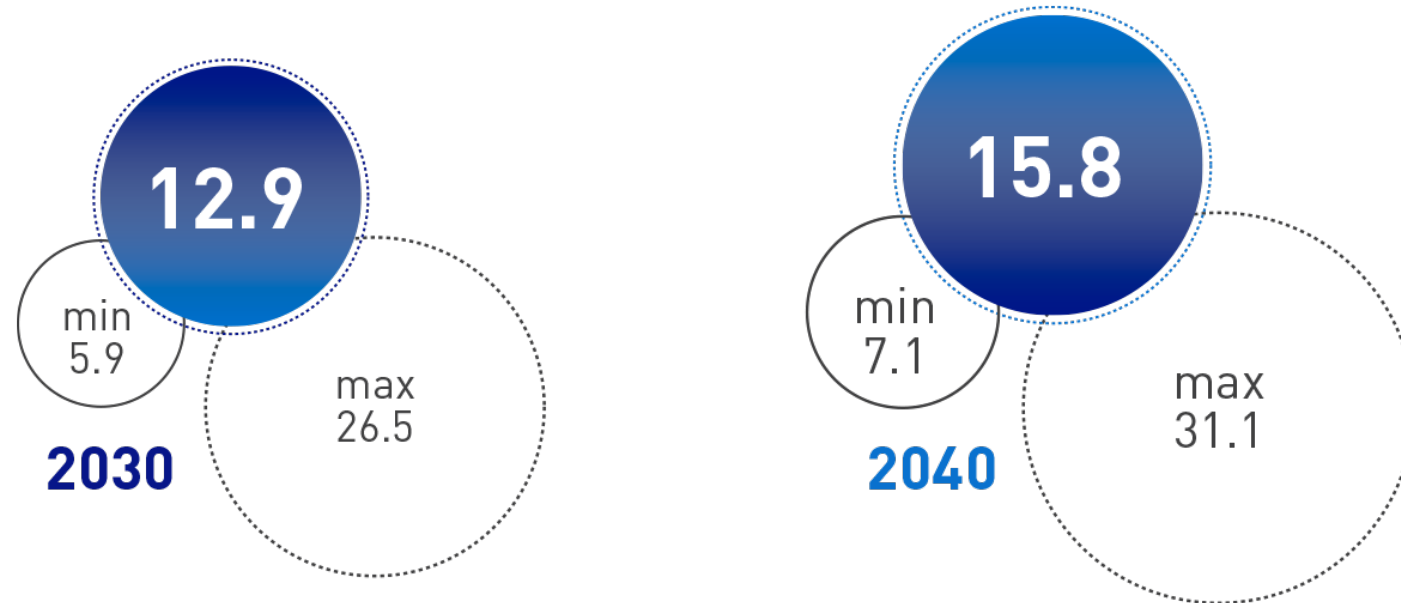
- Regular trains every 2 hours
- Daily - over 3000 passengers per section

* Total travel time between Tallinn – Riga and Riga – Kaunas includes 6 minutes stop in Pärnu and Panevezys respectively

FREIGHT / CARGO PROGNOSIS FOR THE BALTIC

(M.T. / YEAR)

Expectations: cargo turnover will increase to 15.88 million tons per year by 2040.



Sources: AECOM, 2011, AC Konsultācijas, 2015.

ECONOMIC DEVELOPMENT AND ENVIRONMENT

EMPLOYMENT IMPACT (Baltic)

- 11,900 FTE construction jobs over 5 years
- 221 FTE jobs in passenger service
- As the number of freight services increase, the number of FTE jobs created ranges from
 - 110 starting 2025,
 - 160 - 2030
 - 244 - 2040
- Induced effect: 1 railway job creates 1.14 jobs in other industries

ENVIRONMENT IMPACT (30 year period)

1. **6,560 ACCIDENTS AVOIDED**
 - valued at 1,652 million EUR
 - equivalent to an average annual benefit of 55.1 million EUR
2. **IMPROVED EMISSIONS**
 - CO2 emission reduction benefits: 1,778 billion EUR
 - Air pollution reduction benefits: 704 million EUR
3. **TIME SAVING BENEFITS**
 - Passengers: 1,627 billion EUR
 - Freight: 4,150 billion EUR

RB RAIL AS PROCUREMENT POLICY

All procurement subject to EU Procurement regulations

- National procurement – subject to national Procurement regulations (April 2016)

Procurement posted

- <http://railbaltica.org/en/procurements>
- Most public procurement via Latvian site: www.iub.gov.lv
- Some links to the above will be found on the Estonian and Lithuanian sites
- Some public procurement to be announced in EU: www.ted.europe.eu

RAIL BALTIC/RAIL BALTICA KEY NUMBERS

- 10 years construction period
- 730 km: tracks from Tallinn to the Polish border
- 5 million passengers/yr
 - 70% regionally between Estonia, Latvia, Lithuania
- 3 multi-modal freight terminals in the Baltic
- 16 million tons/yr cargo
 - From 13 mT/yr
- 5 billion EURO investment over 10-15 years

PALDIES! THANK YOU! AITÄH!

AČIŪ! KIITOS! DANKE!

MERCI! DZIĘKUJĘ!

