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Estonian Railways -
always on the move

EESTI RAUDTEE
ESTONIAN RAILWAYS
Organisation of Estonian railway enterprises

**Estonian railways organisation**

**Public infrastructure owners**
- Eesti Raudtee, Ltd
- Edelaraudtee Infrastruktuuri, Ltd

**Passenger operators**
- EVR Ekspress, Ltd (international traffic)
- Edelaraudtee, Ltd (diesel trains)
- Elektriraudtee, Ltd (electric trains)

**Freight operators**
- Eesti Raudtee, Ltd
- Edelaraudtee, Ltd
- Others
Privatisation. Historical overview

- State-owned company founded in January 1992

- State-owned company transformed into the joint stock company in August 1997

- Estonian Privatisation Agency (EPA) announced the privatisation of 66% of the shares of Eesti Raudtee in April 2000

- EPA entered into an agreement with Baltic Rail Services (BRS), the winner of the privatisation competition, in April 2001

- BRS paid for the shares and obtained controlling interest in Eesti Raudtee in August 2001
Eesti Raudtee, Ltd.
Current ownership

- Shares of Eesti Raudtee are held by
  - Baltic Rail Services (BRS)* - 66% of shares
  - The Republic of Estonia - 34% of shares

*BRS shareholders are

Ganiger Invest OÜ,
RailWorld Estonia LLC,
Railroad Development Corporation (RRDC)
Emerging Europe Infrastructure Fund
Details of Eesti Raudtee (2004)

- Total length of railway lines (km) 690.7
- Total length of track (km) 1,320.5
- Freight locomotives 74
- Shunting locomotives 16
- Wagon fleet 3,643
- Avg. No of employees 2,512
Eesti Raudtee. Volume of business

Volume of business (million tonnnes):
- 1995: 23.7
- 1996: 24.8
- 1997: 28.9
- 1998: 31.6
- 1999: 37.1
- 2000: 39.4
- 2001: 38.5
- 2002: 42.1
- 2003: 42.1
- 2004: 42.8
Summary of capacity allocation process

• Today 80 %

• From end of May 2005 100 %
Charging regime

• Full cost charging
  – Operating costs
  – Depreciation
  – Capital cost
Two-part tariff components

• 30 % fixed part
  – Allocated by ordered train-kilometers less international and local passenger traffic

• 70 % variable part
  – Allocated by actual gross tonne-kilometers
Infrastructure Access Charging. Issues for Estonia

- Marginal costing not acceptable without state aid
- Competition with neighbouring, non-EU railways
- Subsidy of passenger network
- Open access ahead of EU requirements
Thank You!