Globaltrans
Russia's Leading Private Freight Rail Group

For immediate release **12 April 2010**

Globaltrans Full Year 2009 Financial Results Announcement

Globaltrans Investment PLC ("Company" and together with its consolidated subsidiaries "Globaltrans", or the "Group"), (LSE ticker: GLTR) today announces its financial and operational results for the year ended 31 December 2009.

FINANCIAL HIGHLIGHTS

- The Group's business in the Company's functional currency(1) (Roubles) demonstrated a robust performance during 2009. A 28% depreciation of the average exchange rate of the Rouble against the US Dollar in 2009 has significantly affected the results in the Group's presentation currency (US Dollars). In accordance with the Group's accounting policies, the financial results include OOO BaltTransServis for 2008 and 2009.
- Adjusted Revenue increased in Rouble terms by 12% while in US Dollar terms it decreased by 12% from USD 779.4* million in 2008 to USD 685.3* million in 2009.
- Adjusted EBITDA increased in Rouble terms by 5%, and in US Dollar terms it declined by 18% to USD 284.5* million. Adjusted EBITDA, net of transfer and consolidation of BTS, amounted to USD 171.9* million in 2009.
- Adjusted EBITDA Margin remained robust at 42%* in 2009 compared to 44%* in the previous year driven by increase in Empty Run Costs.
- Profit for the year decreased by 15% to USD 121.2 million in 2009 from USD 142.6 million in 2008.
- Net Debt decreased by 20% or by USD 71.7 million to USD 288.9* million in 2009 compared to the previous year. The Net Debt to Adjusted EBITDA ratio remained unchanged at the level of 1.0x* at the end of 2009 compared to the end of 2008.

OPERATIONAL HIGHLIGHTS

- The Group seized opportunities to expand the business through the combination of organic growth and acquisition of OOO BaltTransServis ("BTS"):
  - Total Fleet increased by 38% or 10,250 units to 37,217 units of rolling stock as of the end of 2009;
- The Group's Freight Rail Turnover increased by 3% year on year and amounted to 80.9 billion tonnes-km in 2009, compared to the overall Russian freight rail sector where turnover dropped by 12%(2) over the same period.
- Average Price per Trip in Rouble terms increased by 11% (decrease of 13% in US Dollar terms to USD 716.9*) compared to 2008, primarily driven by increase of Average Price per Trip of BTS.
- Empty Run Ratio for gondola cars averaged at 46% for 2009 compared to 32% in 2008, driven by challenging market conditions.

COMMENT

Commenting on the results Sergey Maltsev, CEO of Globaltrans, said:

"I am pleased to report that, despite hugely challenging conditions in 2009, we were able to trade successfully through the downturn and, indeed, use the opportunity to significantly expand our business through organic growth and acquisition of OOO BaltTransServis.

We were quick to adapt to the new business environment in 2009, taking full advantage of the benefits that running a balanced fleet of railcars give us. This enabled the underlying business to demonstrate a robust performance and meant we were able to increase our market share.

We are seeing sustained recovery in the Russian freight rail transportation market and we are well placed to expand and take advantage of new opportunities as markets recover".

RECENT DEVELOPMENTS

First months of 2010 were characterised by harsher than normal weather conditions negatively affecting the turnover of railcars on the whole network. Overall Russian Freight Rail Turnover grew in the first quarter by 15%(3) compared to the same period of 2009 but still remained below pre-crisis levels of 2008 by 15%(3). Metals and mining together with oil products and oil transportation drove the growth in first quarter, but the construction materials transportation sector remained stagnant.

The Group has taken delivery of 1,982 railcars in the first quarter of 2010, which are expected to be fully operational and to reach full profitability within a few months from delivery. In terms of Empty Run Ratio for gondola cars, in many cases return cargoes are still not available resulting in the ratio remaining broadly at the levels of 2009. Improvement of the Empty Run Ratio for gondola cars is likely to depend on a number of factors: an improvement in scrap metal volumes, a revival of the construction industry, and a better outlook for small and medium enterprise customers. Globaltrans has implemented moderate price increases in the first months of 2010 and expects to implement additional increases upon further revival of the market.

PRESENTATION OF INFORMATION

All financial information presented in this announcement is derived from the consolidated financial statements of Globaltrans Investment PLC for the year ended 31 December 2009 and prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of Cyprus Companies Law, Cap. 113 ("EU IFRS"). Certain financial information which is derived from the management accounts is marked in this announcement with an asterisk {*}.

In accordance with the Group's accounting policies, the acquisition of OOO BaltTransServis has been accounted for as a common control transaction using the predecessor basis of accounting. Under this method financial statement of the acquiree is included in the consolidated financial statements on the assumption that the Group (in such a composition) was in existence for all periods presented (2008 and 2009). Therefore also all operational information reported for years ended 31 December 2008 and 2009 includes operational information for BTS (unless otherwise stated).

The consolidated financial statements are presented in US Dollars, which the Group's management believes to be the most useful for readers of the financial statements. The functional currency of the Company and its Russian subsidiaries is the Rouble. The Estonian Subsidiaries have the Estonian Kroon (EEK) as their functional currency. Due to depreciation of USD/RUR exchange rate, changes in certain measures derived from management accounts are presented in Rouble terms in order to illustrate the dynamics of the underlying business.

To better illustrate the changes in the Group's operational and financial performance during the periods under review, the Group has used the certain non-GAAP measures (not recognised by EU IFRS or IFRS) and certain operational information, which is derived from management accounts and marked in this announcement with capital letters with definitions provided in the end of this announcement.

(1) Defined as the currency of the primary economic environment in which the entity operates.

(2) Overall Russian freight rail turnover for 2009 compared to 2008; Source: Rosstat.

(3) Source: RZD, Rosstat.

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RESULTS IN DETAIL

The following table sets forth the principal components of the Group's consolidated income statement for the years ended 31 December 2009 and 2008.

	Restated 2008 USD mln	2009 USD mln	Change USD mln	Change %
Revenue	1,445.0	1,163.4	(281.6)	-19%
Cost of sales	(1,088.1)	(874.2)	(214.0)	-20%
Gross profit	356.9	289.3	(67.7)	-19%
Selling and marketing costs	(3.1)	(2.2)	(0.9)	-29%
Administrative expenses	(66.6)	(58.8)	(7.9)	-12%
Other gains – net	1.2	0.8	(0.4)	-32%
Operating profit	288.4	229.1	(59.3)	-21%
Finance income	5.4	5.9	0.5	10%
Finance costs	(120.2)	(84.6)	(35.7)	-30%
Finance costs – net	(114.9)	(78.7)	(36.3)	-32%
Share of profit of associates	0.6	0.5	(0.1)	-17%
Profit before income tax	174.0	150.9	(23.2)	-13%
Income tax expense	(31.5)	(29.7)	(1.8)	-6%
Profit for the year	142.6	121.2	(21.4)	-15%
Attributable to:				
Equity holders of the Company	115.6	88.1	(27.6)	-24%
Minority interest	26.9	33.1	6.2	23%
	142.6	121.2	(21.4)	-15%
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in USD per share)	1.04	0.74	-0.3	-29%

Revenue, Adjusted Revenue and Net Revenue from Operation of Rolling Stock

In 2009 the Group's revenue amounted to USD 1,163.4 million, demonstrating a decrease of USD 281.6 million or 19% from USD 1,445.0 million in 2008. This decrease was driven by several factors described in detail below, primarily by depreciation of the Rouble, the Company's functional currency, against the US Dollar.

The following table sets forth revenue, broken down by revenue-generating activity for the years ended 31 December 2009 and 2008.

	2008 USD mln	2009 USD mln	Change USD mln	Change %
Railway transportation – operators services (tariff borne by the Group)	1,024.9	816.0	(208.9)	-20%
Railway transportation – operators services (tariff borne by the client)	337.4	280.6	(56.8)	-17%
Railway transportation - freight forwarding	5.4	0.3	(5.1)	-95%
Operating leasing of rolling stock	67.1	65.4	(1.7)	-3%
Sale of wagons and locomotives	9.7	0.2	(9.5)	-98%
Other	0.5	0.9	0.5	93%
Total revenue	**1,445.0**	**1,163.4**	**(281.6)**	**-19%**

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The principal driver of the Group's revenue is railway transportation – operators services. Other revenues are generated mainly from leasing of rolling stock and from certain ancillary services such as freight forwarding and sale of wagons and locomotives.

Adjusted Revenue

For the purpose of further discussion and analysis of the Group's revenue, a non-GAAP financial measure "Adjusted Revenue" has been introduced which is defined as total revenue less infrastructure and locomotive tariffs: loaded trips. Infrastructure and locomotive tariffs: loaded trips are payments which customers pay to RZD through the Group and which are reflected in equal amounts in the Group's revenue as well as in cost of sales.

The following table sets forth Adjusted Revenue for the years ended 31 December 2009 and 2008 and its reconciliation to revenue.

	2008 USD mln	2009 USD mln	Change USD mln	Change %
Revenue	**1,445.0**	**1,163.4**	**(281.6)**	**-19%**
Minus				
Infrastructure and locomotive tariffs: loaded trip	665.6	478.2	(187.5)	-28%
Adjusted Revenue	**779.4***	**685.3***	**(94.1)**	**-12%**

Adjusted Revenue amounted to USD 685.3* million in 2009, decreasing by USD 94.1 million or 12% compared to USD 779.4* million in the previous year. In Rouble terms Adjusted Revenue increased by 12% in 2009 compared to 2008.

The principal components of Adjusted Revenue include (i) Net Revenue from Operation of Rolling Stock; (ii) revenue from operating leasing of rolling stock; (iii) revenue from railway transportation – freight forwarding; (iv) revenue from the sale of wagons and locomotives; and (v) other revenue. The following table sets forth the breakdown of Adjusted Revenue for the years ended 31 December 2009 and 2008.

	2008 USD mln	2009 USD mln	Change USD mln	Change %
Net Revenue from Operating of Rolling Stock	699.8*	618.5*	(81.3)	-12%
Operating leasing of rolling stock	67.1	65.4	(1.7)	-3%
Railway transportation - freight forwarding	5.4	0.3	(5.1)	-95%
Sale of wagons and locomotives	9.7	0.2	(9.5)	-98%
Other	0.5	0.9	0.5	93%
Adjustment for Estonian subsidiaries(4)	(3.1)*	-	3.1	NM
Adjusted Revenue	**779.4***	**685.3***	**(94.1)**	**-12%**

(4) This adjustment reflects the impact of the consolidation of AS Spacecom and AS Intopex Trans and is associated with freight rail transportation services previously rendered by AS Spacecom and discontinued in the first half of 2008.

Net Revenue from Operation of Rolling Stock

Net Revenue from Operation of Rolling Stock is the major component of Adjusted Revenue and accounted for 90% of it in 2009. Net Revenue from Operation of Rolling Stock is a non-GAAP financial measure characterising the net revenue generated from freight rail transportation and is defined as revenue from railway transportation – operators services less infrastructure and locomotive tariffs: loaded trip.

The following table sets forth Net Revenue from Operation of Rolling Stock for the years ended 31 December 2009 and 2008, and its reconciliation to revenue from railway transportation – operators services.

	2008 USD mln	2009 USD mln	Change USD mln	Change %
Railway transportation – operators services(5)	1,362.3	1,096.6	(265.7)	-20%
Minus				
Infrastructure and locomotive tariffs: loaded trip	665.6	478.2	(187.5)	-28%
Adjustment for Estonian subsdiaries(6)	(3.1)*	-	3.1	NM
Net Revenue from Operation of Rolling Stock	**699.8***	**618.5***	**(81.3)**	**-12%**

(5) Sum of the following line items: "railway transportation – operators services (tariff borne by the Group)" and "railway transportation – operators services (tariff borne by the client)".

(6) This adjustment reflects the impact of the consolidation of AS Spacecom and AS Intopex Trans and is associated with freight rail transportation services previously rendered by AS Spacecom and discontinued in the first half of 2008.

In 2009 Net Revenue from Operation of Rolling Stock amounted to USD 618.5* million, a decrease of USD 81.3 million or 12% compared to USD 699.8* million in the previous year. In Rouble terms Net Revenue from Operation of Rolling Stock increased by 13% in 2009 compared to 2008. Such an increase was primarily driven by the following factors:

- Average Price per Trip increased in Rouble terms by 11% year on year while in US Dollar terms it declined by 13% to USD 716.9* in 2009 from USD 828.1* in 2008. The average distance of loaded trip increased at the same time by 2%. Average Price per Trip of the Group excluding BTS was broadly flat in Rouble terms; the respective increase in the consolidated figure was driven by BTS's performance. Increase of the Average Price per Trip of BTS resulted from implementation of RZD price increases, change of route configuration comprising more internal traffic and an increase in the volume of freight transported with the use of the Group's own locomotives.
- Average Number of Rolling Stock Operated increased year on year by 2% or 609 units, amounting to 28,406 units of rolling stock in 2009.
- Average Number of Loaded Trips per Railcar was broadly flat year on year, with 30.4 trips in 2009.

Transfer and consolidation of BTS contributed USD 290.7* million to Net Revenue from Operation of Rolling Stock compared to USD 265.8* million contributed in 2008, demonstrating a year on year growth of 9%.

Revenue from operating leasing of rolling stock

Revenue from operating leasing of rolling stock, which accounted for 10% of Adjusted Revenue in 2009, amounted to USD 65.4 million in 2009, demonstrating a decrease of USD 1.7 million or 3% on the previous year. This result was primarily driven by the strong performance of AS Spacecom and AS Intopex Trans whose US Dollar-denominated revenues from the leasing of rail tank cars demonstrated a good degree of resilience to the economic downturn.

Railway transportation – freight forwarding, sale of wagons and locomotives and other revenue

Revenue from railway transportation – freight forwarding, which is a non-core business for the Group, decreased in 2009 by USD 5.1 million to USD 0.3 million, reflecting limited market opportunities.

Revenue from the sale of wagons and locomotives, which is an additional non-core business for the Group(7), contributed USD 9.7 million to the Group's revenue in 2008, but in 2009 it had a minimal impact because no attractive opportunities arose.

(7) In the year ended 31 December 2008 the Group took advantage of its strong purchasing power with rolling stock manufacturers to purchase rolling stock in excess of its current needs with subsequent resale to the third parties. In the future the Group does not expect to engage in significant resales of rolling stock on an ongoing basis, although it may consider engaging in such resales on an opportunistic basis from time to time.

Cost of sales, selling and marketing costs and administrative expenses

In 2009 the Group's total cost of sales, selling and marketing costs and administrative expenses amounted to USD 935.1 million, demonstrating a decrease of USD 222.7 million or 19% compared to USD 1,157.8 million in the previous year.

The following table sets forth a breakdown of cost of sales, selling and marketing costs and administrative expenses for the years ended 31 December 2009 and 2008.

	2008 USD mln	2009 USD mln	Change USD mln	Change %
Cost of sales	1,088.1	874.2	(214.0)	-20%
Selling and marketing costs	3.1	2.2	(0.9)	-29%
Administrative expenses	66.6	58.8	(7.9)	-12%
Total cost of sales, selling and marketing costs and administrative expenses	**1,157.8**	**935.1**	**(222.7)**	**-19%**

For the purpose of better presenting the dynamics and nature of the Group's cost base, the line items of total cost of sales, selling and marketing costs and administrative expenses have been regrouped as presented below.

	2009 % of total	2008 USD mln	2009 USD mln	Change USD mln	Change %
Infrastructure and locomotive tariffs: loaded trips	**51%**	**665.6**	**478.2**	**(187.5)**	**-28%**
Operating Cash Costs	**43%**	**432.5***	**399.4***	**(33.1)**	**-8%**
Empty Run Costs		150.3*	167.9*	17.6	12%
Repairs and maintenance		84.2	62.2	(21.9)	-26%
Operating lease rentals - rolling stock		44.3	38.8	(5.5)	-12%
Employee benefit expense		38.5	34.7	(3.8)	-10%
Other Tariffs and Services Provided by Other Transportation Organizations		17.6*	27.3*	9.8	56%
Fuel and spare parts - locomotives		29.3	17.0	(12.3)	-42%
Engagement of locomotive crews		11.8	10.1	(1.7)	-15%
Legal, consulting and other professional fees		9.9	6.6	(3.3)	-33%
Other Operating Cash Costs		46.5*	34.6*	(11.9)	-26%
Operating Non-Cash Costs	**6%**	**59.7***	**57.6***	**(2.1)**	**-3%**
Depreciation of property, plant and equipment		60.6	53.2	(7.4)	-12%
Amortisation of intangible assets		-	0.01	0.0	NM
Impairment charge for receivables		1.7	1.4	(0.3)	-17%
Loss/(gain) on sale of property, plant and equipment		(2.6)	1.7	4.3	164%
Impairment charge for property, plant and equipment		-	1.3	1.3	NM
Total cost of sales, selling and marketing costs and administrative expenses	**100%**	**1,157.8**	**935.1**	**(222.7)**	**-19%**

Infrastructure and locomotive tariffs: loaded trip

Infrastructure and locomotive tariffs: loaded trip is in principle a "pass-through" cost item for the Group and is reflected in equal amounts in the Group's revenue, as well as in cost of sales. Infrastructure and locomotive tariffs: loaded trip decreased by USD 187.5 million or 28% from USD 665.6 million in 2008 to USD 478.2 million in 2009. This decrease was driven primarily by depreciation of the Rouble against the US Dollar in the period under review.

Operating Cash Costs

Operating Cash Costs (a non-GAAP financial measure) include cost items of cost of sales as well as selling and marketing costs and administrative expenses payable in cash. The Group's Operating Cash Costs amounted to USD 399.4* million in 2009, demonstrating a decrease of USD 33.1 million or 8% from USD 432.5* million in the previous year.

In Rouble terms Operating Cash Costs increased by 18% in 2009, driven primarily by an increase in Empty Run Costs. Operating Cash Costs excluding Empty Run Costs increased by only 5% in Rouble terms in the same period.

The following table sets forth a breakdown of Operating Cash Costs for the years ended 31 December 2009 and 2008.

	2009 % of total	2008 USD mln	2009 USD mln	Change USD mln	Change %
Empty Run Costs	42%	150.3*	167.9*	17.6	12%
Repairs and maintenance	16%	84.2	62.2	(21.9)	-26%
Operating lease rentals - rolling stock	10%	44.3	38.8	(5.5)	-12%
Employee benefit expense	9%	38.5	34.7	(3.8)	-10%
Other Tariffs and Services Provided by Other Transportation Organisations	7%	17.6*	27.3*	9.8	56%
Fuel and spare parts - locomotives	4%	29.3	17.0	(12.3)	-42%
Engagement of locomotive crews	3%	11.8	10.1	(1.7)	-15%
Legal, consulting and other professional fees	2%	9.9	6.6	(3.3)	-33%
Other Operating Cash Costs	9%	46.5*	34.6*	(11.9)	-26%
Operating Cash Costs	**100%**	**432.5***	**399.4***	**(33.1)**	**-8%**

Empty Run Costs

Empty Run Costs (a non-GAAP financial measure) accounted for 42% of Operating Cash Costs in 2009. Empty Run Costs amounted to USD 167.9* million in 2009, posting an increase of USD 17.6 million or 12% compared to 2008. In Rouble terms Empty Run Costs increased by 43%, primarily driven by the following factors:

- Increase of Freight Rail Turnover of the Group;
- An increase in RZD regulated infrastructure and locomotive tariffs by 10.6%(8) in 2009 resulting in increased charges for the traction of empty railcars;
- Growth in the Empty Run Ratio for gondola cars from 32% in 2008 to 46% in 2009;
- An increase in the Share of Empty Run Kilometres Paid by Globaltrans from 80% in 2008 to 83% in 2009;
- A change in cargo mix along with transporting more metallurgical cargoes.

(8) According to Rosstat; comparing December of 2009 to December 2008.

Increased Empty Runs for gondola cars in 2009 were largely a consequence of the changed macroeconomic situation in Russia which led to reduced opportunities for sourcing return cargoes including:

- reduced capacity utilisation of steel mills resulting in a sharp decrease in inbound traffic (especially the shipment of scrap metal and iron ore);
- a decline in construction activity with lower transportation volumes for various construction materials;
- decreased imports to Russia which limited inbound traffic opportunities from ports; and
- deterioration in the financial standing of small and medium enterprises which became unable to make advanced payments (frequently a feature of the Group's payment terms).

The Empty Run Ratio for gondola cars improved in the second half of 2009 driven by the rebound of the economy.

Repairs and maintenance

Repairs and maintenance accounted for 16% of Operating Cash Costs in 2009. Repairs and maintenance costs amounted to USD 62.2 million in 2009, demonstrating a decrease of USD 21.9 million or 26% compared to USD 84.2 million in 2008. In Rouble terms, repairs and maintenance costs demonstrated a 6% year on year decrease. These cost reductions were largely attributable to the cost saving initiative to transfer rolling stock to a mileage-based repairs system. By basing the repair schedule on mileage the Group has more current repairs but fewer scheduled repairs, producing cost savings in maintenance without compromising the safety of operations. Approximately 68% of the Owned Fleet has been successfully transferred to the mileage-based repairs and maintenance schedule as of the end of 2009.

Operating lease rentals – rolling stock

Operating lease rentals – rolling stock costs amounted to USD 38.8 million in 2009, down by USD 5.5 million or 12% compared to USD 44.3 million in the previous year. In Rouble terms this cost item increased by 12%, primarily due to the growth in the number of rolling stock leased-in under operating leases by 373 units to 4,833 units of rolling stock as of the end of 2009.

Employee benefit expense

Employee benefit expense decreased by USD 3.8 million or 10% from USD 38.5 million in 2008 to USD 34.7 million in 2009, while in Rouble terms this cost item increased by 15%, driven primarily by the growth in the average number of employees by 11% (resulting from repair depot acquisition by BTS in August 2008) combined with higher incentive payments.

Other Tariffs and Services Provided by Other Transportation Organizations

Other Tariffs and Services Provided by Other Transportation Organizations (a non-GAAP financial measure), which is presented as part of the ''empty run trips, other tariffs and services provided by other transportation organisations'' component of cost of sales reported under EU IFRS, increased in 2009 by USD 9.8 million or 56% to USD 27.3* million compared to USD 17.6* million in the previous year. This was primarily driven by the following:

- An increase in costs associated with relocation of railcars to repair depots and from repair depots due to (i) arbitrage opportunities in prices for repair services in different regions; (ii) increased number of current repairs.
- An increase in costs associated with relocation of leased-in rolling stock (taking railcars to lease and giving back from lease).

Fuel and spare parts – locomotive

Fuel and spare parts – locomotive expenses amounted to USD 17.0 million in 2009, a decrease of USD 12.3 million or 42% compared to the previous year. This decrease was primarily a result of depreciation of the Rouble against the US dollar along with savings from a decline in fuel prices.

Engagement of locomotive crews

Costs related to the engagement of locomotive crews from RZD decreased in US Dollar terms by USD 1.7 million or 15% from USD 11.8 million in 2008 to USD 10.1 million in 2009. In Rouble terms this cost item increased by 9%, reflecting RZD's price increases for these services.

Legal, consulting and other professional fees

Legal, consulting and other professional fees decreased by USD 3.3 million or 33% to USD 6.6 million in 2009 compared to USD 9.9 million in the previous year. In 2008 legal, consulting and other professional fees had included expenses associated with the listing and initial public offering of GDRs of Globaltrans. In 2009 this cost item included expenses associated with the follow-on public offering of GDRs of Globaltrans.

Other Operating Cash Costs

Other Operating Cash Costs (a non-GAAP financial measure), which include "operating lease rentals – office", "auditors' remuneration", "advertising and promotion", "communication costs", "information services", "taxes (other than income tax and value added taxes)", "cost of wagons and locomotives sold in trading transactions (not part of property, plant and equipment)" and "other expenses", decreased by USD 11.9 million or 26% from USD 46.5* million in 2008 to USD 34.6* million in 2009. This decrease was driven principally by a decrease in the cost of wagons and locomotives sold in trading transactions (not part of property, plant and equipment) by USD 8.8 million from USD 9.0 million in 2008 to USD 0.2 million in 2009, because only minimal rolling stock sales took place in 2009.

Operating Non-Cash Costs

Operating Non-Cash Costs (a non-GAAP financial measure) amounted to USD 57.6* million in 2009, posting a decrease of USD 2.1 million or 3% compared to the previous year. The main non-cash expense item – "depreciation of property plant and equipment" decreased in 2009 by USD 7.4 million or 12% from USD 60.6 million in 2008 to USD 53.2 million in 2009. In Rouble terms, depreciation of property plant and equipment increased by 12% reflecting an increase in the number of Owned Fleet in the period under review accounted in Roubles.

Other gains – net

Other gains – net decreased by USD 0.4 million or 32% to USD 0.8 million, reflecting mostly a decrease in recognized deferred gains.

Operating profit

The Group's operating profit decreased by USD 59.3 million or 21% to USD 229.1 million in 2009, as a result of the factors described above.

EBITDA and Adjusted EBITDA (non-GAAP financial measures)

EBITDA decreased by USD 27.9 million or 10% in 2009 to USD 261.6* million compared to the previous year. Adjusted EBITDA amounted to USD 284.5* million, posting a decrease of USD 60.7 million or 18% compared to the previous year. The difference between EBITDA and Adjusted EBITDA arises mostly from net foreign exchange losses on financing activities eliminated from Adjusted EBITDA. In Rouble terms Adjusted EBITDA increased by 5% reflecting a robust performance of underlying business along with the factors described above.

Adjusted EBITDA of Globaltrans, net of transfer and consolidation of BTS amounted to USD 171.9* million in 2009.

The following table sets forth EBITDA and Adjusted EBITDA for the years ended 31 December 2009 and 2008, and its reconciliation to profit for the year.

	Restated **2008 USD mln**	**2009 USD mln**	**Change USD mln**	**Change %**
Profit for the year	142.6	121.2	(21.4)	-15%
Plus (Minus)				
Income tax expense	31.5	29.7	(1.8)	-6%
Finance costs - net	114.9	78.7	(36.2)	-32%
Net foreign exchange transaction (losses)/gains on financing activities	(60.0)	(21.1)	(38.9)	-65%
Amortisation of intangible assets	-	0.0[(9)]	0.0	NM
Depreciation of property, plant and equipment	60.6	53.2	(7.4)	-12%
EBITDA	**289.5***	**261.6***	**(27.9)**	**-10%**
Minus (Plus)				
Net foreign exchange transaction (losses)/gains on financing activities	(60.0)	(21.1)	(38.9)	-65%
Share of profit of associates	0.6	0.5	(0.1)	-17%
Other gains – net	1.2	0.8	(0.4)	-32%
(Loss)/gain on sale of property, plant and equipment	2.6	(1.7)	(4.3)	-164%
Impairment charge for property, plant and equipment	-	(1.3)	(1.3)	NM
Adjusted EBITDA	**345.2***	**284.5***	**(60.7)**	**-18%**

(9) USD 14,000.

Finance income

Finance income increased by USD 0.5 million or 10% to USD 5.9 million in 2009 compared to the previous year. This increase was primarily due to an increase in interest income from finance leases-third parties of USD 1.9 million in 2009 compared to 2008, driven by the Group leasing out hopper cars under finance leases.

Finance costs

The following table sets forth a breakdown of finance costs for the years ended 31 December 2009 and 2008.

	Restated 2008 USD mln	2009 USD mln	Change USD mln	Change %
Interest expense:				
Bank borrowings	(20.5)	(20.2)	(0.3)	-1%
Finance leases	(29.8)	(21.5)	(8.3)	-28%
Loans from:				
Related parties	(5.2)	(0.6)	(4.5)	-88%
Third parties	(0.5)	(0.3)	(0.3)	-48%
Other interest - related parties	-	(4.7)	4.7	NM
Other finance costs	-	(0.1)	0.1	NM
Total interest expense	(56.0)	(47.5)	(8.5)	-15%
Net foreign exchange transaction (losses)/gains on financing activities	(60.0)	(21.1)	(38.9)	-65%
Loss on exchange of financial liabilities	-	(8.5)	8.5	NM
Distribution to minority participants in redeemable shares	(4.2)	(7.5)	3.2	77%
Finance costs	**(120.2)**	**(84.6)**	**(35.7)**	**-30%**

Finance costs decreased by USD 35.7 million or 30% from USD 120.2 million in 2008 to USD 84.6 million in 2009. The decrease in finance costs was chiefly due to a decrease in net foreign exchange transaction losses on financing activities from USD 60.0 million in 2008 to USD 21.1 million in 2009 driven by slowed pace of depreciation of the Rouble against the US Dollar in 2009 compared to 2008, as well as by decrease of the share of US Dollar-denominated borrowings from 88%* at the end of 2008 to 64%* at the end of 2009.

Total interest expense decreased by USD 8.5 million or 15% from USD 56.0 million in 2008 to USD 47.5 million in 2009, driven by a smaller loan and financial lease portfolio and a decrease in the weighted average effective interest rate from 10.24%* as of the end of 2008 to 9.04%* as of the end of 2009.

Share of profit of associates

The share of profit of associates decreased by USD 0.1 million or 17% from USD 0.6 million in 2008 to USD 0.5 million in 2009, reflecting the Group’s share of its associates’ post-acquisition profits.

Profit before income tax

Profit before income tax decreased by USD 23.2 million or 13%, from USD 174.0 million in 2008 to USD 150.9 million in 2009. This decrease was primarily due to a decrease in operating profit by USD 59.3 million along with a decrease in finance cost of USD 35.7 million.

Income tax expense

Income tax expense decreased by USD 1.8 million or 6% from USD 31.5 million in 2008 to USD 29.7 million in 2009. Current income tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The weighted average applicable tax rate was 17.0% in 2009 (2008: 20.6%). The change in the weighted average tax rate is mainly due to the fact that in Russia an income tax rate of 20% was enacted in November 2008 which became effective starting from 1 January 2009; in 2008 a tax rate of 24% was applicable to the income earned by the Russian subsidiaries of the Group.

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LIQUIDITY AND CAPITAL RESOURCES

General

The business of freight rail transportation is capital-intensive. In the period under review, the Group has been able to meet its liquidity and capital expenditure needs from operating cash flow, supplemented by funds provided by shareholders (including the proceeds from the initial and follow-on public offerings of GDRs) and borrowings from financial institutions.

Management controls current liquidity based on expected cash flows. As at the end of 2009, the Group had positive Net Working Capital of USD 83.6* million.

The Group believes that it has sufficient working capital for the next 12 months and that the combination of proceeds from the 2009 follow-on public offering, cash generated from operations and borrowings will enable it to operate and expand its business as the market continues to improve and when appropriate opportunities arise.

Capital Expenditures

The Group's capital expenditures have principally been made to fund the acquisition of rolling stock. Following a strategy of opportunistic growth, the Group continued to pursue opportunities to expand the business in 2009. As demand for freight rail transportation services began to stabilise from the second quarter of 2009 and freight rail turnover started to recover, the Board of Directors approved the resumption of the Group's capital expenditure program.

In 2009 the Group took advantage of a market where prices for new railcars had dropped more than 40% from the peak levels seen in 2008. In the second half of 2009 the Group entered into agreements to purchase 6,000 new gondola cars from vendors including Russian producers, such as Uralwagonzavod, Armavirsky and Roslavlsky, and 500 new oil rail tank cars from Ruzkhimmash. Total value of these contracts amounted to approximately USD 260* million, representing an attractive unit price.

During 2009 the Group's capital expenditure on acquisition of rolling stock(10), including rolling stock leased under finance leases, amounted USD 103.9 million compared to USD 144.0 million in the previous year.

In 2009 the Group took delivery of 2,310 railcars comprising 1,885 gondola cars (including 1,775 gondola cars contracted in the second half of 2009), 55 new and 250 second hand rail tank cars and 120 flat cars.

Capital Resources

The Group's financial indebtedness as of the end of 2009 consisted of bank overdrafts, bank borrowings, loans from related and third parties and finance lease liabilities at an aggregate principal amount of USD 449.1 million (including accrued interest of USD 2.1* million), representing a decrease of USD 48.6 million or 10% when compared to the end of 2008.

Cash and cash equivalents increased by USD 23.1 million or 17% from USD 137.1 million at the end of 2008 to USD 160.3 million as of the end of 2009.

Net Debt of the Group decreased in 2009 by 20% or by USD 71.7 million from USD 360.6* million as of the end of 2008 to USD 288.9* million as of the end of 2009.

The Group continued to operate in 2009 with a strong balance sheet and modest financial gearing, and the Net Debt to Adjusted EBITDA ratio remained unchanged at the level of 1.0x* as of the end of 2009 compared to the end of the previous year.

(10) Additions of rolling stock in 2009 as well capitalized repairs.

In light of a deteriorating US Dollar/Rouble exchange rate, the Group took steps to increase the share of Rouble-denominated borrowings within the debt portfolio. As a result, the share of Rouble-denominated borrowings increased from 12%* at the end of 2008 to 36%* at the end of 2009. The carrying amounts (including accrued interest of USD 2.1* million) of the Group's borrowings were denominated in the following currencies as of the end of 2008 and 2009:

	as of 31 December 2008 USD mln	**% of total**	**as of 31 December 2009 USD mln**	**% of total**
US Dollar	439.4	88%	287.8	64%
Russian Rouble	57.7	12%	159.9	36%
Euro	0.0(11)	0.01%	1.4	0.3%
Estonian Kroons	0.6	0.12%	-	-
	497.7	**100%**	**449.1**	**100%**

(11) 26,000 Euro

Despite the significant increase in Rouble-denominated borrowings, the Group's weighted average effective interest rate reduced to 9.04%* at the end of 2009 compared to 10.24%* at the end of the previous year.

As of the end of 2009, 30%* of the Group's borrowings had a fixed interest rate while the remaining 70%* had a floating interest rate.

The following table sets forth the maturity profile of the Group's borrowings (excluding accrued interest of USD 2.1* million) as of the end of 2009.

	as of 31 December 2009 USD mln
1th quarter of 2010	53.5*
2nd quarter of 2010	28.6*
3rd quarter of 2010	35.9*
4th quarter of 2010	33.3*
2011	159.3*
2012	80.6*
2013-2014	55.8*
Total	**447.0***

ANALYST AND INVESTOR CONFERENCE CALL

An analyst and investor conference call hosted by Sergey Maltsev, Chief Executive Officer and Alexander Shenets, Chief Financial Officer will be held on Monday, April 12th, 2010 at 14.00 UK time (09.00 East cost time; 17.00 Moscow time). To participate in the conference call, please dial one of the following numbers and ask to be put through to the "Globaltrans" call:

UK toll free: 0808 109 0700

International: +44 203 003 2666

As there will be simultaneous translation for the first part of the call (slide presentation), you should state whether you prefer to listen in English or Russian. During the Q&A session, all participants will hear both languages.

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ENQUIRIES

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NOTES TO EDITORS

Globaltrans (Globaltrans Investment PLC together with its subsidiaries - "Globaltrans" or "the Group") is the largest privately owned freight rail transportation group with operations in Russia by the size of owned rolling stock fleet (based on publicly available information) and the first and only such group to have an international listing.

Globaltrans Investment PLC is incorporated in Cyprus and has operating subsidiaries in Russia, Ukraine and Estonia. The Group provides freight rail transportation, railcar leasing, and certain ancillary services to more than 450 clients in Russia, the CIS countries and the Baltics.

As of the end of 2009 Group's fleet of rolling stock owned and leased under finance and operating leases amounted to 37,217 units, including 18,846 rail tank cars, 17,821 gondola cars, 60 locomotives and 490 other railcars.

The Group's Freight Rail Turnover in 2009 amounted to 80.9 billion tonnes-km with 52.8 million tonnes of freight transported. In 2009 the Group's Adjusted Revenue achieved USD 685.3* million with Adjusted EBITDA in amount of USD 284.5* million.

Globaltrans' global depositary receipts are listed on the Main Market of the London Stock Exchange under the ticker GLTR since May 2008.

To learn more on Globaltrans, please visit www.globaltrans.com.

DEFINITIONS

Terms that require definitions are marked with capital letters in this announcement and definitions of which are provided below:

Adjusted EBITDA represents EBITDA excluding "net foreign exchange transaction (losses)/gains on financing activities", "share of profit/(loss) of associates", "other gains/(losses) – net", "loss/(gain) on sale of property, plant and equipment" and "impairment charge on property, plant and equipment".

Adjusted EBITDA Margin calculated as Adjusted EBITDA divided by Adjusted Revenue.

Adjusted Revenue is calculated as "revenue" less "infrastructure and locomotive tariffs - loaded trips".

Average Number of Loaded Trips per Railcar is calculated as total number of loaded trips in the relevant period divided by Average Rolling Stock Operated.

Average Price per Trip is calculated as Net Revenue from Operation of Rolling Stock divided by total number of loaded trips during the relevant period in the respective currency.

Average Rolling Stock Operated is calculated as thee average weighted (by days) number of rolling stock available for operator services (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out).

EBITDA represents "profit for the period" before "income tax expense", "finance costs – net" (excluding "net foreign exchange transaction (losses)/gains on financing activities"), "depreciation of property, plant and equipment" and "amortisation of intangible assets".

Empty Run or Empty Runs means movement of railcars without cargo for the whole or a substantial part of the journey.

Empty Run Costs (meaning costs payable to OAO Russian Railways for forwarding empty railcars) is derived from management accounts and presented as part of the "empty run trips, other tariffs and services provided by other transportation organisations" component of "cost of sales" reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation and rolling stock leased in or leased out. For the year of 2008, Empty Run Costs exclude the impact of the consolidation of AS Spacecom which discontinued its freight rail transportation services in the first half of 2008.

Empty Run Ratio is calculated as the total of empty trips in kilometres by respective rolling stock type divided by total loaded trips in kilometres of such rolling stock type. Empty trips are only applicable to rolling stock operated (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out).

Freight Rail Turnover is a measure of freight carriage activity over a particular period calculated as sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km.

Net Debt is defined as the sum of current and non-current borrowings (including interest accrued) less "cash and cash equivalents".

Net Revenue from Operation of Rolling Stock is defined as the sum of "revenue from railway transportation - operators services (tariff borne by the Group)" and "revenue from railway transportation - operators services (tariff borne by the client)" less "infrastructure and locomotive tariffs - loaded trips" (excluding the impact of the transfer and consolidation of AS Spacecom and AS Intopex Trans for the year of 2008 as AS Spacecom discontinued its freight rail transportation services in the first half of 2008).

Net Working Capital is calculated as the sum of the current portions of "inventories", "current income tax assets", "trade receivables-net", "prepayments-third parties", "prepayments-related parties", "other receivables-third parties", "other receivables-related parties", "VAT recoverable", less the sum of the current portions of "trade payables to third parties", "trade payables to related parties", "advances from customers", "advances from related parties", "other payables to related parties", "other payables to third parties" and also excluding the Group's liability for the consideration payable for the acquisition of AS Spacecom and AS Intopex Trans (part of "trade and other payables").

Operating Cash Costs represent operating cost items payable in cash and calculated as "total cost of sales, selling and marketing costs and administrative expenses" less "depreciation of property, plant and equipment", "amortisation of intangible assets", "impairment charge for receivables", "loss/(gain) on sale of property, plant and equipment", "impairment charge for property, plant and equipment".

Other Operating Cash Costs, include line items such as operating lease rentals – office, auditors' remuneration, advertising and promotion, communication costs, information services, taxes (other than income tax and value added taxes), cost of wagons and locomotives sold in trading transactions (not part of property, plant and equipment) and other expenses.

Other Tariffs and Services Provided by Other Transportation Organizations is presented as part of the ''empty run trips, other tariffs and services provided by other transportation organisations'' component of "cost of sales" reported under EU IFRS.

Operating Non-Cash Costs include line items such as "depreciation of property, plant and equipment", "amortisation of intangible assets", "impairment charge for receivables", "loss/(gain) on sale of property, plant and equipment", "impairment charge for property, plant and equipment".

Owned Fleet is defined as rolling stock fleet owned and leased in under finance lease as of the end of period (it includes railcars and locomotives unless otherwise stated).

Share of Empty Run Kilometres Paid by Globaltrans is defined as the percentage of empty run kilometres paid by Globaltrans divided by the total amount of empty run kilometres incurred by the fleet operated by Globaltrans' (not including costs of relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out) in the relevant period.

Total Fleet is defined as the total rolling stock owned and leased under finance and operating leases as of the end of period (it includes railcars and locomotives unless otherwise stated).

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Transportation Volume is a measure of freight carriage activity over a particular period measuring weight of cargo carried in million tonnes.

LEGAL DISCLAIMER

Some of the information in this announcement may contain projections or other forward-looking statements regarding future events or the future financial performance of Globaltrans. You can identify forward-looking statements by terms such as 'expect', 'believe', 'anticipate', 'estimate', 'intend', 'will', 'could', 'may' or 'might', the negative of such terms or other similar expressions. Globaltrans wishes to caution you that these statements are only predictions and that actual events or results may differ materially. Globaltrans does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of Globaltrans, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, rapid technological and market change in the industries Globaltrans operates in, as well as many other risks specifically related to Globaltrans and its operations.