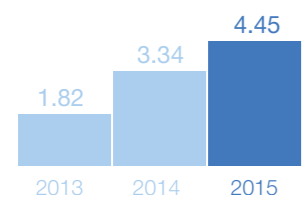
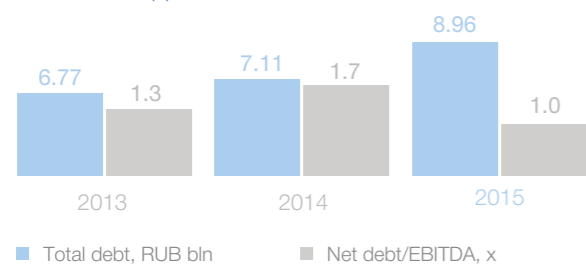


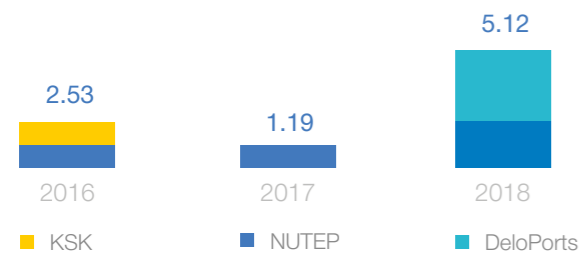
Cash flow from operations,
RUB bln



Debt (RUB bln) and net debt to EBITDA (x)



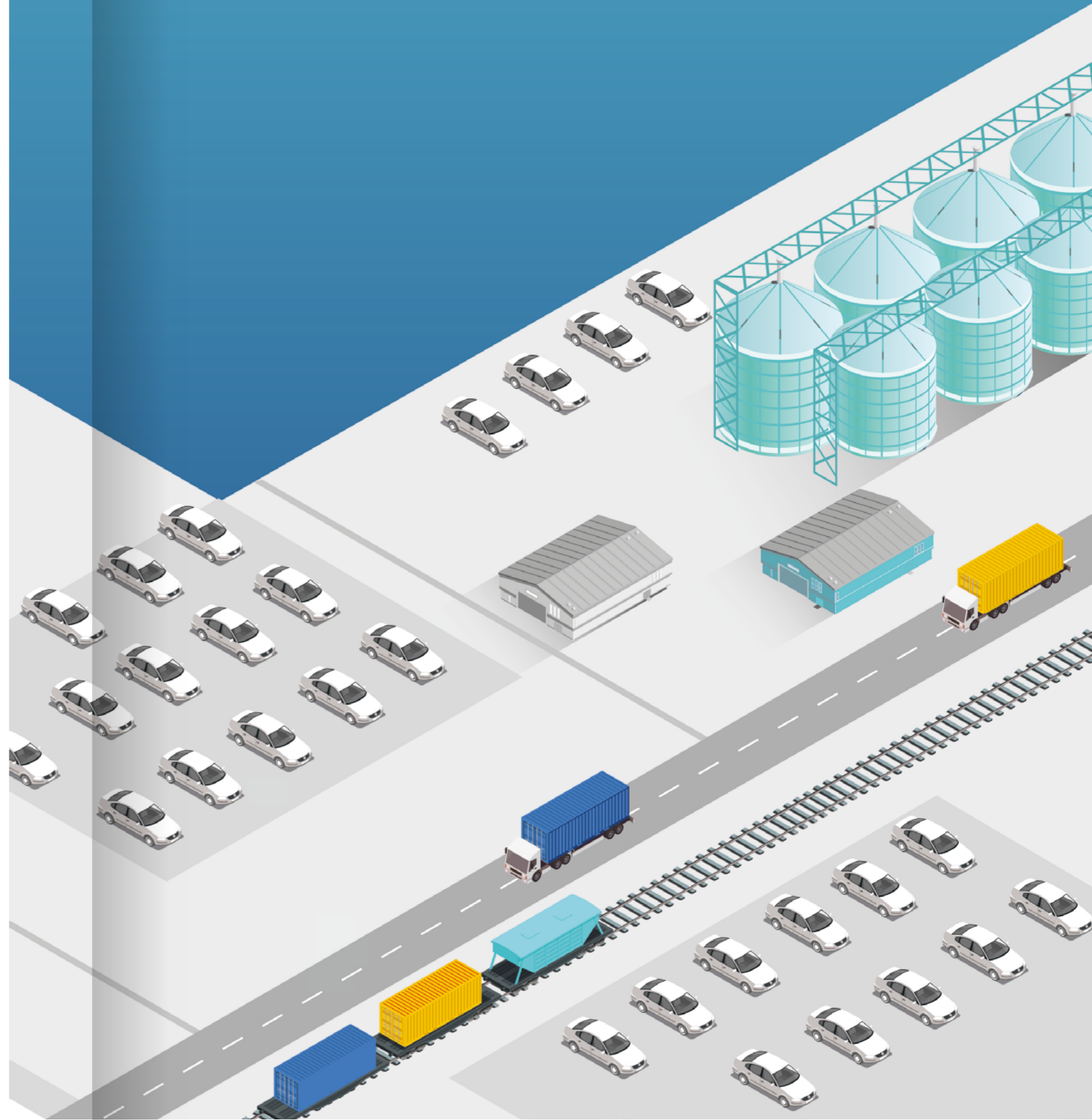
Debt schedule
(except the TOS line), RUB bln



Total debt decreased by USD 39 million in accordance with the repayment schedule under existing bank loans, and rose by RUB 3 billion after the placement of a debut bond issue by the Company in November 2015. The net debt to EBITDA ratio decreased from 1.7x at end-2014 to 1.0x at end-2015, factoring in the cash and deposits that were not distributed as dividends in 2015.

As mentioned, in November 2015, DeloPorts placed a debut bond issue of RUB 3 billion, giving it access to public capital markets and marking an important step in its public track record. In connection with that bond issue, Fitch Ratings assigned the Company a long-term issuer default rating of 'BB-' in November 2015. In February 2016, Standard & Poor's assigned the Company a corporate credit rating of 'B+' with a 'stable' outlook.

CORPORATE GOVERNANCE



The adoption of international best practices contributes to the improved investment profile of DeloPorts and to more transparent decision making.

DeloPorts strives to maintain high standards of corporate governance.

DeloPorts' corporate governance system is based on the following principles:

- Strategic management and effective control of the executive bodies by the Board of Directors
- Ensuring transparency of information and financial results through the timely provision of accurate and complete information to all interested parties in an accessible format
- Compliance with ethical business practices
- Ensuring decent working conditions and social protection for employees
- Equal treatment of all staff members and the recognition and protection of their rights

At present, the Company is developing and implementing internal procedures and an internal Code of Corporate Governance. In addition, it is expected that Regulations on the Board of Directors will be adopted, including a detailed procedure for convening and holding Board of Directors meetings and decision making, a list of the rights and duties of its members, as well as other issues related to the Board of Directors' activities.

By the end of 2016, the plan is to implement procedures required for approving the documents and develop measures to introduce internal procedures across the Company.

The Board of Directors is a key component of the corporate governance system. It consists of professionals with an impeccable business and personal reputation and possess the knowledge, skills and experience needed to make the decisions required for the effective functioning of the Board of Directors within its competence.

In 2015, the Board of Directors held 12 meetings, all of them "in praesentia".

The Board of Directors is supported by three committees whose work is aimed at enhancing the efficiency and quality of its functioning.

The Board of Directors is responsible for the strategic management of the Company, defining basic principles of and approaches to using the risk management and internal control system, monitoring the activities of DeloPorts' executive bodies and performing other key functions, including monitoring compliance with corporate governance procedure and participation in significant corporate events. The Board of Directors plays a key role in ensuring transparency, the timely disclosure of information and the provision of real-time access to the Company's documents.

STRUCTURE

DeloPorts' corporate governance system is an organisational structure that includes the management bodies relying on properly functioning decision-making procedures.

As part of the Group, DeloPorts has several management levels

DeloPorts Board of Directors

Sergey Shishkarev
Chairman of the Board of Directors

Andrey Bubnov
Member of the Board of Directors

Vladimir Bychkov
Member of the Board of Directors

Igor Yakovenko
Member of the Board of Directors

Aleksandr Sinyavsky
Member of the Board of Directors

Subsidiaries' Boards of Directors

NUTEP

Igor Yakovenko
Chairman of the Board

Andrey Bubnov
Alexander Sinyavsky
Alexey Amaev
Yury Matvienko

KSK

Igor Yakovenko
Chairman of the Board

Andrey Bubnov
Alexander Sinyavsky
Yury Matvienko
Ahmet Erturk

Chief Executive Officers of subsidiaries

Yury Matvienko
CEO

Alexey Amaev
CEO

Oleg Nechaev
CEO

NUTEP

KSK

TOS

Functional units

Certain functions have been outsourced to Group holding companies.

Technical directorate

An integrated technical directorate was established using the platform of DeloPorts for effective implementation of investment projects and the procurement process management. The new unit provides services for project approvals, registration and permits documentation, services for organization of tender procedures and interaction with contractors.

Igor Yakovenko
CEO, DeloPorts

Roman Antipov
Technical Director,
DeloPorts

Financial management

Elena Surkova
Deputy CEO for Economics and Finance, DeloPorts

Elena supervises cooperation between financial function heads in DeloPorts, its subsidiaries and in the Group headquarters:

Interaction with banks
Anna Gorskaya
Head of the Treasury Department

Investment analysis of the projects
Rustam Safin
Head of the Investment Department

Relationship with investors and media
Natalya Nurihmatova
Head of Investor and Public Relations

Legal support

Anton Chertkov
Head of Legal, Delo Group

Anton is responsible for corporate and contract support of DeloPorts' business and its subsidiaries relying on the resource and staff of the subsidiaries and in the Group headquarters.

BOARD OF DIRECTORS



Sergey Shishkarev
Chairman of the Board of Directors

Year of birth: 1968

Education: Military Red-Banner Institute of the Ministry of Defence, Russian Presidential Academy of Public Administration

Experience:

Since July 2014, President of Delo Group, a transport and logistics holding company founded by Mr Shishkarev in 1993 and headed by him until 1999.

In 1999-2012, Mr Shishkarev worked in the III and IV State Duma of Russia as a deputy chairman of the State Duma Committee on Foreign Affairs, a deputy chairman of the State Duma Committee on Energy, Transport and Communications, and a chairman of the State Duma Committee on Transport.

Since September 2013, Mr Shishkarev has been a first deputy chairman of the Marine Board under the Russian government and the head of the Presidium of the Marine Board under the Russian government.

Author of over 50 draft laws on transport and infrastructure development.



Andrey Bubnov
Member of the Board of Directors

Year of birth: 1980

Education: Moscow State Institute of International Affairs

Experience:

Joined Delo Group in 2013 as Chief Financial Officer. In 2016, Mr. Bubnov was appointed Managing Director of the Group.

Before joining the Company, Mr Bubnov was involved in a project to transform the Russian Regional Development Bank for Rosneft.

In 2011-12, Mr Bubnov served as a deputy CEO for finance and economics in NMTP, a major port holding. Mr Bubnov was involved in developing a new corporate strategy and was responsible for financial management and relationships with investors.

In 2003-11, Mr Bubnov held various positions at Morgan Stanley in London and Moscow, where his latest position was the head of debt capital markets.

Mr Bubnov has successfully implemented a number of projects, including debt and equity capital raising for major Russian and international companies. He has extensive experience in advising Russian transport companies on capital structure, credit rating assignment and maintenance, and issuance of derivative financial instruments.



Vladimir Bychkov
Member of the Board of Directors

Year of birth: 1968

Education: Finance Academy under the Russian government, Executive MBA Programme of MSU Graduate School of Business Administration

Experience:

Appointed to the position of President of Ruskon in July 2010.

Mr Bychkov has worked at Delo Group since 2000, starting with the position of forwarder. In summer 2010, he became a co-founder of GKS LLC, a corporate centre for containers and logistics at Delo Group.

He is a member of the Expert Advisory Board for Customs Policy under the Russian Federal Customs Service.



Igor Yakovenko
Member of the Board of Directors

Year of birth: 1974

Education: Golitsyn Border Guard Institute of the Federal Security Service of Russia, Finance Academy under the Russian Government

Experience:

Appointed to the position of CEO of DeloPorts LLC in May 2015.

Mr Yakovenko has worked at Delo Group since 2005 and has progressed from a senior expert to CEO of NNK LLC, which was incorporated into the Group's oil business until 2013. In 2013-15, he headed the terminal network of Gazpromneft Marine Bunker in Novorossiysk.

In 2002-05, Mr Yakovenko held various positions at LUKOIL-Black Sea, where he was responsible for business development.



Aleksandr Sinyavsky
Member of the Board of Directors

Year of birth: 1971

Education: Moscow State University

Experience:

Since 2015 Alexander worked at Delo Group as the director for strategic development. In 2011-13, he held the position of CEO of Delo Center.

Before joining the company, Mr Sinyavsky was a partner at PricewaterhouseCoopers, where he was responsible for providing services to Russian transport companies. During his time at PricewaterhouseCoopers in Moscow and London, he gained extensive experience in auditing and advising on financial and investment analysis, financial reporting, corporate governance, IPO preparation and performance, and public debt financing.

BOARD COMMITTEES

The committees under DeloPorts' Board of Directors were set up as independent working bodies with the primary objective of developing and preparing recommendations for the Board of Directors to make decisions on essential issues within their competence. The committees consist of members of the Board of Directors, as well as other people with an impeccable reputation, higher education, experience of the committee's activities, and the required skills and knowledge. They are appointed for membership of a committee on the recommendation of a committee's chairperson.

The committees consider issues to be submitted to the Board of Directors for discussion and develop recommendations on such issues. This ensures the provision of accurate and complete information to members of the Board of Directors for decision making. To this end, the committee members keep in touch with management, the external auditor and other advisors on issues within their competence.

Audit Committee

Sergey Shishkarev
Chairman of the Committee
Andrey Bubnov
Valentina Ermakova

Objective: Ensure the effective operation of the Board of Directors regarding control over DeloPorts' financial and economic activities. Among other things, this includes ensuring the protection of the interests of the Company's members, and ensuring the participation of the Board of Directors in monitoring the Company's activities, including the supervision and control of the preparation and disclosure of accurate financial and other information relating to DeloPorts.

Strategic Planning Committee

Sergey Shishkarev
Chairman of the Committee
Andrey Bubnov
Vladimir Bychkov
Igor Yakovenko

Objective: To assist the Board of Directors in protecting the interests of the Company's members by monitoring strategic development activities; and to develop and submit to the Board of Directors recommendations on DeloPorts' business priorities and a development strategy, to be implemented by the Company's executive bodies, including the elaboration of measures to improve the performance of DeloPorts in the long-term and to increase the value of assets, profitability and investment prospects of the Company. Based on the proposals and recommendations elaborated by the Committee, the Board of Directors reviews and approves key performance results and the primary targets of the Company, its strategy and business plans for its major activities.

Human Resources and Remuneration Committee

Sergey Shishkarev
Chairman of the Committee
Andrey Bubnov
Igor Yakovenko

Objective: To assist the Board of Directors in protecting the interests of the Company's members through evaluating the efficiency of DeloPorts' HR policy, the job assignment system, the amount of remuneration, and the work of executive bodies and other key executives of DeloPorts. The Committee contributes to increased transparency in remuneration practices regarding payments to members of the Board of Directors and executive bodies and other key executives, and to improving the quality of the Company's staff.

INTERACTION WITH THE INVESTMENT COMMUNITY

DeloPorts strives to continuously develop relations with representatives of the financial and investment community based on best practices and improve its investment prospects. The confidence of the investment community is ensured by the timely disclosure of essential information on the

Company's performance and significant corporate events, as well as through initiatives that aim to increase the Company's transparency.

Disclosure of information

DeloPorts' business development is closely linked with the disclosure of information and the provision of real-time access thereto.

In 2015, the Company, as a new issuer, became obliged to disclose information related to the debut offering of its bonds in accordance with Federal Law No. 39-FZ dated 22 April 1996, On the Securities Market, Provision on the Disclosure of Information by the Issuers of Issue-Grade Securities (approved by the Bank of Russia on 30 December 2014, No. 454-P) and other regulations.

Mandatory information is published simultaneously on two websites:

- On the corporate website at <http://www.deloports.ru/pages/investors/information/>, where information and documents are grouped by sections: Issue-related Documents, Internal Documents, Corporate Action Announcements, Quarterly Reports of Issuers; also, this website contains other information that could affect the value of DeloPorts' securities.
- On the internet at <http://www.e-disclosure.ru/portal/company.aspx?id=35359>.

This information is disclosed in compliance with Russian legislation, based on the principles of timeliness, accuracy, completeness and availability of published information.

In addition to mandatory material, DeloPorts discloses information that could affect investors' decisions. The amount of information to be disclosed grows in response to the recommendations and requests received from representatives of the investment community.

The annual report of DeloPorts is published in electronic form on the Company's website, and its hard copy is available on demand.

Credit ratings

	Fitch	Standard&Poor's
Rating	BB-	B+
Outlook	Stable	Stable
Recent publication date	11 November 2015	4 February 2016

In February 2015, the Company was assigned credit ratings from two international rating agencies, Fitch and Standard & Poor's.

In November 2015, Fitch Ratings confirmed a long-term issuer default rating DeloPorts at 'BB-' with a 'stable' outlook.

In February 2016, Standard & Poor's confirmed its corporate credit rating for DeloPorts at 'B+' with a 'stable' outlook.

For information on the Company, please contact: Nurihmatova@delo-group.ru	For legal support, please contact: Gurova@delo-group.ru
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