

29-Jan-2018 / 13:00 CET/CEST

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Press-release

NCSP Volumes for 2017 totaled 143.5 million tons

29.01.2018

NCSP Group (LSE: NCSP, MOEX: NMTP) hereby reports that Group's consolidated cargo turnover for the twelve months of 2017 totaled 143 517 thousand tons.

Aggregated increase in transshipment of all cargoes totaled 5 983 thousand tons, including 4 527 thousand tons of grain, 620 thousand tons of containers, 248 thousand tons of seed oils, 247 thousand tons of coal, 218 thousand tons of perishable cargo, 111 thousand tons of ferrous metals, and 11 thousand tons of other cargo.

Aggregated decrease in transshipment of all cargoes totaled 9 378 thousand tons, including 6 367 thousand tons of crude oil, 1 389 thousand tons of oil products, 834 thousand tons of ferrous metals and pig iron, 235 thousand tons of iron ore and ore concentrate, 167 thousand tons of timber, 150 thousand tons of raw sugar, 120 thousand tons of UAN liquid fertilizer, and 116 thousand tons of bulk fertilizers and sulphur (chemical cargoes).

Consequently Group's volumes in 2017 reduced by 3 395 thousand tons or 2.3% year-on-year.

Transshipment of liquid cargo in 2017 reduced by 7 628 thousand tons or 6.7 % year-on-year and totaled 106 066 thousand tons, including 74 750 thousand tons of crude oil, 30 300 thousand tons of oil products, 596 thousand tons of UAN, and 420 thousand tons of seed oils.

Volumes of crude oil and oil products reduced 7.8% and 4.4% year-on-year respectively. While transshipment of crude oil at Novorossiysk grew by 0.9% year-on-year to 30 708 thousand tons, at Primorsk it reduced by 13.1% year-on-year to 44 041 thousand tons.

Transshipment of oil products at Novorossiysk fell by 1 202 thousand tons or 6.7% year-on-year to 16 699 thousand tons, while at Primorsk the drop was 1.4% percent - to 13 600 thousand tons.

Total transshipment of oil products at Russian seaports in 2017 grew only 0.5% year-on-year thanks to increase of shipments from Tuapse refinery via the port of Tuapse, and from Anitipinsk and Maryisk refineries via a proprietary terminal in Murmansk.

Transshipment of UAN liquid fertilizer reduced 16.7% year on-year, while volumes of seed oils grew 144.3% year-on-year.

Transshipment of bulk cargo in 2017 increased by 4 273 thousand tons or 33.1% year-on-year and reached 17 181 thousand tons.

Grain volumes in the reporting period showed record breaking growth of 4 527 thousand tons or 67.7% year-on-year thanks to favorable market conditions and abundant harvest of 2017.

Transshipment of grain at NCSP Group in 2017 grew at a rate twice as fast, as the industry's average growth, which only amounted to 34.7% year-on-year, according to ASOP.

NCSP Group has also set another record in 2017 and reached an all-times high in grain transshipment with 11 214 thousand tons of annual volume, which exceeded the previous 9 074 thousand tons record set in 2009 by 2140 thousand tons or 23.6%.

Transshipment of coal in 2017 increased by 247 thousand tons or 14.1% year-on-year and reached 1 994 thousand tons.

Transshipment of iron ore and ore concentrate in 2017 reduced by 235 thousand tons or 7.9% year-on-year and totaled 2 752 thousand tons, due to factors like growing domestic demand, increase of exports to China and a drop in sales to Turkey, as well as rerouting some of the cargo to Eastern Europe and to alternative shipping routes partly due to shortage of railroad capacity in the second half of the year.

Volumes of raw sugar and chemical cargo in 2017 reduced 13.8 % and 23.1 % year-on-year down to 722 and 500 thousand tons respectively. Drop in raw sugar transshipment stems from spike in domestic sugar-beet production and cuts in transit shipments as they became too expensive.

Transshipment of general cargo in 2017 reduced by 671 thousand tons or 4.6% year-on-year and totaled 13 843 thousand tons.

Volumes of ferrous metals and pig iron in 2017 reduced by 834 thousand tons or 6.5 % year-on-year to 11 923 thousand tons. Most exporters, including Metalloinvest and EVRAZ, reduced shipment due to weak global demand and growing domestic consumption.

Volumes of timber reduced 28.7% year-on-year to 413 thousand tons.

Transshipment of non-ferrous metals increased by 111 thousand tons or 10.1% year-on-year and reached 1 216 thousand tons.

Volumes of perishable cargo increased almost fourfold by 218 thousand tons and reached 291 thousand tons thanks to resumed import of fresh fruits and vegetables from Turkey.

Transshipment of containers in 2017 increased 23.2% year-on-year in TEU and reached 596 thousand TEU or 5 952 thousand tons. NCSP Group's container traffic in 2017 was growing 7.7 percent points ahead of the industry, while total transshipment of containers at Russian ports increased 15.5% year-on-year in TEU according to ASOP.

Container traffic at BSC was growing even faster by 56% year-on-year in TEU thanks to increased supplies to the auto-assembly plants in Kaliningrad region.

Transshipment of other cargo in 2017 totaled 476 thousand tons.

NCSP Group Cargo Turnover for January-December 2017 (thousand tons)

	12M 2017	12M 2016	Change	Change %
Cargo turnover, total	143 517.1	146 912.3	-3 395.1	-2.3%

Liquid cargo, total	106 065.6	113 693.5	-7 627.8	-6.7%
Crude oil	74 749.6	81 117.0	-6 367.4	-7.8%
Oil products	30 299.6	31 688.7	-1 389.1	-4.4%
UAN	596.0	715.7	-119.7	-16.7%
Seed oils	420.5	172.1	248.4	144.3%
Bulk cargo, total	17 181.2	12 908.3	4 272.9	33.1%
Grain	11 214.3	6 687.0	4 527.3	67.7%
Chemical cargo*	721.8	837.5	-115.7	-13.8%
Sugar	499.8	650.1	-150.3	-23.1%
Iron ore and ore concentrate	2 751.7	2 986.8	-235.1	-7.9%
Coal	1 993.7	1 746.9	246.8	14.1%
General cargo, total	13 842.6	14 513.6	-671.1	-4.6%
Ferrous metals	11 922.6	12 756.7	-834.1	-6.5%
Timber	413.0	579.6	-166.6	-28.7%
Timber (thsnd cubic meters)	750.0	1 049.9	-299.9	-28.6%
Non-ferrous metals	1 215.7	1 104.3	111.4	10.1%
Perishable cargo	291.2	73.1	218.1	298.5%
Containers	5 952.0	5 332.3	619.7	11.6%
Containers (thousand TEU)	596.0	483.6	112.4	23.2%
Other cargo	475.7	464.6	11.1	2.4%

About NCSP Group

NCSP Group is the largest port operator in Russia and the third largest in Europe by cargo turnover in 2016. NCSP Group is traded on Moscow Exchange (NMTP) and London Stock Exchange as GDRs (NCSP). NCSP Group volumes in 2016 totaled 147 million tons. NCSP Group consists of: PJSC Novorossiysk Commercial Sea Port, Primorsk Trade Port LLC, Novorossiysk Grain Terminal LLC, OJSC Novorossiysk Ship Repair Yard, JSC NCSP Fleet, JSC NLE, OJSC IPP, Baltic Stevedore Company LLC, JSC SFP.

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ISIN: US67011U2087

Category Code: TST

TIDM: NCSP

Sequence No.: 5147

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