

RNS Number : 0340D
PJSC Transcontainer
26 January 2015

FOR IMMEDIATE RELEASE 26 January 2015

OPERATING RESULTS FOR THE fourth QUARTER AND FULL YEAR 2014

Public Joint Stock Company "TransContainer" ("TransContainer" or the "Company") (LSE: TRCN) announces its preliminary operating results for the fourth quarter and full year 2014. The operating results were affected by a slowdown in the rail container market, which began in the fourth quarter of 2014, and changes in the structure of container flows against the backdrop of challenging economic conditions. In these circumstances, the Company continued taking steps to improve service quality and operating performance.

Rail container transportation volumes in Russia

The Company's rail container transportation volumes in Russia for the fourth quarter of 2014 decreased by 1.6% year-on-year to 374 thousand twenty-foot equivalent units ("TEU"), compared to 380 thousand TEU in the same period of 2013. This was mainly due to a 22.3% year-on-year fall in import transportation volumes and a 3.1% year-on-year decline in export, which were partly offset by a 5.3% year-on-year increase in domestic transportation volumes and a 5.2% year-on-year increase in transit. The Company's rail container transportation volumes in Russia in the fourth quarter of 2014 decreased by 0.5% quarter-on-quarter.

Transportation of containers by TransContainer's fleet in 4Q 2014 (ISO Loaded + Empty), 000' TEU

	4Q 2014	4Q 2013	Change 000' TEU	Percent
Domestic Routes	203.0	192.7	+10.3	+5.3%
Export	90.0	92.8	-2.9	-3.1%
Import	52.0	67.0	-15.0	-22.3%
Transit	29.2	27.8	+1.5	+5.2%
All Routes	374.2	380.3	-61.0	-1.6%

The Company's rail container transportation volumes for the full year 2014 grew by 0.9% year-on-year to 1,467 thousand TEU. The increase in domestic, export and transit transportation volumes fully offset a 19.7% year-on-year decline in imports.

Transportation of containers by TransContainer's fleet in 12M 2014 (ISO Loaded + Empty), 000' TEU

	12M 2014	12M 2013	Change 000' TEU	Percent
Domestic Routes	764.9	727.4	+37.5	+5.2%
Export	371.0	360.0	+11.0	+3.1%
Import	214.2	266.9	-52.7	-19.7%
Transit	117.3	100.1	+17.2	+17.2%
All Routes	1,467.3	1,454.3	+13.0	+0.9%

The drop in container import was largely caused by the rouble devaluating against the US dollar and Euro, as well as the slump in consumer confidence on the back of deteriorating economic conditions throughout the year.

The Company's revenue-generating container transportation^[1] volumes in Russia amounted to 282 thousand TEU in the fourth quarter of 2014, down 3.3% compared to the fourth quarter of 2013. For the full year 2014, revenue-generating container transportation volumes grew by 1.7% year-on-year to 1,131 thousand TEU.

TransContainer's estimated share of Russia's rail container transportation market in the full year 2014 decreased to 45.6% compared to 47.0% in 2013. In the fourth quarter of 2014, the Company's market share increased to 46.0% compared to 45.4% in the previous quarter.

Rail container transportation volumes in Kazakhstan

According to the preliminary data, rail container transportation volumes carried out by KedenTransService ("KDTS"), the joint venture between the Company and Kazakhstan Temir Zholy in Kazakhstan, increased by 7.4% year-on-year to 70.0 thousand TEU in the fourth quarter of 2014. In the full year 2014, rail container transportation volumes increased by 10.8% year-on-year to 253.0 thousand TEU. This was mainly a result of the expansion of the flatcar fleet in operation.

Terminal handling in Russia

In the fourth quarter of 2014, throughput of the Company's rail container terminal network in Russia decreased by 1.2% year-on-year to approximately 336 thousand TEU. The terminal throughput was affected by a decline in the rail container transportation market as well as by an 83.7% drop in handling of medium-duty containers (MDC). MDC handling volumes in the fourth quarter of 2014 amounted to 1.5 thousand TEU, compared to 9.5 thousand TEU in the corresponding period of 2013. The volume of ISO container handling remained flat during the period.

Throughput of the Company's rail container terminal network in Russia amounted to 1,331 thousand TEU in the full year 2014, representing a year-on-year increase of 0.9%. MDC handling volumes dropped 80.3% year-on-year during the same period.

Terminal handling in Kazakhstan

Preliminary figures indicate that container handling by KDTS at the cross-border rail-side terminals Dostyk and Altynkol amounted to 64.8 thousand TEU in the fourth quarter of 2014, which is more than double the figure for the fourth quarter of 2013. For the full year 2014, terminal handling volumes at these cross-border terminals grew by 86.6% year-on-year to 213.5 thousand TEU. This was a result of higher cross-border handling volumes and new container handling yards at the Altynkol rail station becoming operational.

Preliminary data indicates that in the fourth quarter of 2014, non-container throughput at KDTS' terminals increased by 3.2% year-on-year to approximately 0.9 million tonnes. For the full year 2014, non-container throughput at KDTS' terminals remained flat year-on-year at 3.5 million tonnes.

Asset utilisation

In the fourth quarter of 2014, flatcar empty runs in Russia slightly increased, while container empty runs were moderately down. During the full year 2014, the empty run ratio for containers reached an historical low of 28.8%.

Growth in flatcar and container turnover primarily reflects weaker customer demand and greater average distances travelled by the Company's containers.

	4Q 2014	4Q 2013	12M 2014	12M 2013
Turnover of containers, days	31.4	30.6	31.6	27.1
Turnover of flatcars, days	13.7	13.9	14.1	13.7
Empty run ^[2] for containers, %	27.7%	31.2%	28.8%	30.5%
Empty run for flatcars, %	8.1%	6.4%	7.2%	6.7%

Enquiries:

TransContainer

Andrey Zhemchugov,

Director, Capital Markets and Investor Relations

E-mail

Website

Instinctif Partners

Tony Friend / Galyna Kulachek/ Jenny Payne

+7 495 637 9178

+7 495 609 6062

IR@trcont.ru

www.trcont.ru

+44 (0) 20 7457
2020

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 September 2014, it operated 26,918 flatcars and 63,918 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.

[1] Transportation of clients' containers and own loaded containers

[2] The Empty run ratio is calculated as an average empty run in kilometres divided by an average total run in kilometres

This information is provided by RNS
The company news service from the London Stock Exchange

END