

New Approach to Transportation Service Pricing Based on the Stakeholder Model of Corporate Governance

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Abstract

Efficient pricing is the key to success in business, which significantly affects the company's sales, profit and value. The article describes the new margin-value-based approach to transportation services pricing, which is based on the ideas of stakeholder management, integrated management systems, cost-volume profit analysis methodology. Unlike traditional approaches to the operation analysis, the new model provides for constant financial cost of the invested capital, income tax and building the target economic value added (EVA) in order to maintain growth of the company's value. The authors introduce the 'modified marginal coverage', which includes (in addition to operating costs) all the above components. Break-even graph (where the company's EVA is equal to zero) is presented. In terms of the margin-value-based pricing, the authors structured the estimated price of transportation services, which allows to apply differentiated approach to cost management at a certain level and EVA generation, controlling and balancing between the interests of various stakeholders. Unlike traditional pricing models, in which the lower limit of the price may ruin the value, application of the new model allows to set the company's target growth rates by estimating minimum sales and the lower level of the transportation service price, which determine the value creation frontier for various scenarios of the development strategy implementation. The authors suggest specific indicators for transactions efficiency, operations of revenue generating units, customer performance, which allow not just to conduct factor analysis, but also to affect motivation of the company's employees. Application of the suggested pricing method will contribute to increase in the company's value and maintain long-term economic growth.

Keywords: break-even point, economic value added, pricing, stakeholders, target margin premium

1. Introduction

Transportation service pricing policy is a key endogenous factor affecting the long term competitive advantages of a transportation company, being also a powerful tool for building its value. Importance of the economic and functional weight of the transportation service price determines its significant impact on sales, building and utilization of investment potential of a transportation company, justification of business development strategy, efficiency of growth strategy implementation. The price of a transportation service is a transportation component in a product price, which, in turn, affects the inflation rate, industrial production and consumption, and the economy in general. Besides, the results of available empirical studies show that the company's value is seriously affected by the risk of the service price fluctuations. Inefficient pricing for transportation services significantly limits growth opportunities for Russian transportation companies.

At the same time, analysis of available studies points out to absence of state-of-the-art pricing methods, which would take into account the full range of the growth strategy implementation factors when pricing the service [1, 4, 7, 14]. Traditional pricing methods (marginal method, full cost method etc.) focus on accounting profit and do not take into

account all costs incurred by the company, including the cost of equity, despite the fact that the business owner determines the business creation and development strategy [3, 9, 15]. At a particular point in time, a company may have an accounting profit and a negative economic value added, if the net income, generated in the reporting period, is not sufficient to cover the cost of equity at the level meeting the shareholders' expectations. In this case, the company's value is destroyed. Regulatory Asset Base (RAB) is an exception in this context; this method was developed in the United Kingdom in 1990s in order to raise significant equity capital for the electricity sector [2, 11]. The new pricing model provides for a smoothed control (in the long term) of rates, which include (in addition to traditional costs) the cost of invested capital and debt amortization. Later on, this model became widespread in various sectors in the United States and Western Europe, but RAB (along with the traditional approaches to pricing) does not take into account the impact of the key factor of the transportation company's growth strategy implementation – creation of the target economic value added required for achievement of the company's strategic goals.

In the transportation industry, the situation is complicated by the duality of this issue: on the one hand, it is important to cut transportation costs in order to minimize the transportation component in the final price of a domestic product; on the other hand, transportation companies require large amounts of equity for large scale investments in innovative transport infrastructure and rolling stock upgrade [6].

Due to increased role of interactions of all stakeholders contributing (either directly or indirectly) to the company's operations in order to benefit from relevant business relations, the so called 'stakeholder model for managing the company's value' (which takes into account the interests of all providers of financial and non-financial capital) prevails [12].

The importance and complexity of this problem for Russian transportation companies and disadvantages of existing approaches to pricing require new ways to solve it.

2. Method

The systemic nature of implementation of the growth strategy requires a brand new approach to pricing, which would focus, instead of accounting profit, on coverage of full costs (including the cost of capital) and creation of the economic value added (which is an indicator of growth in the company's value). In this context, we suggest to apply the new margin-value-based pricing for transportation services, which, we believe, meets the goals and tasks of strategic management, focuses on implementation of the growth strategy and increase in the value of a transportation company. This approach is based on the theories of value, capital and marginal analysis. Unlike the market approach to pricing, which determines the maximum possible price, the new margin-value-based approach determines the minimum acceptable price for a transportation service, below which the value will be destroyed.

Margin-value-based pricing rests on the idea that companies try to maximize their value, first of all, by increasing sales; with positive effect of the operating leverage (when some of the company's expenditures with the growth of sales volume remain fixed), the company will generate additional profit [13]. So, in addition to maintaining the demand for their products in the market (through life cycle extension and innovations), companies also need to implement efficient pricing policy. Therefore, pricing policies should determine such price for a product (transportation service), which will allow to achieve sales required for maximization of the company's value.

Margin-value-based pricing will be referred to as the 'target margin approach'. Besides the fundamentals of the theory of value, it is based on the marginal cost pricing method, which divides the company's costs into variable costs (which depend on sales) and fixed costs (which do not depend on sales).

Since the pricing policy focuses on maximization of the company's value, we suggest to use the economic value added (EVA) as a key indicator, because it takes into account the interests of all stakeholders (suppliers, employees, government, lenders, shareholders) [8]. Positive EVA means that a company has fulfilled its liabilities to all stakeholders and created value, and vice versa. Therefore, the target margin (or the target marginal revenue), which is the difference between revenue and variable costs, should cover fixed costs and generate the company's target economic value added.

3. Results

Explanation of the margin-value-based pricing. 'Modified Marginal Coverage' (MMC) means the sum of the company's fixed costs and the economic value added, which should be covered by the Marginal Revenue (MR), determined as the difference between sales and variable costs (Figure 1).

Therefore,

if $MR > MMC$, the company's EVA will exceed the target EVA;

For the purposes of implementation of this aspect of economic growth, companies need to set target EVA (on annual basis, when drafting and adopting business plans (budgets) for relevant period), which needs to be achieved during implementation of the growth strategy required for projected increase in the company's value. In turn, in order to achieve the company's strategic goal of value maximization, we suggest to set for each revenue generating unit of the company's financial structure the target levels for marginal coverage of fixed costs and creation of the company's value. When allocating the target marginal coverage among revenue centers, all fixed costs should be divided into direct and indirect costs. Direct costs are allocated directly among relevant revenue centers; indirect costs are allocated among revenue centers in proportion to the selected allocation principles (salary, marginal revenue, invested capital etc. (Exhibit A).

Since fixed costs remain at the same level within a certain range of products / services, the company may cut its total costs per unit of product / service by increasing sales. This makes the price more competitive (due to reduction in the margin per unit of service), or allows to generate more income and, as a result, additional growth in value. Usually, the company's shareholders would set target EVA, which should be achieved when implementing the company's value growth strategy.

With such approach to pricing, the company's value during the planning (budgeting) of steps towards achievement of its growth will be managed as follows: first of all, income generating units should budget revenues based on budget specifications regarding the target marginal coverage for fixed costs and the company's economic value added. If the situation in the market does not meet the shareholders' expectations in respect of the company's value, the company's director may cut the company's costs or, as a last resort, negotiate with the shareholders reduction in growth of the company's value or expected return on equity.

It is important that the director may (with the shareholders' approval) reallocate the target margin between the revenue centers, giving to some centers (at their creation and growth phases) a temporary opportunity to grow and increase the market share, while the target economic value added of the company is generated by other units. Over time, such situation will change, and those units which experienced growth and became 'stars' or 'cash cows', will start to generate the expected return on invested capital, contributing to continuous growth of the company's value in the future.

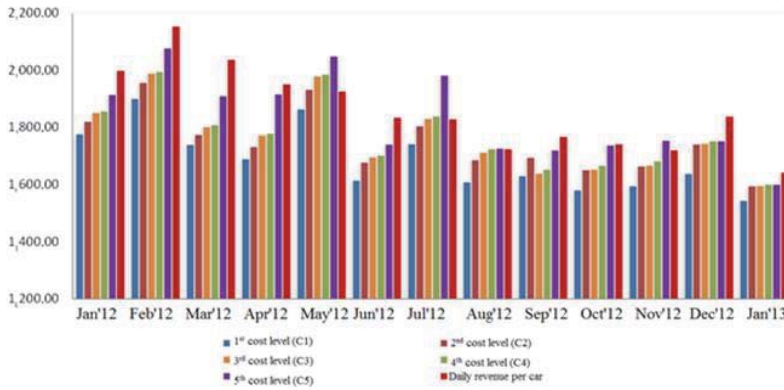
Knowing the structure of the marginal coverage and the service cost, sales manager may negotiate the price, reducing it to a specific level (table 1), particularly to such level which will cover operating costs, taxes and the cost of invested capital, or to the level which will cover direct operating costs.

Table 1. Structure of the transportation service's price from the perspective of the transportation company's stakeholders

Level	Formula	Stakeholders	
1 st : Coverage of variable costs	= variable costs	Providers and suppliers of transportation services	Marginal cost
2 nd : Coverage of direct operating costs	= 1 + fixed direct costs	+ rolling stock manufacturers, providers of repair services, insurers	
3 rd : Coverage of indirect operating costs	= 2 + fixed indirect costs	+ Salary, off-budget funds (single social security tax), suppliers and contractors (office maintenance and core operations costs)	Operating costs
4 th : Coverage of operating costs and the cost of equity	= 3 + the cost of equity	+ Lenders (banks, leasing companies, creditors), owners	
5 th : Coverage of operating costs, taxes and the cost of equity	= 4 + Taxes	+ Budget	Financial costs
5 th level – break-even point, EVA = 0			
6 th : Creation of value below the target value	= 5 + EVA (< the target level)	-	Fixed costs
7 th : Creation of value at the target value	= 5 + EVA (=the target level)	Owners	
8 th : Creation of value exceeding the target value	= 5 + EVA (> the target level)	All stakeholders	EVA

Modified marginal coverage

Obviously, such decisions are justified with the marginal coverage. Only in this case discounts from the price make sense. Figure 3 shows that due to adverse market situation in May, July, August and November 2012, which caused fall in the prices for transportation services, the provider of rail freight transport services was not able to cover fixed costs and generate the economic value added.



C1 = Freight rate + Railcar lease payments+ Contractors' freight forwarding services + Rolling stock maintenance + Other
 C2 = C1 + Maintenance of organization's operations
 C3 = C2 + Income tax
 C4 = C3 + Cost of debt
 C5 = C4 + Cost of equity

Figure 3. Cost levels and the transportation service price (in RUB)

The Company experienced negative growth during these periods – its value decreased. Situation became better only at the end of 2012. If the Company's management applied the traditional pricing method which does not take into account the cost of equity and the shareholders' expectations regarding the economic value added, the Company's could have suffered much greater financial losses (approx. RUB 250 million per year). In turn, this would result in significant fall in own investment resources, channeled to implementation of the growth strategy.

Therefore, the margin-value-based pricing is accompanied with change in the cost structure and the transportation service price, which allows to manage (in a differentiated manner) the costs at a specific level, achieving the balance of stakeholders' interests. In turn, cross-sectional data on stakeholders in such expanded model supplements the value-based management principles applied by a transportation company with the understanding ways of shareholder value maximization.

The authors' approach to pricing allows managers to adjust (knowing the structure of the marginal coverage and the cost of the transportation service) the price depending on the endogenous and exogenous environments, maintaining the required profit margin, competitiveness, and also to develop and implement the company's growth opportunities in the long run.

Transaction's feasibility study (made according to the margin-value-based pricing) is suggested as an additional tool for managing the company's value at the operational level (revenue generating unit). We suggest the following criteria for transaction's efficiency assessment:

- contribution to the coverage, which is estimated as a ratio of transaction's marginal revenue to the revenue center's marginal coverage; this ratio shows the transaction's contribution to the marginal coverage of the revenue center;
- marginal productivity of the invested capital, which is determined as a ratio of transaction's marginal revenue to the invested capital; this ratio shows return in the capital, which was invested in the transaction;
- transaction's economic value added, which is determined as the difference between the transaction's after-tax profit (before payment of interest) and the cost of invested capital; this indicator shows the value created by such transaction;
- marginal revenue per unit of service; this ratio is used for comparison with the break-even sales level.

In order to estimate the revenue centers' efficiency, we suggest to apply the following key benchmarks in terms of the new approach to pricing (table 2).

Table 2. Economic indicators of operational efficiency of the transportation company's revenue centers

Indicators	Efficiency criteria		
Contribution of the revenue center to the company's MMC	Compared with the target level of the Revenue Center		
MR structure (by customers)	MR = 100%; customers' contribution to MR is determined		
Identification of key customers	The largest share of customer's MR in the Revenue Center's MR		
Dependence of the Revenue Center's MR on the customer's performance	Rating scale:		
	Group	Criterion	Steps to be taken
	A	$70\% < X \leq 100\%$	B + search for a new customer
	B	$40\% < X \leq 70\%$	C + Monitoring of the customer's performance
	C	$10\% < X \leq 40\%$	D + Customer retention steps
	D	$0\% < X \leq 10\%$	Increase in sales
	Z	$X < 0\%$	Risk group
	X - share of customer's MR in the Revenue Center's MR		
Identification of transactions which generate maximum revenue	The largest share of MR in the Revenue Center's MR		
MR to MMC ratio	If > 1.0 , then $EVA_{rc} > EVA_{target}$ = 1.0, then $EVA_{rc} = EVA_{target}$ < 1.0 , then $EVA_{rc} < EVA_{target}$		
Marginal return on invested capital	Compared with the Revenue Center's target or with the company's average indicator		
Marginal revenue per service unit	Compared with the Revenue Center's target or with the company's average		
Marginal cost of service unit	Compared with the Revenue Center's target, or with the company's average, or with the average for the previous period		

We also suggest to use benchmarks in analysis of the customer's performance. Such analysis should be conducted only in respect of those customers which have significant impact on the revenue center's performance (for example, customers from A and B risk groups).

We suggest to analyze the customer's performance based on the following key indicators:

- share of the customer's MR in the Revenue Center's MMC (contribution to the coverage);
- share of the customer's MR in the Revenue Center's MR (degree of impact);
- revenue structure by services;
- structure of services;
- elasticity of customer's demand;
- return on invested capital (estimated as ratio of the marginal revenue received from the customer to the capital invested in the service provided to such customer; compared with the Revenue Center's target);
- MR per unit of asset (compared with the Revenue Center's target);
- EVA (share in the coverage);
- break-even level of sales ($EVA=0$).

Customer's performance is analyzed in Exhibit B.

Therefore, we suggest to apply the matrix model for managing the company's value when elaborating the pricing policy using the stakeholder margin-value-based approach: horizontally: revenue centers, customers, transactions, assets; vertically: line of products /services and expenditures.

4. Discussion

The study allowed to identify quite a wide range of advantages of the new margin-value-based approach to pricing by the company's management for the purposes of implementation of the growth strategy and increase in the transportation company's market value (based on the revealed relationships between the 'price', 'sales volume', 'costs' and 'economic value added' categories):

- subordination of the revenue centers' goals to the company's goals (EVA) through allocation among the revenue centers of the marginal coverage-related tasks, which take into account the economic value added;
- setting the target marginal revenue, which is sufficient for achieving the required return on invested capital (based on target fixed costs) and target EVA;
- estimation of break-even level of sales, where a unit's contribution to the company's economic value added is equal to zero (expressed either in physical units or in monetary terms);
- assessment of the company's financial strength in absolute (physical, monetary) and relative terms by estimating the deviation of EVA (target or actual) from the threshold level;

- estimation of the operating leverage, i.e. the impact of changes in sales on EVA;
- assessment of the joint leverage (operating and financial), which combines production, commercial and financial risks, i.e. the impact of changes in sales and invested capital on the company's economic value added.

Therefore, by managing the line of services, their prices, amount and the company's expenditures (including the cost of capital) using the margin-value-based pricing, we may achieve growth in the value of the company and extend its life cycle on the growth phase.

Unlike existing pricing methods, the suggested approach takes into account all costs in the price of relevant service, while other existing pricing methods often do not take into account return on equity, which is required by shareholders, and creation of the economic value added (the criterion of efficient growth). From this perspective, the new pricing method determines the break-even point, at which the company meets the stakeholders' expectations, but does not create the economic value added. With market-based pricing, this allows to determine the lower acceptable limit of the transportation service price in order to estimate the opportunities and threats of the growth strategy's implementation.

Authors believe that inclusion of the economic value added into the marginal coverage is an important methodological principle of transportation service pricing in managing the company's value (unlike other uses of this category), because implementation of the growth strategy focuses on maintenance of efficient economic growth of transportation companies. In addition, the multi-layer cost structure controls and balances the interests of various stakeholders.

5. Conclusion

The suggested methodology of margin-value-based pricing supplements traditional approaches to transportation service pricing. It takes into account the transportation company's cost structure and financial performance from the perspective of the company's main stakeholders rather than the existing accounting system. This expands opportunities for investments in development of transportation companies, improving their economic growth capacity. Use of the new pricing method is especially important in current economic situation, when, on the one hand, we need to cut transportation costs in order to minimize the transportation component in the final price of a domestic product; on the other hand, transportation companies require large amounts of equity for large scale investments in innovative transport infrastructure and rolling stock upgrade. Margin-value-based pricing is a unique tool for setting the transportation service prices, which companies need in order to balance the interests of the transportation company and its numerous stakeholders in order to maximize performance and effects by all economic agents on the micro-, meso- and macrolevels of management. The suggested pricing method will increase economic growth rates, maintain constant growth of value and extend the life cycle of transportation companies.

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Exhibit A

An example of allocation of the target marginal coverage among the revenue centers of a transportation company, RUB 000's

Level	Items	Allocation base	Amount of allocated item	Revenue centers		
				Timber transportation services	Ore transportation services	Minerals and chemicals transportation services
Revenue	Revenue from freight forwarding services		3,907,322	938,302	1,766,927	1,202,094
Marginal cost	Railway transportation rate	Directly to the Revenue Center	2,746,227	677,283	1,270,772	798,172
	Rolling stock maintenance	Directly to the Revenue Center	606,514	143,348	241,082	222,084
	Lease of rolling stock	Directly to the Revenue Center	316,084	14,462	158,907	142,715
	Payments to contractors for freight forwarding services	Directly to the Revenue Center	165,378	63,579	51,612	50,187
	Repair of the rolling stock	Directly to the Revenue Center	125,051	65,307	30,563	29,182
Other variable costs	Directly to the Revenue Center	52,210	446	50,835	929	
Marginal revenue	Marginal revenue		502,372	117,224	204,238	180,909
Fixed costs	Direct fixed costs	Directly to the Revenue Center	25,471	6,525	8,947	9,999
	% of allocation			-	-	-
	Indirect fixed costs		171,624	46,767	64,296	60,562
	Administrative expenses and maintenance of the railcar fleet	Total fleet	60,530	16,195	24,772	19,564
	% of allocation			27%	41%	32%
	Insurance of the rolling stock	Railcars' book value	12,559	5,412	3,910	3,237
	% of allocation			43%	31%	26%
	Information on location of railcars	Operating fleet	15,180	4,071	6,152	4,957
	% of allocation			27%	41%	33%
	Other indirect expenditures	Revenue Center's payroll budget	83,355	21,089	29,461	32,805
	% of allocation			25%	35%	39%
	Taxes		60,039	19,915	21,563	18,561
	Property tax	Railcars' book value	29,889	12,880	9,306	7,703
	% of allocation			43%	31%	26%
	EVA	Income tax	Revenue Center's Marginal Revenue	30,150	7,035	12,257
% of allocation				23%	41%	36%
The cost of invested capital			318,656	128,641	103,369	86,646
Invested capital			5,793,740	2,338,921	1,879,435	1,575,384
Rolling stock		Railcars' book value	5,147,823	2,218,342	1,602,716	1,326,765
gondola			1,602,716	0	1,602,716	0
timber platforms			1,856,882	1,856,882	0	0
cars for transportation of woodchips			361,460	361,460	0	0
cars for transportation of apatite			243,282	0	0	243,282
cars for transportation of minerals			1,063,318	0	0	1,063,318
fitting platforms			20,165	0	0	20,165
Working capital (accounts receivable – accounts payable)			645,916	120,579	276,719	248,619
Payments for freight forwarding services		Directly to the Revenue Center	81,158	-11,203	47,118	45,244
Other payments		Revenue Center's Marginal Revenue	564,758	131,782	229,601	203,375
% of allocation				23%	41%	36%
WACC			5,5%	5,5%	5,5%	5,5%
Target EVA		Invested capital	31,866	12,864	10,337	8,665
% of allocation				40%	32%	27%
MMC		607,656	214,712	208,511	184,433	
Adjustment of MMC	Target marginal coverage	0	0	0	0	
Adjusted MMC		607,656	214,712	208,511	184,433	
Deviation of marginal revenue from marginal coverage, +/-			-105,284	-97,487	-4,273	-3,524
Id., %			-17%	-45%	-2%	-2%
Including	Effect of revision		-131,194	-57,939	-37,417	-35,838
	Effect of repairs		76,692	-6,615	44,082	39,225
	Effect of administrative expenditures		-86,106	-21,785	-30,434	-33,888

(end of the table)

Level	Items	Allocation base	Amount of allocated item	Revenue centers		
				Timber transportation services	Ore transportation services	Minerals and chemicals transportation services
	Effect of the market entry or purchase of assets at a cost below the market price		-14,760	-14,760	0	0
	Deviation of marginal revenue from marginal coverage, adjusted for the factors impact, +/-		50,083	3,611	19,496	26,977
	Id., %		8%	1,7%	9%	15%
	Contribution to the coverage		83%	19%	34%	30%
	Marginal revenue per 1 car of the total fleet, RUB 000's/month.					
	Target		12	16	10	11
	Budgeted		10	9	10	11
	Deviation of the budgeted indicator from the target indicator, +/-		-2	-7	0	0
	Marginal revenue per 1 car of the operating fleet, RUB 000's/month.					
	Target		12	16	10	11
	Budgeted		10	9	10	11
	Deviation of the budgeted indicator from the target indicator, +/-		-2	-7	0	0
	Marginal return on invested capital, % per year					
	Target		21%	18%	22,2%	23%
	Budgeted		17%	10%	21,7%	23%
	Deviation of the budgeted indicator from the target indicator, +/-		-4%	-8%	0%	0%

Exhibit B

Example of the customer performance analysis according to the margin- value-based pricing

Analysis of the customer's performance

Filled out by sales manager

Filled out by accountant

1. Initial data

Customer

Metsalitto Osuuskunta

Contract

8855

Period of the analysis

2nd half of 2012

Unit of measurement:

RUB 000's

Services

Service	Unit of measurement	Per unit cost, RUB/month	Own / reimbursed	Budgeted / not budgeted
Freight reforwarding (upon customers' request)	railcar	No information available	Own	Not budgeted
Providing information on location of railcars	railcar	132	Reimbursed	Budgeted
Payment of freight rates and fees in the Russian Federation (loaded cars)	railcar	15,317	Reimbursed	Budgeted
Payment of freight rates and fees in the Russian Federation (empty cars)	railcar	6,564	Reimbursed	Budgeted
Payment of fines	railcar	No information available	Reimbursed	Not budgeted
Providing of rolling stock	Railcar in-service days	382	Own	Budgeted

Rolling stock	
Kind of rolling stock	timber platform
Type of rolling stock	Own
Quantity of railcars	300

	revised
Invested capital	311,700
Rolling stock	311,700
Working capital	0

Providing information on location of a railcar, RUB per month	132
Payment of freight rates and fees in the Russian Federation (loaded cars), 1 car, RUB per month	15,317
Payment of freight rates and fees in the Russian Federation (empty cars), 1 car, RUB per month	6,564
Revised average book value of the timber platform	1,039
Average book value of the timber platform (unadjusted)	676
Book value of timber platforms (by numbers of railcars)	697
Revised average monthly depreciation	5
Average monthly depreciation (unadjusted)	4
Budgeted cost of repair of 1 car, RUB 000's/month.	5

(end of the table)

Service	Unit of measurement	Per unit cost, RUB/month	Own / reimbursed	Budgeted / not budgeted
Average budgeted cost of repair of 1 car, RUB 000's/month.	6			

2. Payments, RUB 000's

Indicators	2 nd half of 2012	
Revenue	69,863	
Providing of the rolling stock	28,240	28 240
Payment of railway transportation rate to providers (other than JSC Russian Railways)	41,386	41 623
Payment of railway transportation rate to JSC Russian Railways	0	
Freight transportation services (except for payment of the railway transportation rate)	237	
Payments to contractors for freight forwarding services – reimbursed	39,623	
Payment of freight rates and fees in the Russian Federation (loaded cars)	27,570	
Payment of freight rates and fees in the Russian Federation (empty cars)	11,816	
Providing information on location of railcars	237	
Fee for freight forwarding services	30,240	
Payments to contractors for freight forwarding services – non-recoverable	0	
Rolling stock maintenance expenses	20,651	
Repair	11,471,	
Other variable costs	9,180	
Marginal revenue	9,589	
Providing of the rolling stock	7,589	
Forwarding services	2,000	

Indicators	2 nd half of 2012	
Customer's MR / RC's MMC	4,5%	
Customer's MR / RC's MR	8,2%	
MR/car, RUB 000's per month	16,8	
Customer's MR/car, RUB 000's per month	5,3	
Average target MMC / car	16,1	
Deviation of customer's MR/car from the target level	-10,8	
Customer's MR / Capital invested in the services, provided to the customer, annual %	6,2%	
Average target MMC / invested capital	18,4%	
Deviation of customer's MR/Invested capital from the target level	-12,2%	
EVA (by the percentage of coverage), RUB 000's/month per car	0,02	
Break-even level of sales (EVA = 0), RUB 000's/month per car	14,6	