



FOR IMMEDIATE RELEASE

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## OPERATING RESULTS FOR THE FOURTH QUARTER AND THE FULL YEAR OF 2017

Public Joint Stock Company "TransContainer" ("TransContainer" or the "Company") (LSE: TRCN) announces its preliminary operating results for the fourth quarter and the full year of 2017. 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 by positive trends in the macroeconomic environment and continuing growth in Russian rail containerisation.

### Market overview

Russia's container market continued to demonstrate strong performance in the fourth quarter of 2017. The transportation volumes in the fourth quarter of 2017 were up 17.7% year-on-year to 1,051 thousand twenty-foot equivalent units ("TEU"). This was driven by a 26.5% year-on-year growth in international transportation demonstrating the sustainable growth across all segments. Domestic transportation increased by 8.6% year-on-year despite the growth in Russia's manufacturing industries slowing down in the fourth quarter.

*Russian Rail Container Transportation Market in 4Q 2017 (ISO Loaded + Empty), 000' TEU*

	4Q 2017	4Q 2016	Change	
			000' TEU	Percent
Domestic Routes	477.4	439.6	+37.8	+8.6%
Export	261.0	216.2	+44.8	+20.7%
Import	187.3	151.6	+35.7	+23.5%
Transit	125.3	85.9	+39.5	+45.9%
<b>All Routes</b>	<b>1,051.1</b>	<b>893.3</b>	<b>+157.8</b>	<b>+17.7%</b>

For the full year of 2017, the Russian rail container market grew by 19.0% year-on-year to 3,882 thousand TEU. In terms of segment breakdown for the full year period, domestic transportation volumes grew by 7.6% year-on-year, export transportation increased by 20.6% year-on-year, while import and transit transportation volumes surged by 32.9% and 60.3%, respectively.

*Russian Rail Container Transportation Market for full year 2017 (ISO Loaded + Empty), 000' TEU*

	FY 2017	FY 2016	Change	
			000' TEU	Percent
Domestic Routes	1 806.3	1 678.1	+128.2	+7.6%
Export	964.3	799.7	+164.5	+20.6%
Import	698.0	525.2	+172.8	+32.9%
Transit	413.7	258.1	+155.6	+60.3%
<b>All Routes</b>	<b>3,882.2</b>	<b>3,261.1</b>	<b>+621.1</b>	<b>+19.0%</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 8.5% year-on-year to 460.5 thousand TEU. This was mainly due to the continued growth in international transportation, which, in turn, was up 15.9% year-on-year, especially in export and transit segments, which grew by 13.9% and 49.6%, respectively.

*Container transportation by TransContainer's assets in 4Q 2017 (ISO Loaded + Empty), 000' TEU*

	4Q 2017	4Q 2016	Change	
			000' TEU	Percent
Domestic Routes	234.7	229.7	+5.0	+2.2%
Export	111.3	97.7	+13.6	+13.9%
Import	77.9	72.7	+5.2	+7.2%
Transit	36.6	24.5	+12.1	+49.6%
<b>All Routes</b>	<b>460.5</b>	<b>424.6</b>	<b>+36.0</b>	<b>+8.5%</b>

Container volumes transported by the Company's flatcar fleet in the fourth quarter of 2017 increased by 10.6% year-on-year to 434.6 thousand TEU from 393.1 thousand TEU a year earlier. The Company's revenue-generating<sup>1</sup> container transportation volumes in Russia amounted to 368.4 thousand TEU in the fourth quarter of 2017, up 10.9% year-on-year.

For full year of 2017, container volumes transported by the Company's flatcar and container fleet, as described above, grew by 15.2% year-on-year to 1,777 thousand TEU, mainly as a result of an increase in import and export transportation.

*Container transportation by TransContainer's assets for full year 2017 (ISO Loaded + Empty), 000' TEU*

	FY 2017	FY 2016	Change	
			000' TEU	Percent
Domestic Routes	903.7	866.8	+36.9	+4.3%
Export	432.1	360.2	+71.9	+20.0%
Import	315.5	241.9	+73.6	+30.4%
Transit	126.0	74.2	+51.8	+69.9%
<b>All Routes</b>	<b>1,777.3</b>	<b>1,543.1</b>	<b>+234.2</b>	<b>+15.2%</b>

Container volumes transported by the Company's flatcar fleet for the full year of 2017 increased by 16.8% year-on-year to 1,665.1 thousand TEU from 1,425.8 thousand TEU a year earlier. The Company's revenue-generating container transportation volumes in Russia amounted to 1,424.5 thousand TEU in for the full year of 2017, up 19.5% year-on-year.

### Terminal handling

In the fourth quarter of 2017, the Company's throughput in the Russian rail container terminal network decreased slightly by 0.1% to 332.8 thousand TEU, compared to 333.2 thousand TEU for the same period of 2016. For full year of 2017, the Company's container terminal throughput was up 5.2% and amounted to 1,294 thousand TEU compared to 1,230 thousand TEU in 2016.

The Company's container handling lagged the level of growth witnessed in the container transportation market as a result of a higher share of the export and transit transportation market. It was also due to certain restrictions applied to some of the Company'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

Starting from 30 September 2017, the Company has changed the manner it presents the empty run ratio for flatcars and containers. The new formula is based on average container\*kilometers rather than average kilometers. This approach provides for more accurate metrics reflecting both distances and volumes relevant to empty transportation.

The comparison of the new metrics with the old ones is shown below:

Empty run ratio	2014	2015	2016	1Q 16	2Q 16	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17

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

Containers (new)	17.6%	21.7%	21.5%	20.9%	22.2%	22.0%	20.9%	22.6%	17.4%	16.7%	19.6%
Containers (old)	28.8%	31.2%	32.0%	29.3%	32.3%	34.0%	32.1%	31.8%	29.7%	30.2%	30.8%
Flatcars (new)	2.2%	2.0%	2.7%	2.3%	1.9%	3.1%	3.5%	3.6%	3.7%	4.1%	4.1%
Flatcars (old)	7.2%	7.4%	8.3%	8.2%	6.4%	8.8%	9.5%	9.2%	10.8%	12.1%	11.3%

In the fourth quarter of 2017, container empty run ratio improved from 20.9% to 19.6% due to the optimisation of sales and operations planning and tariffs. Flatcars empty run ratio grew from 3.5% to 4.1% due to persistent misbalances in container flows in the Far East region, caused by the fast-growing transit and import flows from China.

	4Q 2017	4Q 2016	FY 2017	FY 2016
Turnover of containers, days	36.3	37.7	37.7	36.2
Turnover of flatcars, days	12.3	12.6	12.1	13.5
Empty run <sup>2</sup> for containers, %	19.6%	20.9%	19.2%	21.5%
Empty run <sup>3</sup> for flatcars, %	4.1%	3.5%	3.9%	2.7%

The turnover of flatcars improved from 13.5 days for the full year of 2016 to 12.1 days in 2017, while the turnover of containers increased from 36.2 to 37.7 days, respectively. This was a result of the Company's policy of arranging container stocks in key loading hubs and clients' freight yards in order to reduce the number of flatcars standing idle.

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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 47%. It is the market leader in Russia by flatcar fleet size, container transportation by rail and rail-side container terminal throughput. As at 30 September 2017, it owned and leased 24,235 flatcars and 71,075 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 107 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.

<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