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## Slowdown signs - RZD lowers net profit by 86pct in 2009

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Interfax cited Mr Vladimir Yakunin president of RZD as saying that OJSC Russian Railways' net profit in 2009 came to RUB 11 billion an 85.5% decrease from RUB 76.4 billion in net profit posted for 2008.

Mr Yakunin said "We can today say that the company has overcome a difficult 2009. We finished the year with profit at RUB 11 billion. This allows us to maintain the international ratings, which help raise funds and develop our investment program, as well as operations."

He said that total freight hauling decreased by 15% in 2009, an improvement from a forecast decrease of 19%. He added that "This was possible thanks to a concentrating efforts and state support."

Mr Yakunin said in 2009, the state allocated RZD 50 billion rubles in tariff compensation. This really helped us. The state recognized that putting it below the set level compensated for these costs.

He said that the company reduced its operational expenditures in 2009 by 196 billion rubles. He added that "We cut down our own expenses by 196 billion rubles. We promised 170.6 billion rubles but lowered it by 196 billion rubles. This included 32 billion rubles in wage cuts."

Mr Yakunin said the decrease in employee pay was implemented according to an agreement with the company's administrative departments and its labor groups. The wage cut helped the company avoid massive layoffs. He said that "The decrease reached 39,000 persons of whom 2,000 were for violations in labor regulations."

(Sourced from Interfax)

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