



FOR IMMEDIATE RELEASE

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## TransContainer

### OPERATING RESULTS FOR THE THIRD QUARTER AND THE FIRST NINE MONTHS OF 2013

Open 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 2013. The operating results were affected by increasing competition amid the persisting weak economic climate. Under these circumstances, the Company is taking steps aimed at addressing the market challenges and customers' requirements, as well as maintaining the level of profitability.

#### Rail container transportation volumes

The Company's rail container transportation volumes in Russia for the third quarter of 2013 decreased by 3.3% to 373 thousand twenty-foot equivalent units ("TEU"), compared to 385 thousand TEU in the corresponding period of 2012. This was mainly due to a 10.4% drop in domestic transportation volumes, partially compensated by growth in transit and export. A decrease in the Company's domestic transportation was primarily driven by tightening competition on the weaker domestic market, as well as by the shifting of the Company's focus to the faster-growing international transportation market. A reduction in transportation of own empty containers also contributed to a decrease in the Company's transportation volumes.

*Transportation of containers by TransContainer's fleet in 3Q 2013 (ISO Loaded + Empty), 000' TEU*

	3Q 2013	3Q 2012	Change	
			000' TEU	Percent
Domestic Routes	191.7	213.8	-22.2	-10.4%
Export	86.9	83.3	+3.6	+4.3%
Import	67.7	68.6	-0.9	-1.3%
Transit	26.5	19.6	+6.9	+35.1%
<b>All Routes</b>	<b>372.7</b>	<b>385.3</b>	<b>-12.6</b>	<b>-3.3%</b>

The Company's rail container transportation volumes for the first nine months of 2013 amounted to 1,074 thousand TEU, compared to 1,102 thousand TEU for the first nine months of 2012, down 2.5% year on year. This decrease was mainly driven by a 9.6% drop in domestic transportation volumes, partly compensated by an 11.8% growth in imports. The decline in the Company's domestic transportation primarily resulted from the factors described above.

Rail container transportation volumes carried out by KedenTransService, the Company's subsidiary in Kazakhstan, amounted to 85.5 thousand TEU in the third quarter of 2013, which represents an 11-fold increase compared to the third quarter of 2012 as a result of a substantial increase in the flatcar fleet in operation. In the first nine months of 2013, rail container transportation volumes carried out by KedenTransService amounted to 180.0 thousand TEU, representing a near 11-fold increase on the respective period of 2012.

*Transportation of containers by TransContainer's fleet for the 9m 2013 (ISO Loaded + Empty), 000' TEU*

	9m 2013	9m 2012	Change	
			000' TEU	Percent
Domestic Routes	534.7	591.7	-57.0	-9.6%
Export	267.1	261.6	+5.5	+2.1%
Import	199.9	178.8	+21.1	+11.8%
Transit	72.3	70.0	+2.3	+3.2%
<b>All Routes</b>	<b>1,074.0</b>	<b>1,102.1</b>	<b>-28.1</b>	<b>-2.5%</b>

The Company's revenue-generating container transportation<sup>1</sup> volumes in Russia decreased by 1.0% in the third quarter of 2013 to 288 thousand TEU, compared to 290 thousand TEU in the corresponding period of 2012. Revenue-generating container transportation volumes were down 1.7% to 821 thousand TEU for the first nine months of 2013, compared to 834 thousand TEU for the same period of 2012.

TransContainer's estimated share of Russia's rail container transportation for the first nine months of 2013 decreased to 47.4% compared to 50.4% for the same period of 2012.

### **Terminal handling**

Throughput of the Company's rail container terminal network in Russia in the third quarter of 2013 decreased by 5.7% to 358 thousand TEU, compared to 379 thousand TEU in the third quarter of 2012. This decline was mainly due to the 82.7% year on year drop in the handling of medium-duty containers (MDC), as a result of the continuing phasing out of the MDC fleet.

For the first nine months of 2013, throughput of the Company's rail container terminal network in Russia amounted to 978 thousand TEU, a decrease of 8.3% year on year. MDC handling volumes dropped 76.8% year on year for the same period.

Preliminary figures indicate that container handling by the Company's subsidiary in Kazakhstan, KedenTransService, at the Dostyk rail side terminal amounted to 24 thousand TEU in the third quarter of 2013, demonstrating a 47.7% growth over the third quarter of 2012. For the first nine months of 2013, container handling at the Dostyk rail side terminal grew to 87 thousand TEU, or by 93.0% year on year compared to the corresponding period of 2012 based on preliminary data.

### **Asset utilisation**

For the first nine months of 2013, flatcar and container empty runs improved considerably, due to management efforts aimed at optimising the fleet utilisation amid a challenging operating environment.

Growth in the container and flatcar turnover reflects the weak market environment for the first nine months of 2013, as well as a decrease in average train speeds across the Russian railway network.

	3Q 2013	3Q 2012	9m 2013	9m 2012
Turnover of containers, days	26.7	22.6	25.9	22.7
Turnover of flatcars, days	14.0	13.3	13.7	13.3
Empty run <sup>2</sup> for containers, %	30.8%	35.4%	30.8%	36.8%
Empty run for flatcars, %	7.7%	7.3%	7.2%	7.7%

### **Enquiries:**

<sup>1</sup> Transportation of clients' containers and own loaded containers

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

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