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## OPERATING RESULTS FOR THE SECOND QUARTER AND THE FIRST HALF OF 2016

Public Joint Stock Company "TransContainer" ("TransContainer" or the "Company") (LSE: TRCN) announces its preliminary operating results for the second quarter and the first six months of 2016.

### Market overview

Russia's container market saw positive dynamics year-on-year in the second quarter of 2016, for the first time since the third quarter of 2014. The transportation volumes were up 13.2% year-on-year to 808 thousand twenty-foot equivalent units ("TEU"). This was driven by a 20.7% growth in domestic transportation, while international transportation increased by 5.6% year-on-year on the back of growth in export and transit segments.

For the first six months of 2016, the Russian rail container market grew by 6.1% year-on-year to 1,538 thousand TEU. In terms of segment breakdown for the six month period, domestic transportation volumes surged by 14.4% year-on-year and export transportation by 1.0% year-on-year, while import transportation volumes fell by 5.3% and transit was down 3.3% year-on-year.

### Rail container transportation

Since the beginning of 2016, the Company has widened its range of rail transportation services by offering its own containers for transportation on third-party rolling stock. The Company therefore will report transportation volumes including provision of its own containers to the third party flatcars starting from the second quarter of 2016.

In the reporting quarter, container volumes transported by the Company's flatcars and containers (including provision of own containers to the third party flatcars) surged by 12.0% year-on-year to 382 thousand TEU. The key growth driver was domestic transportation, while transit volumes were down 29.0% year-on-year due to a reduced number of auto vehicles produced in Uzbekistan and Kazakhstan.

*Transportation of containers using TransContainer's assets in 2Q 2016 (ISO Loaded + Empty), 000' TEU*

	2Q 2016	2Q 2015	Change	
			000' TEU	Percent
Domestic Routes	224.2	194.6	+29.6	+15.2%
Export	89.8	77.6	+12.3	+15.8%
Import	52.0	46.5	+5.5	+11.9%
Transit	16.0	22.5	-6.5	-29.0%
<b>All Routes</b>	<b>382.0</b>	<b>341.2</b>	<b>+40.8</b>	<b>+12.0%</b>

Container volumes transported by the Company's flatcar fleet in the second quarter of 2016 increased by 3.9% year-on-year to 354 thousand TEU from 341 thousand TEU a year earlier. The Company's revenue-generating<sup>1</sup> container transportation volumes in Russia amounted to 291 thousand TEU in the second quarter of 2016, up 13.2% year-on-year.

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

For the first six months of 2016, container volumes transported by the Company's flatcar and container fleet, as described above, grew by 4.5% year-on-year to 724.6 thousand TEU, mainly as a result of an increase in domestic, export and import transportation. Transit volumes were down 36.3% year-on-year due to the same reason as discussed above.

*Transportation of containers using TransContainer's assets in 1H 2016 (ISO Loaded + Empty), 000' TEU*

	1H 2016	1H 2015	Change	
			000' TEU	Percent
Domestic Routes	411.9	377.7	+34.2	+9.1%
Export	176.9	169.0	+7.9	+4.7%
Import	104.9	98.0	+6.8	+7.0%
Transit	31.0	48.7	-17.7	-36.3%
<b>All Routes</b>	<b>724.6</b>	<b>693.3</b>	<b>+31.2</b>	<b>+4.5%</b>

Container volumes transported by the Company's flatcar fleet in the first half of 2016 decreased by 3.0% year-on-year to 671 thousand TEU from 692 thousand TEU a year earlier. The Company's revenue-generating container transportation volumes in Russia amounted to 554 thousand TEU in the first half of 2016, up 6.8% year-on-year.

### Terminal handling

In the second quarter of 2016, the Company's throughput in the Russian rail container terminal network increased by 5.8% to 312 thousand TEU, compared to 295 thousand TEU for the same period of 2015. For the first six months of 2016, the Company's container terminal throughput was down 0.4% to 578 thousand TEU compared to 581 thousand TEU for the first half of 2015. This resulted from a decrease in unloading of containers, which, in turn, associated with a slowdown in import transportation, as well as a decrease in marshalling of containers due to a higher share of block-train transportation.

### Asset utilisation

In the second quarter of 2016, flatcar and container empty run ratios marginally deteriorated from 5.5% to 6.4% and from 31.3% to 32.3%, respectively, while turnover of flatcars and containers improved on the back of strong customer demand.

For the first half of 2016, empty run ratios for flatcars and containers were broadly flat. Turnover of flatcars improved from 15.2 days for the first six months of 2015 to 14.4 days for the first six months of 2016, while turnover of containers was still impacted by the results of the first quarter.

	2Q 2016	2Q 2015	1H 2016	1H 2015
Turnover of containers, days	32.2	33.8	37.4	35.7
Turnover of flatcars, days	13.1	15.4	14.4	15.2
Empty run <sup>2</sup> for containers, %	32.3%	31.3%	30.8%	29.7%
Empty run for flatcars, %	6.4%	5.5%	7.0%	7.2%

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<sup>2</sup> The empty run ratio is calculated as an average empty run in kilometres divided by an average total run in kilometres

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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 31 December 2015, it owned and leased 24,461 flatcars and 64,596 ISO containers. TransContainer also owns a network of rail-side container terminals, located at 45 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 about 120 sales outlets in Russia, along with additional outlets across the CIS, Europe and Asia. TransContainer is listed at Moscow Exchange and LSE. Company's major shareholder with 50% +2 shares is United Transportation and Logistics Company, established by Russian Railways, Belorussian Railway and Kazakhstan Temir Zholy.