

FESCO to establish feeder container line operator in Baltic - FESCO ESF Limited

On June 26, 2007 FESCO Transport Group (RTS: FESH/FESHG) and ESF group of companies reached the final agreement to create a joint venture FESCO ESF Limited, where FESCO holds a 70% interest. The new company will own assets of ESF and its affiliates that relate to ESF Euroservices - Baltic feeder services between Continental Europe and Russia.

ESF Euroservices is a feeder line container operator working since 1995 and offering fully integrated container shipping and handling services between ports in the Netherlands, Belgium and Germany on one side and Russia, Finland and Baltic States on the other side. ESF Euroservices currently operates three container lines:

- a. - Rotterdam/Hamburg/Antwerp - St.Petersburg
- b. - Hamburg - Kotka/Helsinki
- c. - Hamburg - Klaipeda/Riga

ESF Euroservices has rep offices in the ports of Rotterdam, Antwerp and St.-Petersburg, as well as a network of agencies in Hamburg, Helsinki, Hull, Riga, Klaipeda, Tallinn to name few. ESF total 2006 container operations volume exceeded 130 thousands TEU.

"The establishment of FESCO ESF Limited is yet another step in the implementation of the Group's strategy to create a national leader in container operations, able to offer a full spectrum of integrated services. By completing this transaction, we made a strategically important entry into the Baltic line container shipping market." - said Evgeny Ambrosov, FESCO President and CEO. In his opinion, ".this, combined with FESCO's access to stevedoring assets in the region and our rail transportation capacity, will allow FESCO to offer its clients an intermodal service "short sea - port - transportation" in the strategically important Baltic region - Russia's main gateway for containerized imports"

ESF Euroservices B.V. is a shortsea container liner operator offering a fully integrated service relating to container transportation and handling:

- a. - Port-Port Shipments
- b. - Feeder & shippers owned container services
- c. - Door-to-Door deliveries

FESCO Transport Group is the largest inter-modal transportation group in Russia, which provides sea, railway and auto transportation of containers and bulk cargo, stevedoring services, icebreaking support and "door-to-door" logistical solutions for Russian and international clients. Founded in 1880 and incorporated in 1992, FESCO combines long-standing traditions of quality and reliability with innovation and sophistication to offer a broad range of tailored solutions to meet the most challenging clients' demand on the modern transportation market. FESCO's shares are listed under the symbol "FESH/FESHG" on the Russian Trading System (RTS).