

## Key Facts

Market value of preferred equity* (RUB billion)	273.5
Ticker (MOEX)	TRNFP

\* As at 30 March 2018

## Equity Ownership Structure

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

\* According to the Moscow Exchange, as at March 2018 <http://moex.com/>

## Credit Rating

Moody's	Long-term foreign currency rating	Baa3 / Positive
S&P	Long-term foreign currency rating	BBB- / Stable
RAEX	Credit rating	ruAAA / Stable

## At a Glance

- Transneft is a Russian oil transportation company with a government stake operating the Russian oil and oil-product trunk pipeline network, the largest pipeline company in the world.
- The Company operates 51.5 thousand kilometers of oil pipelines and 16.8 thousand kilometers of oil product pipelines.
- The Company transports about 85% of crude oil produced in Russia and about 26% of light oil products produced in Russia, as well as hydrocarbons and oil products produced in the CIS countries.
- Transneft's oil pipelines link major Russian oilfields with refineries and export markets in Europe and Asia, directly and via seaports.
- Tariffs for Transneft's services are set by the state regulatory body – the Federal Anti-Monopoly Service (FAS).
- Transneft continues to improve its transparency and is committed to high corporate governance standards.

## Main News








28 February 2018	The international rating agency Standard & Poor's (S&P) raised Transneft ratings to the investment category. Current rating and outlook: Commitments in foreign currency BBB- / Stable. Commitments in local currency BBB- / Stable.
29 January 2018	The international rating agency Moody's raised Transneft ratings to the investment category. Current rating and outlook: Commitments in foreign currency Baa3 / Positive.
28 December 2017	Transneft and Sberbank agreed to settle the claims in relation to the transactions with financial derivatives, closed in December 2013. The terms of the settlement allow the parties to withdraw from further litigation.
25 December 2017	FAS increased the tariffs for oil transportation via Transneft's system for 2018 by 3.95%.

## Operational and Financial Indicators (IFRS)

		2016	2017	Change, %
Oil transportation volume	million tons	483.4	477.5	1.2
Oil products transportation volume	million tons	33.1	33.1	0
Revenue	RUB billion	848.1	884.3	4.2
Revenue from oil transportation services	RUB billion	614.1	631.4	2.8
Revenue from oil products transportation services	RUB billion	64.5	66.0	2.3
Revenue from sales of commercial oil	RUB billion	142.3	150.1	5.4
Other revenue	RUB billion	27.2	36.6	34.5
EBITDA*	RUB billion	408.8	408.7	0.02
Net profit	RUB billion	232.9	191.8	17.6

\* 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 2017, RUB billion

1	Expansion of the ESPO (East Siberia – Pacific Ocean) pipeline system		38.5
2	Pipeline offshoot ESPO pipeline system – Komsomolsk Refinery		24.2
3	Throughput capacity expansion of the Skovorodino – Mohe oil pipeline up to 30 million tons of oil per year		1.0
4	North		16.4
5	South		16.3
6	Revamping of the trunk pipeline system* to boost transportation of oil products to the Moscow region		15.5
7	Others		31.1

\* oil trunk pipeline

## Capital Investment

Period	New projects, RUB billion	Technical re-equipment and revamps, RUB billion
2017	143.0	185.5
2018–2022	117.6	992.0

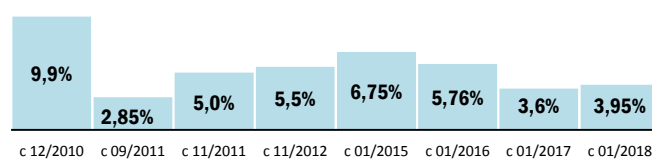
Our Company conducts extensive work to diversify its energy supplies and develop highly efficient export routes. Installing pipeline capacities will provide the conditions for the growth of oil production in the promising Russian regions, and also allow reducing the dependence of the Russian exports on transit through the territory of neighbouring 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 (5,568,748) are 100% owned by the Government of the Russian Federation.

