

Key Facts

Market value of preferred equity* (RUB billion)	277.2
Ticker (MOEX)	TRNFP

* As at 31 August 2017

Equity Ownership Structure

Ordinary shares	5,568,748
Preferred shares	1,554,875
Free float*	32%

* According to the Moscow Exchange, as at August 2017 <http://moex.com/>

Credit Rating

Moody's	Long-term foreign currency rating	Ba1 / Stable
S&P	Long-term foreign currency rating	BB+ / Positive
RAEX	Credit rating	ruAAA / Stable

Main News

30 August 2017	The General Meeting of Shareholders approved equal dividends on ordinary and preferred shares for 1H 2017 in the amount of RUB 3,875.49 per share. The dividend will be paid within October 2017 to shareholders of record as of 19 September 2017.
30 August 2017	Moscow's Ninth Arbitration Court of Appeal published the full text of its ruling on Transneft's claim against Sberbank to invalidate its derivatives deal. At the beginning of July, Transneft won a RUB 70 billion lawsuit against Sberbank in a court of first instance. Transneft challenged the bank's FX derivatives trade originating in 2013 and resulting in multi-billion losses for the Company.
25 August 2017	Transneft published 2017 IFRS consolidated interim condensed financial statements for the six months ended 30 June 2017. The Group's revenues increased by RUB 20.8 billion (or 5.0% y-o-y), mainly due to higher revenues from crude oil and oil products transportation services. Operating expenses (excluding oil exports, D&A) rose 2.4% vis-à-vis inflated operating expenses for the same period of last year, largely due to higher property tax expenses and expenses on the commissioning of new pipeline facilities. The Group's EBITDA grew by RUB 6.1 billion, or 2.9%, mainly driven by higher revenues from crude oil and oil products transportation services. Profit for the period was down by RUB 20.6 billion, or 15.3%, mainly due to lower net foreign exchange gain.
18 July 2017	The General Meeting of Shareholders approved equal dividends on ordinary and preferred shares for 2016 in the amount of RUB 4,296.48 per share. The dividend will be paid within August 2017 to shareholders of record as of 20 July 2017.
14 July 2017	The rating agency RAEX (Expert RA) assigned Transneft a ruAAA credit rating (corresponding to the A++ rating on the previously used scale), with a stable outlook.
3 July 2017	Transneft's President Nikolay Tokarev said that the preferred shares of Transneft can potentially be converted into ordinary shares. "For now we'd like to preserve the status quo, but we do not exclude that in the future even preferred shares will be converted," said Mr. Tokarev. He emphasized that under this scenario the Government would retain its stake which would never be diffused or diluted.

Operational and Financial Indicators (IFRS)

		2015	2016	Change, %
Oil transportation volume	million tons	481.4	483.4	0.4
Oil products transportation volume	million tons	32.2	33.1	2.8
Revenue	RUB billion	815.7	848.1	4.0
Revenue from oil transportation services	RUB billion	558.8	614.1	9.9
Revenue from oil products transportation services	RUB billion	57.3	64.5	12.6
Revenue from sales of commercial oil	RUB billion	171.5	142.3	(17.0)
Other revenue	RUB billion	28.1	27.2	(3.2)
EBITDA*	RUB billion	371.5	408.8	10.0
Net profit	RUB billion	143.4	232.9	62.4

* Less crude oil sale and purchase operations under contracts with Rosneft and China National United Oil Corporation.

Actual Financing of Transneft's Investment Program in 2016, RUB million

Rank	Project Name	Financing (RUB million)
1	Trunk oil pipeline Zapolyarye – Purpe	32,279.0
2	Trunk oil pipeline Kuyumba – Taishet	25,311.9
3	Expansion of the ESPO (East Siberia – Pacific Ocean) pipeline system	17,393.0
4	Sever (North) Project	18,636.7
5	Yug (South) Project	17,803.9
6	Revamping of the trunk pipeline system to boost transportation of oil products to the Moscow region	11,012.8
7	Throughput capacity expansion of the Skovorodino – Mohe oil pipeline up to 30 million tons of oil per year	1,853.7
8	Others	30,144.9

* oil trunk pipeline

Capital Investment

Period	New projects, RUB billion	Technical re-equipment and revamps, RUB billion
2016	154.4	183.1
2017–2021	297.8	861.8

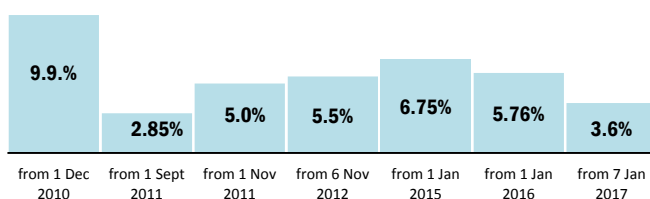
Our Company conducts extensive work to diversify its energy supplies and develop highly efficient export routes. Installing pipeline capacities will provide the conditions for the growth of oil production in the promising Russian regions, and also allow reducing the dependence of the Russian exports on transit through the territory of neighboring countries, thus supporting Russia's role in international energy security

Implementation of investment projects for the development of the oil trunk pipeline system will help to create a single pipeline system, allowing rapid redistribution of export flows in both Western and Eastern directions, depending on market conditions.

Prospects of Tariff Regulation

- Tariffs for oil transportation via the Company's pipelines are determined by the FAS of Russia. Every year the Company submits its expenses forecast and investment program to the state regulatory body to establish tariffs for the next period.
- According to our Development Strategy until 2020, the growth rate of tariffs for oil transportation will not exceed the inflation rate.

Indexation of Transneft's Tariffs for Oil Transportation Services, %



Source: FAS of Russia

Shares

- Only preferred shares (1,554,875) are traded on the stock market, ordinary shares (5,546,847) are 100% owned by the Government of the Russian Federation

