



**FOR IMMEDIATE RELEASE**

**17 April 2018**

**OPERATING RESULTS FOR THE FIRST QUARTER OF 2018**

Public Joint Stock Company "TransContainer" ("TransContainer" or the "Company") (LSE: TRCN) announces its preliminary operating results for the first quarter of 2018. The Company's positive operating results reflected the continuing growth of the Russian container transportation market, which, in turn, was fueled by a considerable increase in international freight flows, as well as continuing growth in Russian rail containerisation.

**Market overview**

Russia's container market continued to demonstrate strong performance in the first quarter of 2018. The transportation volumes were up 12.4% year-on-year to 1,005 thousand twenty-foot equivalent units ("TEU"). This was driven by a 20.9% year-on-year growth in international transportation, demonstrating the sustainable increase across all segments. Domestic transportation, however, increased only by 2.8% year-on-year following a deceleration in Russia's manufacturing industries.

*Russian Rail Container Transportation Market in 1Q 2018 (ISO Loaded + Empty), 000' TEU*

	1Q 2018	1Q 2017	Change	
			000' TEU	Percent
Domestic Routes	431.0	419.2	+11.8	+2.8%
Export	276.7	236.7	+40.0	+16.9%
Import	196.2	160.7	+35.5	+22.1%
Transit	100.8	77.2	+23.7	+30.7%
<b>All Routes</b>	<b>1,004.7</b>	<b>893.7</b>	<b>+110.9</b>	<b>+12.4%</b>

**Rail container transportation**

In the reporting quarter, container volumes transported by the Company's transportation assets (including provision of own containers to third party flatcars) grew by 2.7% year-on-year to 435.2 thousand TEU. In the first quarter, the Company focused on the development of new transit routes, including a route via Mongolia. As a result, transit transportation volumes outperformed the market and grew by 44.7% year-on-year.

*Container transportation by TransContainer's flatcars and containers in 1Q 2018 (ISO Loaded + Empty), 000' TEU*

	1Q 2018	1Q 2017	Change	
			000' TEU	Percent
Domestic Routes	203.7	213.7	-10.0	-4.7%
Export	119.4	112.8	+6.6	+5.9%
Import	78.5	73.9	+4.6	+6.2%
Transit	33.5	23.1	+10.3	+44.7%
<b>All Routes</b>	<b>435.2</b>	<b>423.6</b>	<b>+11.6</b>	<b>+2.7%</b>

Container volumes transported by the Company's flatcar fleet in the first quarter of 2018 increased by 5.1% year-on-year to 413.9 thousand TEU from 394.0 thousand TEU a year earlier, in line with an

increased fleet capacity. The Company's revenue-generating<sup>1</sup> container transportation volumes in Russia amounted to 347.8 thousand TEU, up 5.3% year-on-year.

In the first quarter of 2018, the Company's transportation volumes lagged behind the market dynamics, as a result of lower transportation volumes of empty containers, which were up 0.7% year-on-year for TransContainer vs 8.4% year-on-year increase for the market, as well as due to a number of one-off factors.

### **Terminal handling**

In the first quarter of 2018, the Company's throughput in the Russian rail container terminal network decreased by 2.8% year-on-year to 281.7 thousand TEU, compared to 289.6 thousand TEU for the same period of 2017. This decrease resulted from a closure of two TransContainer's terminals in Moscow, in line with the Moscow government's intention to reduce number of freight terminals located in the central part of the city.

### **Asset utilisation**

In the first quarter of 2018, container empty run ratio improved from 22.6% to 20.7% due to the continuing optimisation of fleet management and pursuing flexible tariff policy. Flatcars empty run ratio remained essentially flat at 3.6% compared to 3.7% a year earlier.

Flatcar turnover has also remained stable at 12.4 days in the reporting quarter compared to 12.1 days in the corresponding period of 2017. The turnover of containers improved significantly from 41.2 days to 37.2 days on the back of strong customers' demand and improved container fleet management in the Company's terminals and its partners' handling facilities.

	<b>1Q 2018</b>	<b>1Q 2017</b>
Turnover of containers, days	37.2	41.2
Turnover of flatcars, days	12.4	12.1
Empty run <sup>2</sup> for containers, %	20.7%	22.6%
Empty run <sup>3</sup> for flatcars, %	3.7%	3.6%

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### **About TransContainer**

TransContainer (LSE ticker: TRCN) is the leading intermodal container transportation company in Russia with a market share of approximately 46% for the year of 2017. It is the market leader in Russia by flatcar fleet size, container transportation by rail and rail-side container terminal throughput. As at 31 December 2017, it owned and leased 25,251 flatcars and 69,595 ISO containers. TransContainer also owns a network of rail-side container terminals, located at 42 railway stations across Russia and operates one terminal in Slovakia under a long-term lease agreement. The Company's joint venture JSC Kedentransservice ("Kedentransservice", or "KDTS") also operates 19 inland rail-side terminals in

Kazakhstan. The Company's sales network comprises of 104 sales outlets in Russia, along with additional outlets across the CIS, Europe and Asia. TransContainer is listed at Moscow Exchange and LSE. The Company's major shareholder with 50% +2 shares is United Transportation and Logistics Company, established by Russian Railways, Belorussian Railway and Kazakhstan Temir Zholy.

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<sup>[1]</sup> Transportation of clients' containers by the Company's rolling stock and own loaded containers by its own and fourth-party flatcars

<sup>[2]</sup> The empty run ratio is calculated as an average empty container\*kilometers divided by an average total container\*kilometers

<sup>[3]</sup> The empty run ratio is calculated as an average empty flatcar\*kilometers divided by an average total flatcar\*kilometers