

## Market Capitalization

Market capitalization of preferred shares* (RUB billion)	276.8
Ticker (MOEX)	TRNFP

\* As at April 1, 2019

## Shares outstanding

Ordinary shares (100% owned by the Russian Government)	5,694,468	78.55%
Preferred shares	1,554,875	21.45%
Total number of shares outstanding	7,249,343	

## Credit Rating

Moody's	Long-term rating for commitments in foreign currency	Baa2 / Stable
S&P	Long-term rating for commitments in foreign currency	BBB- / Stable
RAEX	Credit rating	ruAAA / Stable

## Key Events for shareholders and investors

March 29, 2019	<b>Publication of financial statements for 12 months ending December 31, 2018 in accordance to IFRS</b> The Group's revenue grew by RUB 95.6 billion or 10.8%, mainly due to the growth of revenue from oil export sales, oil transportation services and services provided by Novorossiysk Commercial Sea Port (NCSP) and its associates. Profit attributable to shareholders of Transneft made RUB 224.3 billion, RUB 32.4 billion or 16.9% up year-on-year. On April 5, 2019 Transneft held management's meeting and teleconference with investors and analysts to discuss 2018 IFRS financial results.
February 13, 2019	<b>Increase of Transneft's credit rating by Moody's</b> International rating agency Moody's <a href="#">increased the long-term rating</a> of Transneft from "Baa3" (a "positive" outlook) to "Baa2" ("stable" outlook).
September 27, 2018	<b>NCSP Consolidation</b> Transneft increased its ownership of shares in the NCSP group from 37% to 63%. The transaction was closed through the acquisition of 100% shares in the Novoport Holding joint venture owned on parity terms by Transneft and Summa group, which controlled 50.1% of the NCSP.
August 7, 2018	<b>Full repayment of loans denominated in foreign currencies by PSJC Transneft</b> The loan of the China Development Bank in USD and Eurobonds (USD 1.05 billion) were fully repaid. Thus, Transneft has fully discharged its debts denominated in foreign currencies and significantly reduced currency risks. The remainder of Transneft Group dollar denominated debt is represented by debt of the Novorossiysk Commercial Sea Port (NCSP) in the amount of RUB 71.7 billion as of September 30, 2018, scheduled for repayment by 2023.
June 30, 2018	<b>Dividends for 2017</b> In 2018 Transneft decided on a record dividend payment in the amount of RUB 82.5 billion for 2017 in accordance with the decree of the Federal Agency for State Property Management No. 498-r dated June 30, 2018 (including interim dividends).

## Operational and Financial Indicators (IFRS)

		2017	2018	Change, % 2018 / 2017
Oil transportation volume	million tons	478	480	0.5
Petroleum products transportation volume	million tons	33.1	39.2	18.4
Revenue	RUB billion	884.3	980.0	10.8
Revenue from oil transportation services	RUB billion	631.5	651.9	3.2
Revenue from petroleum products transportation services	RUB billion	66.0	72.2	9.3
Revenue from crude oil sales	RUB billion	150.2	206.4	37.4
Revenue from stevedoring services, additional port services and fleet services	RUB billion	-	14.4	-
Other revenue	RUB billion	36.7	35.1	-4.4
EBITDA*	RUB billion	408.7	433.4	6.1
Profit attributable to shareholders of Transneft	RUB billion	192.0	224.3	16.9

\* Less crude oil sale and purchase operations under contracts with Rosneft and CNPC.

## Transneft's Strategy

The goal of the Strategy is to develop and upgrade the trunk pipeline transportation system of the Russian Federation to fully satisfy the demand for oil and petroleum products transportation both on the domestic market and for export

Transneft's Strategy provides for:

- increasing the throughput capacity of the ESPO-1 (Tayshet – Skovorodino) and ESPO-2 (Skovorodino – Kozmino) pipeline systems to 80 and 50 MMt per year respectively;
- transporting petroleum products from newly connected refineries ;
- reducing accident rate at trunk pipelines to 0.12 accident per 1,000 km of operated pipelines;
- completely precluding discharge of insufficiently treated wastewater;
- maintaining the sulphur content in oil pumped through Transneft's system within the limits prescribed by the rational routing scheme;
- reducing expenses on pipeline construction and operation, maintaining optimal costs of transportation services for clients;
- reducing the use of imports to 3%.

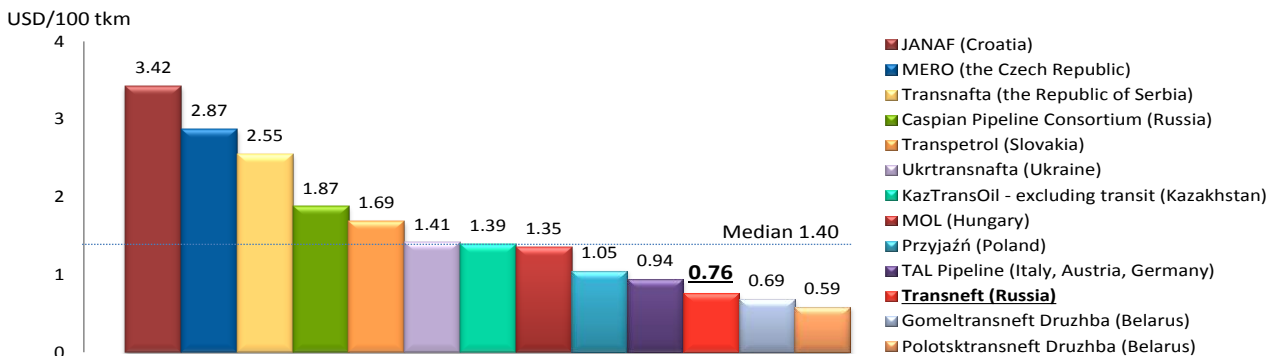
## The NCSP's Strategy

Transneft's Board of Directors plans to approve the NCSP's Strategy in the 1<sup>st</sup> half of 2019.

## Capital Expenditures

Period	New projects, RUB billion	Technical re-equipment and revamping, RUB billion
2017	143.0	185.5
2018	63.8	194.8
2019-2023 (planned)	99.2	1,225.1

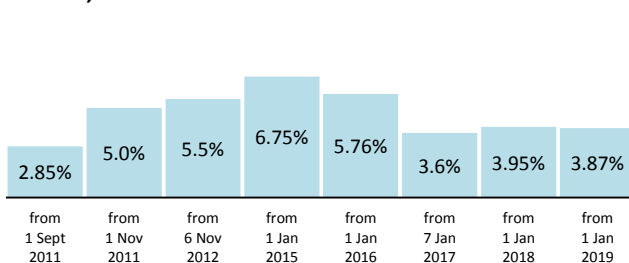
## Average per unit tariff of Transneft compared to foreign peers (as of 31 December 2018)



## Tariff Dynamics

- The tariffs for Transneft oil transportation are set on the territory of Russia by the state regulatory authority - the Federal Antimonopoly Service (FAS).
- The Company annually submits to the state regulator information about its upcoming expenses and investment program for determining tariffs for the next year
- In accordance with Transneft's Strategy, the growth of tariffs for oil transportation shall not exceed the rate of inflation in Russian Federation

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



\* Tariff growth rates denominated in roubles

Source: FAS of Russia

## Shares

- Only preferred shares (1,554,875) are traded on the stock market, while ordinary shares (5,694,468) are 100% owned by the Russian Government
- Preferred shares of Transneft are included in the tier 1 list of the Moscow Exchange
- In accordance with Transneft's Articles of Association (paragraph 8.2, as amended on April 6, 2017), owners of preferred shares are paid 10% of RAS net profit annually. However, the amount of dividends paid per 1 preferred share may not be less than the amount of dividends paid per 1 ordinary share

## Transneft share price history and trading volume, preferred shares, Moscow Exchange

