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Press Release

NCSP Group's cargo turnover for January-November 2018 totaled 127,283 thousand tons

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NCSP Group (LSE: NCSP, MOEX: NMTP) hereby reports that NCSP Group's consolidated cargo turnover for January-November 2018 decreased by 3.1% compared to the same period last year and amounted to 127,283 thousand tons.

Main drivers

- Growth trends in transshipment of oil products and grain remained positive (+11.4% and +16.5%, respectively);
- Cargo turnover of ferrous metals and cast iron increased (+12.6%) due to the increase in deliveries to Europe and Southeast Asia.
- Crude oil transshipment decreased by 13.8% due to redistribution of volumes from Western to Eastern direction;

Liquid cargo

In January-November 2018, transshipment of liquid cargo at NCSP Group's terminals decreased by 6.6% or 6,427 thousand tons and amounted to 91,127 thousand tons, including 59,794 thousand tons of crude oil, 30,367 thousand tons of oil products, 711 thousand tons of UAN (solution of urea and ammonium nitrate), and 255 thousand tons of seed oils.

On November 23, PJSC Transneft has shipped its billionth ton of liquid hydrocarbons (oil and diesel fuel) for export through the Primorsk port since the first tanker shipment in 2001. The billionth, anniversary, ton of oil was shipped to the Mastera tanker, heading to the Porvoo port (Finland).

As of November 23, since the beginning of the operation of the Primorsk port the amount of shipped oil amounted to 901.2 million tons (9,099 tankers). The amount of diesel fuel was 98.8 million tons (3,361 tankers). Thus, the total amount of tankers was 12,460, which means that 1.0 billion tons of oil and oil products have been shipped.

In November, the first shipment of vegetable oils for export through LLC IPP took place.

In 2019 it is planned to reach the transshipment capacity of vegetable oils at the terminal of LLC IPP of 0.6 - 0.7 million tons per year. With the growth of market demand, transshipment capacity may be increased to 1 - 1.5 million tons per year in 2020.

NCSP Group's structure of liquid cargo turnover for January-November

2018/2017 Crude oil transshipment decreased by 13.8% or 9,553 thousand tons, including by 12.2% in Novorossiysk and by 14.9% in Primorsk. At the same time, transshipment of oil products increased by 11.4% or 3,120 thousand tons, which is 7.8 p.p. higher than the industry growth rate (according to Association of Commercial Sea Ports (ASOP)).

Transshipment volumes of liquid fertilizers (UAN) increased by 25.2%, transshipment of seed oils, on the contrary, decreased by 35.0% compared to the same period in 2017.

Bulk cargo

In January-November 2018, transshipment of bulk cargo at NCSP Group's terminals increased by 3.7

or 566 thousand tons compared to the same period last year and reached 15,949 thousand tons.

NCSP Group's structure of bulk cargo turnover for January-November 2018/2017

Bulk cargo turnover increased mainly due to the growth of grain transshipment volumes against the background of high yield in the last grain season (2017/2018) and record exports in the beginning of the new season (2018/2019).

Grain transshipment increased by 16.5% or 1,647 thousand tons, to 11,632 thousand tons. The volume of iron ore raw materials transshipment decreased by 7.6% to 2,225 thousand tons. Coal transshipment decreased by 27% or 494 thousand tons to 1,365 thousand tons due to lower purchasing power of consumers in Turkey amid ongoing devaluation of Turkish lira. Russian coal is replaced with coal of lower quality and cost or with petroleum coke.

Transshipment volumes of chemical goods and raw sugar amounted to 530 and 197 thousand tons, respectively.

General cargo

In January-November 2018, transshipment of general cargo at NCSP Group's terminals increased by 7.9% or 997 thousand tons and amounted to 13,660 thousand tons.

Increase in general cargo transshipment was mainly due to the growth in cast iron transshipment related to active sales to EU countries and the expansion of sales markets (deliveries to Southeast Asia). Transshipment of ferrous metals and cast iron increased by 12.6% or 1,376 thousand tons to 12,313 thousand tons.

Transshipment of nonferrous metals, timber and perishable cargo amounted to 888 thousand tons, 278 thousand tons and 180 thousand tons, respectively.

Container turnover

NCSP Group's container transshipment volume amounted to 5,570 thousand tons or 559 thousand TEU in the reporting period, which is 3.2% in tons and 4.2% in TEU higher compared to the same period in 2017.

Other cargo

In January-November 2018, transshipment of other cargo at NCSP Group's terminals amounted to 978 thousand tons, increasing 2.4 times due to the involvement of various cargo to the transshipment, which is mainly cargo shipped in big bags and special containers at the direct option.

NCSP Group's cargo turnover for January-November 2018/2017 (thousand tons)

	January-November		Change	
	2018	2017	thousand tons	%
Cargo turnover, total	127,283	131,402	-4,118	-3.1%
Liquid bulk cargo, total	91,127	97,554	-6,427	-6.6%
Crude oil	59,794	69,347	-9,553	-13.8%
Oil products	30,367	27,247	3,120	11.4%
UAN	711	568	143	25.2%
Seed oils	255	392	-137	-35.0%
Bulk cargo, total	15,949	15,383	566	3.7%
Grain	11,632	9,985	1,647	16.5%
Chemical cargo	530	679	-149	-22.0%
Sugar	197	452	-255	-56.4%
Iron ore raw materials	2,225	2,408	-183	-7.6%
Coal	1,365	1,859	-494	-26.6%
General cargo, total	13,660	12,662	997	7.9%
Ferrous metals and cast iron	12,313	10,937	1,376	12.6%
Timber	278	382	-104	-27.3%
Timber (thousand cubic meters)	505	691	-186	-26.9%
Nonferrous metals	888	1,089	-201	-18.4%
Perishable goods	180	254	-74	-29.1%
Containers	5,570	5,395	175	3.2%
Containers	5,570	5,395	175	3.2%
Containers (thousand TEU)	559	536	23	4.2%
Other cargo	978	407	571	140.5%

NCSP Group is the largest port operator in Russia by cargo turnover. PJSC Transneft is the controlling shareholder (62%) of PJSC NSCP.

NCSP Group is traded on Moscow Exchange (NMTP) and London Stock Exchange as GDRs (NCSP).

NCSP Group's cargo turnover totaled 143.5 million tons in 2017. NCSP Group consists of PJSC Novorossiysk Commercial Sea Port (PJSC NCSP), LLC Primorsk Trade Port, LLC Novorossiysk Grain Terminal, JSC Novorossiysk Ship Repair Yard, JSC NCSP Fleet, JSC NLE, LLC IPP, Baltic Stevedore Company LLC (BSC LLC), and JSC SFP.

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