



**FOR IMMEDIATE RELEASE**

**15 October 2015**

**OPERATING RESULTS FOR THE THIRD QUARTER AND NINE MONTHS OF 2015**

Public Joint Stock Company “TransContainer” (“TransContainer” or the “Company”) (LSE: TRCN) announces its preliminary operating results for the third quarter and the first nine months of 2015. The operating results were impacted by challenging conditions in the rail container transportation market. This reflects the continuing decline in Russian industrial production and consumer demand. In the reporting period, TransContainer’s market share continued to expand year on year despite the decline in the Russian rail container transportation market volumes. This increase was achieved by pursuing the Company’s flexible pricing policy and improving the quality of its services.

**Rail container transportation**

In the third quarter of 2015, the Russian container transportation market continued to decline at the same rate as in the previous quarter. During the reporting period, the market shrunk by 10.8% year on year compared to an 11.0% decline in the second quarter of 2015. This decrease was mainly due to an 18.9% year on year drop in international transportation, while domestic transportation only decreased by 2.0% year on year.

The Company’s rail container transportation volumes in Russia for the third quarter of 2015 decreased by 8.7% to 343 thousand twenty-foot equivalent units (“TEU”), compared to the corresponding period of 2014. The Company outperformed the market, increasing its market share to 46.5% from 45.4% in the third quarter of 2014.

TransContainer’s transportation volumes in the third quarter of 2015 were driven by a 6.2% growth in import transportations amid a 21.6% decline in overall Russian container transportation imports. This was mainly a result of management’s efforts to improve the business in the Asia-Pacific countries, including China and the Republic of Korea, in order to maintain the right balance in the supply of the Company’s own containers between import, domestic and export transportations.

The Company’s domestic and export volumes dynamics were in line with the corresponding figures of the Russian container transportation market.

The decline in transit volumes resulted from lower transit transportation volumes between the Far East and Central Asia. This, in turn, was heavily affected by a drop in the transportation of car components.

*Transportation of containers by TransContainer’s fleet in 3Q 2015 (ISO Loaded + Empty), 000’ TEU*

|                   | 3Q 2015      | 3Q 2014      | Change       |              |
|-------------------|--------------|--------------|--------------|--------------|
|                   |              |              | 000’ TEU     | Percent      |
| Domestic Routes   | 197.6        | 205.0        | -7.4         | -3.6%        |
| Export            | 68.1         | 87.8         | -19.7        | -22.4%       |
| Import            | 60.4         | 56.8         | +3.5         | +6.2%        |
| Transit           | 17.3         | 26.6         | -9.2         | -34.8%       |
| <b>All Routes</b> | <b>343.4</b> | <b>376.2</b> | <b>-32.8</b> | <b>-8.7%</b> |

The Company’s rail container transportation volumes for the first nine months of 2015 amounted to 1,035 thousand TEU, compared to 1,093 thousand TEU in the corresponding period of 2014; this is a reduction of 5.3% year on year, while the total rail container transportation market in Russia fell by 8.9% year on year during the same period. The decrease in the Company’s rail container transportation volumes was mainly driven by a 13.2% decline in international transportation, which was partly offset by a 2.2%

growth in domestic volumes caused by the strong demand for the Company's container fleet. In the nine months of 2015, TransContainer's market share grew to 47.3% from 45.5% in the first nine months of 2014.

*Transportation of containers by TransContainer's fleet in 9M 2015 (ISO Loaded + Empty), 000' TEU*

|                   | 9M 2015        | 9M 2014        | Change       |              |
|-------------------|----------------|----------------|--------------|--------------|
|                   |                |                | 000' TEU     | Percent      |
| Domestic Routes   | 574.2          | 561.9          | +12.2        | +2.2%        |
| Export            | 237.0          | 281.0          | -43.9        | -15.6%       |
| Import            | 158.3          | 162.2          | -3.8         | -2.4%        |
| Transit           | 65.9           | 88.0           | -22.1        | -25.1%       |
| <b>All Routes</b> | <b>1,035.5</b> | <b>1,093.1</b> | <b>-57.6</b> | <b>-5.3%</b> |

The Company's revenue-generating container transportation<sup>i</sup> volumes in Russia amounted to 254 thousand TEU in the third quarter of 2015, down 13.0% compared to the third quarter of 2014. For the first nine months of 2015, revenue-generating container transportation volumes decreased by 9.2% year on year to 771 thousand TEU. The difference in the dynamics of revenue-generating volumes and total transportation volumes is primarily a result of transportation using the Company's containers having an increased share of total transportation via the Company's rolling stock.

### Terminal handling

In the third quarter of 2015, throughput of the Company's rail container terminal network in Russia decreased by 11.2% to 319 thousand TEU, compared to 359 thousand TEU in the third quarter of 2014.

For the first nine months of 2015, throughput of the Company's rail container terminal network in Russia amounted to 900 thousand TEU, down 8.5% year on year, which was in line with overall market trends.

### Asset utilisation

There was a slight increase in both flatcar and container empty runs in Russia in the third quarter and the first nine months, mainly due to the misbalance of container flows in the Russian market that has been present since 2014.

The improvement in container turnover primarily reflects strong customer demand for the Company's containers amid the shortage of sea shipping line's containers in the Russian market. Growth in flatcar turnover resulted primarily from an increase in the average distances travelled by the Company's flatcars.

|  | 3Q 2015 | 3Q 2014 | 9M 2015 | 9M 2014 |
|--|---------|---------|---------|---------|
| Turnover of containers, days             | 31.7    | 35.1    | 34.4    | 38.0    |
| Turnover of flatcars, days               | 15.1    | 14.2    | 15.2    | 14.1    |
| Empty run <sup>2</sup> for containers, % | 33.8%   | 29.2%   | 30.5%   | 29.1%   |
| Empty run for flatcars, %                | 7.6%    | 7.4%    | 7.3%    | 6.8%    |

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## **About TransContainer**

TransContainer (LSE ticker: TRCN) is the leading intermodal container transportation company in Russia. It is the market leader in Russia by flatcar fleet size, container transportation by rail and rail-side container terminal throughput. As of 30 June 2015, it operated 26,477 flatcars and 64,064 ISO containers. It owns a network of 46 rail-side container terminals in Russia, 19 rail-side terminals in Kazakhstan (through its joint venture company KedenTransService) and operates one terminal in Slovakia. Company's sales network comprises more than 130 sales offices across Russia as well as presence in 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.

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[1] - transportation of clients' containers and own loaded containers

[2] - the empty run ratio is calculated as an average empty run in kilometers divided by an average total run in kilometers