

For immediate release

31 March 2016

Globaltrans Investment PLC

Full-Year 2015 Results

Globaltrans Investment PLC (the "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 2015.

Certain financial information which is derived from the management accounts is marked in this announcement with an asterisk (). Information (non-GAAP and operational measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions thereto are provided at the end of this announcement. The presentational currency of the Group's financial results is Russian rouble ("RUB").*

Financial highlights: Solid financial results in tough market, Net Debt significantly reduced

- Net Revenue from Operation of Rolling Stock recovered 5% year-on-year to RUB 38,568 million*, demonstrating a solid performance. The Group's Adjusted Revenue increased 1% year on year to RUB 42,176 million* in 2015, with the improvement in Net Revenue from Operation of Rolling Stock partially offset by decline in revenues from auxiliary operations.
- The increase in the regulated RZD tariffs¹, general inflationary pressures, as well as increased business volumes contributed to the 11% year on year growth in Total Operating Cash Costs.
- Adjusted EBITDA was RUB 15,538 million* with intensified cost inflation driving the 12% year on year decline. The Adjusted EBITDA Margin was 37%* (2014: 42%*).
- Good level of Free Cash Flow of RUB 9,614 million*, albeit down 19% compared to the previous year.
- Adjusted profit attributable to owners of the Company² was RUB 2,979 million*, down 32% year on year.
- Accelerated deleveraging with Net Debt down 31% to RUB 16,255 million* as of the end of 2015. The Net Debt to Adjusted EBITDA ratio further improved to 1.0x* (1.3x* as of the end of 2014). The percentage of RUB denominated debt increased to almost 100%.

Dividends: Substantial FY 2015 dividend proposed

- The Board of Directors proposed a full-year dividend of a total amount of RUB 2,218 million, RUB 12.41 per ordinary share/global depository receipt³.
- Proposed dividend consists of 30% of Adjusted profit attributable to owners of the Company for 2014 and 30% for 2015. This equates to a dividend pay-out ratio of 74%⁴.
- Track record re-established for dividend payments in relation to every financial year since 2009.

¹ The regulated JSC Russian Railways ("RZD") tariffs (including for the traction of empty railcars) increased 10% year on year from January 2015.

² Adjusted profit attributable to owners of the Company for 2015 excludes the impact of the impairment of customer relationships related to the service contract with MMK in the amount of RUB 996 million. For 2014 it excludes the impact of the impairment of goodwill in the amount of RUB 5,828 million related to the acquisition of captive rail operators completed in 2012 and 2013.

³ Subject to shareholders' approval, dividends will be paid in US Dollars with conversion from Russian roubles to be executed at the official exchange rate for Russian rouble of the Central Bank of Russia as of the date of the Annual General Meeting, which was called for April 28, 2016.

⁴ The dividend pay-out ratio is calculated as a proportion of Adjusted profit attributable to owners of the Company for 2015, which was RUB 2,979 million* and excludes the impact of the impairment of customer relationships related to the service contract with MMK of RUB 996 million).

Operational highlights: Continued market outperformance, solid average pricing

- Continued market outperformance and business volumes growth with the Group's Freight Rail Turnover (including Engaged Fleet) up 6% to 168.5 billion tonnes-km (+8% excluding Engaged Fleet) while overall Russian freight rail turnover remained relatively unchanged year on year.
- Market Share of overall Russian freight rail volumes remained stable at 8.3%.
- Solid average pricing with Average Price per Trip up 2% year on year. Average Distance of Loaded Trip increased 5% year on year.
- Continued high operational efficiency with Empty Run Ratio for gondola cars at 39% (2014: 38%). Total Empty Run Ratio was stable year on year at 51%. Improved railcar turnover with Average Number of Loaded Trips per railcar up 2% year on year.
- Total Fleet up 2% to 67,349 units largely reflecting an increase in Leased-in Fleet.
- Long-term contracts with largest three clients (Rosneft, MMK and Metalloinvest) contributed 63% of the Group's Net Revenue from Operation of Rolling Stock in 2015. The service contract with Rosneft was renewed for a further five years⁵.

Outlook

- In 2016 the management team will continue its strong focus on operational efficiencies given the low visibility in the Russian economy, mixed pricing environment and cost pressures primarily reflecting increases in the regulated RZD tariffs⁶.
- Ongoing industry-wide scrapping of old railcars providing for stronger pricing in the gondola segment, while in the oil products and oil sector, decline in volumes is putting pressure on the pricing environment.
- While large-scale CAPEX remains on hold, the Group will proceed with selective acquisition of limited numbers of rolling stock to support business development.
- Maintenance CAPEX is expected to increase for 2016, reflecting increased number of capital repairs in the year as a large portion of the Group's fleet reaches the age of requiring a first capital repair, contributing between RUB 500-600 million to maintenance CAPEX.
- Maintaining comfortable leverage will remain among the Group's top priorities.

COMMENTS

Valery Shpakov, CEO of Globaltrans Investment PLC, said:

"In 2015 we delivered another year of solid operational performance despite the unfavorable market backdrop. We have again outperformed the market and increased business volumes, demonstrating our ability to effectively manage operations while delivering the highest standards of client service. The recent renewal of the service contract with Rosneft for the next five years is a testament to this.

Our financial results were solid despite tough markets and intensified cost pressure. Continuous prudent capital allocation has allowed us to further deleverage, achieving a Net Debt to Adjusted EBITDA ratio of just 1.0x* at year end, which means that we now have one of the strongest balance sheets in the industry. This, combined with our good level of Free Cash Flow, enabled us to propose a substantial dividend for full-year 2015 that rewards shareholders for both the 2014 and 2015 financial years, confirming the importance we place on appropriate shareholder remuneration.

As we move into 2016, the outlook remains challenging particularly with regards to the ongoing inflationary pressures on costs. However, we are seeing a positive impact from the recent regulatory initiatives regarding the scrapping of old railcars. Within this context, Globaltrans continues to perform well with a strong market position, solid balance sheet and sustainable customer base. We are therefore confident that our Group is uniquely positioned to successfully weather the current economic environment and capitalize on market opportunities as they arise."

⁵ As announced on February 25, 2016.

⁶ The regulated RZD tariffs (including for the traction of empty railcars) increased 9% year on year from January 2016.

DOWNLOADS

The consolidated financial statements (audited) for the year ended 31 December 2015, the related Full-Year 2015 Results Presentation along with the selection of historical operational and financial information are available on Globaltrans' corporate website (www.globaltrans.com).

Pursuant to Article 2.1(i) (ii) of the Transparency Directive (2004/109/EC) and Rule 6.4.2 of the Disclosure and Transparency Rules of the UK Financial Services Authority, the Company confirms that it has chosen the United Kingdom as its Home State.

ANALYST AND INVESTOR CONFERENCE CALL

The release of the Group's financial and operational results will be accompanied by an analyst and investor conference call hosted by Valery Shpakov, Chief Executive Officer and Alexander Shenets, Chief Financial Officer.

Date: Thursday, 31 March 2016

Time: 13.00 London / 8.00 New York (EDT) / 15.00 Moscow

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 (0) 20 3003 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.

There will also be a webcast of the call available through the Globaltrans website (www.globaltrans.com). Please note that this will be a listen-only facility.

ENQUIRIES

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NOTES TO EDITORS

Globaltrans is a leading private freight rail transportation group with operations in Russia, the CIS and the Baltic countries. The Group's main business is the provision of freight rail transportation services. Globaltrans provides services to more than 500 customers and its key customers include a number of large Russian industrial groups in the metals and mining and the oil products and oil sectors.

The Group has a Total Fleet of about 67 thousand units of rolling stock with an average age of 9.5 years⁷. Universal gondola cars and rail tank cars constitute the backbone of the Group's fleet. About 89% of the Total Fleet is owned by the Group. In 2015, the Group's Freight Rail Turnover (including Engaged Fleet) was 168.5 billion tonnes-km. The Group's Market Share was 8.3% of overall Russian freight rail transportation volumes.

⁷ Average age of the Group's Owned Fleet as of 31 December 2015.

Globaltrans' global depositary receipts (ticker symbol: GLTR) have been listed on the Main Market of the London Stock Exchange since May 2008. Globaltrans was the first freight rail transportation group with operations in Russia to have an international listing.

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

RESULTS IN DETAIL

The following table provides the Group's key financial and operational information for the year ended 31 December 2015 and 2014.

EU IFRS financial information

	2014 RUB mln	2015 RUB mln	Change %
Revenue	68,700	68,200	-1%
<i>Including</i>			
Total revenue – operator's services	65,093	65,421	1%
Total revenue – operating lease	3,259	2,408	-26%
Total cost of sales, selling and marketing costs and administrative expenses	(57,326)	(58,971)	3%
Impairment of intangible assets	(5,828)	(996)	-83%
Operating profit	5,577	8,549	53%
Finance costs – net	(2,788)	(2,945)	6%
Profit before income tax	2,777	5,550	100%
Income tax	(2,206)	(1,248)	-43%
Profit for the year	571	4,302	653%
<i>(Loss)/Profit attributable to:</i>			
Owners of the Company	(1,416)	1,983	NM
Non-controlling interests	1,987	2,319	17%
Basic and diluted (losses)/earnings per share for (loss)/profit attributable to the equity holders of the Company during the year (expressed in RUB per share)	(7.92)	11.09	NM

	2014 RUB mln	2015 RUB mln	Change %
Cash generated from operations	18,854	15,679	-17%
Tax paid	(2,286)	(1,322)	-42%
Net cash from operating activities	16,568	14,357	-13%
Net cash used in investing activities	(1,042)	(1,177)	13%
Net cash used in financing activities	(14,815)	(13,615)	-8%

Non-GAAP financial information

	2014 RUB mln	2015 RUB mln	Change %
Adjusted Revenue	41,890*	42,176*	1%
<i>Including</i>			
Net Revenue from Operation of Rolling Stock	36,661*	38,568*	5%
Operating leasing of rolling stock	3,259*	2,408*	-26%
Net Revenue from Engaged Fleet	1,622*	829*	-49%
Total Operating Cash Costs	24,152*	26,749*	11%
<i>Including</i>			
Empty Run Cost	10,354*	11,804*	14%
Repairs and maintenance	3,800	4,196	10%
Employee benefit expense	3,236	3,466	7%
Fuel and spare parts locomotives	1,403	1,615	15%
Operating lease rentals – rolling stock	1,249	1,334	7%
Adjusted EBITDA	17,560*	15,538*	-12%
Adjusted EBITDA Margin, %	42%*	37%*	-
Free Cash Flow	11,907*	9,614*	-19%
Adjusted profit attributable to owners of the Company	4,412*	2,979*	-32%

Debt profile

	As of 31 Dec 2014 RUB mln	As of 31 Dec 2015 RUB mln	Change %
Total debt	28,306	20,359	-28%
Cash and cash equivalents	4,648	4,104	-12%
Net Debt	23,658*	16,255*	-31%
Net Debt to Adjusted EBITDA (x)	1.3*	1.0*	-

Operational information

	2014	2015	Change, %
Freight Rail Turnover, billion tonnes-km (incl. Engaged Fleet)	159.7	168.5	6%
Transportation Volume, million tonnes (incl. Engaged Fleet)	102.7	101.3	-1%
Freight Rail Turnover, billion tonnes-km (excl. Engaged Fleet)	135.1	146.5	8%
Transportation Volume, million tonnes (excl. Engaged Fleet)	86.9	90.1	4%
Market Share	8.4%	8.3%	-
Average Price per Trip, RUB	26,804	27,462	2%
Average Rolling Stock Operated, units	53,813	54,251	1%
Average Distance of Loaded Trip, km	1,547	1,620	5%
Average Number of Loaded Trips per Railcar	25.4	25.9	2%
Total Empty Run Ratio, %	51%	51%	-
Empty Run Ratio for gondola cars, %	38%	39%	-
Share of Empty Run kms paid by Globaltrans	87%	88%	-
Total Fleet, units (at year end), including:	66,194	67,349	2%
Owned Fleet, units (at year end)	60,625	60,181	-1%
Leased-in Fleet (at year end)	5,569	7,168	29%
Average age of Owned Fleet, years (at year end)	8.7	9.5	-
Total number of employees (at year end)	1,575	1,537	-2%

Revenue

The Group's Total revenue was RUB 68,200 million in 2015, down 1% year on year primarily reflecting a 1% year-on-year increase in the Group's Adjusted Revenue as well as a decrease in a "pass through" item "Services provided by other transportation organizations".

The following table provides details of Total revenue, broken down by revenue-generating activity, for the year ended 31 December 2015 and 2014.

	2014 RUB mln	2015 RUB mln	Change %
Railway transportation – operators services (tariff borne by the Group) ⁸	44,996	46,731	4%
Railway transportation – operators services (tariff borne by the client)	20,097	18,689	-7%
Railway transportation – freight forwarding	29	24	-16%
Operating leasing of rolling stock	3,259	2,408	-26%
Other	319	347	9%
Total revenue	68,700	68,200	-1%

Adjusted Revenue

Adjusted Revenue is a non-GAAP financial measure defined as "Total revenue" adjusted for "pass through" items: "Infrastructure and locomotive tariffs: loaded trips" and "Services provided by other transportation organizations". "Infrastructure and locomotive tariffs: loaded trips" comprises revenue resulting from tariffs that customers pay to the Group and the Group pays on to RZD, which are reflected in equal amounts in both the Group's Total revenue and Cost of sales. "Services provided by other transportation organizations" is

⁸ Includes "Infrastructure and locomotive tariffs: loaded trips" for the year ended 31 December 2015 of RUB 23,326 million (2014: RUB 23,251 million) and "Services provided by other transportation organizations" of RUB 2,698 million (2014: RUB 3,560 million).

revenue resulting from the tariffs that customers pay to the Group and the Group pays on to third-party rail operators for subcontracting their rolling stock, which are reflected in equal amounts in both the Group's Total revenue and Cost of sales. The net result of Engaged Fleet operations is reflected as Net Revenue from Engaged Fleet being a part of Adjusted Revenue.

The Group's Adjusted Revenue was up 1% year on year to RUB 42,176 million* in 2015, primarily reflecting the 5% year-on-year increase in Net Revenue from Operation of Rolling Stock and a decline in revenues from auxiliary leasing and Engaged Fleet operations.

The following table provides details of Adjusted Revenue for the year ended 31 December 2015 and 2014 and its reconciliation to Total revenue.

	2014 RUB mln	2015 RUB mln	Change %
Total revenue	68,700	68,200	-1%
<i>Minus "pass through" items</i>			
Infrastructure and locomotive tariffs: loaded trips	23,251	23,326	0%
Services provided by other transportation organizations	3,560	2,698	-24%
Adjusted Revenue	41,890*	42,176*	1%

The principal components of Adjusted Revenue include: (i) Net Revenue from Operation of Rolling Stock, (ii) Revenue from operating leasing of rolling stock, (iii) Net Revenue from Engaged Fleet, and (iv) other revenues generated by the Group's non-core business activities, including freight forwarding, repair and maintenance services provided to third parties, and other.

The following table provides a breakdown of Adjusted Revenue for the year ended 31 December 2015 and 2014.

	2014 RUB mln	2015 RUB mln	Change %
Net Revenue from Operation of Rolling Stock	36,661*	38,568*	5%
Operating leasing of rolling stock	3,259	2,408	-26%
Net Revenue from Engaged Fleet	1,622*	829*	-49%
Railway transportation - freight forwarding	29	24	-16%
Other	319	347	9%
Adjusted Revenue	41,890*	42,176*	1%

Net Revenue from Operation of Rolling Stock

Net Revenue from Operation of Rolling Stock is a non-GAAP financial measure describing the net revenue generated from freight rail transportation and is defined as "Total revenue – operator's services"⁹ less "Infrastructure and locomotive tariffs: loaded trips", "Services provided by other transportation organizations" and Net Revenue from Engaged Fleet.

Net Revenue from Operation of Rolling Stock contributed 91% of the Group's Adjusted Revenue in 2015.

The following table provides Net Revenue from Operation of Rolling Stock for the year ended 31 December 2015 and 2014, and its reconciliation to Total revenue – operator's services.

	2014 RUB mln	2015 RUB mln	Change %
Total revenue – operator's services ⁹	65,093	65,421	1%
<i>Minus</i>			
Infrastructure and locomotive tariffs: loaded trips	23,251	23,326	0%
Services provided by other transportation organizations	3,560	2,698	-24%
Net Revenue from Engaged Fleet	1,622*	829*	-49%
Net Revenue from Operation of Rolling Stock	36,661*	38,568*	5%

⁹ Defined as the sum of the following EU IFRS line items: "Railway transportation – operator's services (tariff borne by the Group)" and "Railway transportation – operator's services (tariff borne by the client)".

The Group's Net Revenue from Operation of Rolling Stock increased 5% year on year to RUB 38,568 million* in 2015. The key factors that contributed to this performance included:

- Solid average pricing with Average Price per Trip up 2% year on year to RUB 27,462;
- Average Number of Loaded Trips per Railcar was up 2% year on year to 25.9 trips in 2015 on the back of improved railcar turnover and changed logistics (Average Distance of Loaded Trips rose 5% year on year to 1,620 km).

Revenue from operating leasing of rolling stock

Revenue from operating leasing of rolling stock, which contributed 6% of the Group's Adjusted Revenue in 2015, declined 26% year on year to RUB 2,408 million, primarily reflecting a combination of the decline in the leasing rates and a lower average number of rolling stock leased-out during the year.

Net Revenue from Engaged Fleet

Net Revenue from Engaged Fleet represents the net sum of the price charged to clients for transportation by the Group utilising Engaged Fleet less the loaded railway tariff charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips") and less the cost of engaging fleet from third-party rail operators (included in the EU IFRS line item "Services provided by other transportation organizations").

Net Revenue from Engaged Fleet, comprising 2% of the Group's Adjusted Revenue in 2015, decreased 49% year on year to RUB 829 million* in 2015. This was primarily driven by the decrease in the number of Engaged Fleet as the Group partially substituted Engaged Fleet with Leased-in Fleet as well as a decline in pricing terms over the year.

As of the end of 2015 the Group engaged about six thousand units of rolling stock from third parties to meet demand under service contracts not covered by Owned and Leased-in Fleets.

Cost of sales, selling and marketing costs and administrative expenses

The following table provides a breakdown of Cost of sales, selling and marketing costs and administrative expenses for the year ended 31 December 2015 and 2014.

	2014 RUB mln	2015 RUB mln	Change %
Cost of sales	52,789	54,428	3%
Selling and marketing costs	334	295	-12%
Administrative expenses	4,202	4,248	1%
Total cost of sales, selling and marketing costs and administrative expenses	57,326	58,971	3%

In 2015 the Group's Total cost of sales, selling and marketing costs and administrative expenses rose 3% year on year to RUB 58,971 million, largely reflecting the factors described below.

- "Pass through" cost items (a combination of "Infrastructure and locomotive tariffs: loaded trips" and "Services provided by other transportation organizations") were down 3% year on year to RUB 26,024 million*;
- The Group's Cost of sales, selling and marketing costs and administrative expenses adjusted for the "pass-through" cost items increased 8% year on year to RUB 32,947 million* in 2015, which reflected:
 - The 11% year-on-year increase in Total Operating Cash Costs to RUB 26,749 million*, reflecting primarily growth in the business volumes (the Group's Freight Rail Turnover - excluding Engaged Fleet was up 8% year on year) as well as general inflation pressure, in particular a 10% year-on-year increase in regulated RZD tariffs (including for the traction of empty railcars); and
 - Total Operating Non-Cash Costs that were down 3% year on year to RUB 6,198 million* in 2015.

In order to show the dynamics and nature of the Group's cost base, individual items of Total cost of sales, selling and marketing costs and administrative expenses have been regrouped as shown below:

	2014 RUB mln	2015 RUB mln	Change %
“Pass through” cost items	26,810*	26,024*	-3%
Infrastructure and locomotive tariffs: loaded trips	23,251	23,326	0%
Services provided by other transportation organizations	3,560	2,698	-24%
Total cost of sales, selling and marketing costs and administrative expenses (adjusted for “pass through” cost items)	30,515*	32,947*	8%
Total Operating Cash Costs	24,152*	26,749*	11%
Empty Run Costs	10,354*	11,804*	14%
Repairs and maintenance	3,800	4,196	10%
Employee benefit expense	3,236	3,466	7%
Fuel and spare parts – locomotives	1,403	1,615	15%
Operating lease rentals - rolling stock	1,249	1,334	7%
Infrastructure and Locomotive Tariffs - Other Tariffs	1,018*	1,318*	29%
Engagement of locomotive crews	468	516	10%
Other Operating Cash Costs	2,624*	2,500*	-5%
Total Operating Non-Cash Costs	6,363*	6,198*	-3%
Depreciation of property, plant and equipment	5,085	4,879	-4%
Amortization of intangible assets	1,079	1,078	0%
Impairment charge for receivables	178	119	-33%
Impairment of property, plant and equipment	0.2	141	NM
Net loss/(profit) on sale of property, plant and equipment	22	(20)	NM
Total cost of sales, selling and marketing costs and administrative expenses	57,326	58,971	3%

“Pass through” cost items

Infrastructure and locomotive tariffs: loaded trips

Infrastructure and locomotive tariffs: loaded trips is in principle a “pass through” cost item for the Group¹⁰ and is reflected in equal amounts in both the Group’s Total revenue and Cost of sales. This cost item stood unchanged year on year at RUB 23,326 million in 2015 (2014: RUB 23,251 million).

Services provided by other transportation organizations

Services provided by other transportation organizations is in principle a “pass through” cost item for the Group and is reflected in equal amounts in both the Group’s Total revenue and Cost of sales. This cost item includes tariffs that the Group pays to third-party rail operators for subcontracting their rolling stock (Engaged Fleet), which are reflected equally in both the Group’s Total revenue and Cost of sales.

Services provided by other transportation organizations were down 24% year on year to RUB 2,698 million in 2015, primarily driven by a reduction in the number of Engaged Fleet as the Group partially substituted Engaged Fleet with Leased-in Fleet.

Total Operating Cash Costs

Total Operating Cash Costs (a non-GAAP financial measure) represent operating cost items payable in cash and calculated as “Total cost of sales, selling and marketing costs and administrative expenses” less the “pass through” cost items and non-cash cost items.

The Group’s Total Operating Cash Costs increased 11% year on year to RUB 26,749 million* in 2015. The combination of factors described below contributed to the change in Total Operating Cash Costs.

¹⁰ Under contracts where the RZD tariff is borne by the Group, the Group has a contractual relationship with the client. The Group sets the terms of the transactions, such as selling and payment terms and in some cases bears credit risk and controls the flow of receipts and payments.

The following table provides a breakdown of the Total Operating Cash Costs for the year ended 31 December 2015 and 2014.

	2015 % of Total	2014 RUB mln	2015 RUB mln	Change %
Empty Run Costs	44%	10,354*	11,804*	14%
Repairs and maintenance	16%	3,800	4,196	10%
Employee benefit expense	13%	3,236	3,466	7%
Fuel and spare parts – locomotives	6%	1,403	1,615	15%
Operating lease rentals - rolling stock	5%	1,249	1,334	7%
Infrastructure and Locomotive Tariffs - Other Tariffs	5%	1,018*	1,318*	29%
Engagement of locomotive crews	2%	468	516	10%
Other Operating Cash Costs	9%	2,624*	2,500*	-5%
Total Operating Cash Costs	100%	24,152*	26,749*	11%

Empty Run Costs

Empty Run Costs (a non-GAAP financial measure) accounted for 44% of the Group's Total Operating Cash Costs in 2015. Empty Run Costs rose 14% year on year to RUB 11,804 million* in 2015, less than the combined increase in the regulated RZD tariffs and growth in the Group's Freight Rail Turnover (excluding Engaged Fleet). The increase was the result of a combination of the following factors:

- A 10% year-on-year increase in the regulated RZD tariffs (including for the traction of empty railcars);
- An increase in the Group's business volumes with Freight Rail Turnover (excluding Engaged Fleet) up 8% year on year;
- The Group's Total Empty Run Ratio stood unchanged year on year at 51% with an Empty Run Ratio for gondola cars that was slightly higher at 39% (2014: 38%) due to an increase in coal transportation, which logistically generally requires higher Empty Runs; and
- The Share of Empty Run Kilometres paid by Globaltrans increased to 88% from 87% a year earlier.

Repairs and maintenance

Repairs and maintenance costs, which comprised 16% of the Group's Total Operating Cash Costs in 2015, increased 10% year on year to RUB 4,196 million. This reflected primarily an increase in the number of current repairs due to improved industry safety regulations coupled with the increase in costs related to the repair and maintenance of locomotives.

Employee benefit expense

Employee benefit expense, which accounted for 13% of the Group's Total Operating Cash Costs, rose 7% year on year to RUB 3,466 million in 2015, below the level of inflation. This reflected primarily a combination of an increase in termination benefits related primarily to corporate restructuring as well as a rise in social insurance costs. Employee benefit expense excluding termination benefits was up 2% year on year, largely driven by a 2% year-on-year decline in the headcount and a below-inflation rise in wages and salaries, combined with lower bonuses. The decline in headcount was achieved through the optimization of administrative personnel which was down 12% year on year.

Fuel and spare parts - locomotives

Fuel and spare parts - locomotives expenses, comprising 6% of the Group's Total Operating Cash Costs, were RUB 1,615 million in 2015, 15% higher than in the previous year. The increase in this cost item primarily reflected the cost inflation in prices for fuel and machine oil as well as a rise in the number of block train runs¹¹ with owned locomotives.

Operating lease rentals - rolling stock

Operating lease rentals - rolling stock, which accounted for 5% of the Group's Total Operating Cash Costs in 2015, were up 7% to RUB 1,334 million compared to the previous year, reflecting primarily the increased average number of railcars leased-in from third parties which was partially offset by decreased leased-in rates.

¹¹ A block train consists of Group-operated rolling stock bound for one destination.

Infrastructure and Locomotive Tariffs - Other Tariffs

Infrastructure and Locomotive Tariffs - Other Tariffs (a non-GAAP financial measure), which is presented as part of the "Infrastructure and locomotive tariffs: empty run trips and other tariffs" component of cost of sales reported under EU IFRS, accounted for 5% of the Group's Total Operating Cash Costs in 2015. This cost item includes the costs of relocation of rolling stock to and from maintenance, the transition of purchased rolling stock to its first place of commercial utilization, and the relocation of rolling stock in and from lease operations as well as other expenses.

Infrastructure and Locomotive Tariffs - Other Tariffs was RUB 1,318 million* in 2015, an increase of 29% year on year, mainly reflecting a combination of the 10% year-on-year rise in the regulated RZD tariffs, the increase in the usage of RZD bank engines and number of block train runs¹¹ due to changed client logistics as well as an increase in relocation costs.

Engagement of locomotive crews

Costs related to the engagement of locomotive crews from RZD (2% of the Group's Total Operating Cash Costs) were up 10% year on year to RUB 516 million in 2015, largely due to higher service volumes, reflecting the increase in the number of block train runs¹¹ with owned locomotives.

Other Operating Cash Costs

Other Operating Cash Costs (a non-GAAP financial measure) include cost items such as "Legal, consulting and other professional fees", "Operating lease rentals - office", "Auditors' remuneration", "Advertising and promotion", "Communication costs", "Information services", "Taxes (other than income tax and value added taxes)" and "Other expenses".

Other Operating Cash Costs, which comprised 9% of the Group's Total Operating Cash Costs, were down 5% to RUB 2,500 million* in 2015 compared to the previous year. The reduction in this cost item reflected a decrease in Taxes (other than income tax and value added taxes) which predominantly includes property tax, a decrease in Operating lease rentals – office, Information services and Other expenses.

Total Operating Non-Cash Costs

Total Operating Non-Cash Costs (a non-GAAP financial measure) include cost items such as "Depreciation of property, plant and equipment", "Amortization of intangible assets", "Impairment charge for receivables", "Impairment of property, plant and equipment" and "Net (profit)/loss on sale of property, plant and equipment".

The following table provides a breakdown of the Total Operating Non-Cash Costs for the year ended 31 December 2015 and 2014.

	2014 RUB mln	2015 RUB mln	Change %
Depreciation of property, plant and equipment	5,085	4,879	-4%
Amortization of intangible assets	1,079	1,078	0%
Impairment charge for receivables	178	119	-33%
Impairment of property, plant and equipment	0.2	141	NM
Net loss/(profit) on sale of property, plant and equipment	22	(20)	NM
Total Operating Non-Cash Costs	6,363*	6,198*	-3%

Total Operating Non-Cash Costs were down 3% year on year to RUB 6,198 million* in 2015, reflecting a combination of the following factors:

- Depreciation of property, plant and equipment decreased 4% year on year to RUB 4,879 million; and
- Impairment of property, plant and equipment increased to RUB 141 million compared to RUB 0.2 million in the previous year.

Impairment of intangible assets

As a result of an impairment assessment the Group recognised a full impairment of goodwill in the amount of RUB 5,828 million at the end of 2014, which related to the acquisitions of captive rail operators completed in 2012 and 2013 (the impairment primarily reflected the increased cost of capital in Russia, deterioration of economic conditions, as well as the continued weak pricing environment in the gondola car segment). No impairment was recognized in relation to customer relationships with Metalloinvest and MMK at the end of 2014.

As of the end of 2015, the Group recognised RUB 996 million as an impairment of intangible assets related to the customer relationships with MMK, which reflected deterioration in the general market and industry conditions. No impairment was recognised in relation to customer relationships with Metalloinvest as of the end of 2015.

Adjusted EBITDA (non-GAAP financial measure)

The Group's Adjusted EBITDA in 2015 decreased 12% year on year to RUB 15,538 million*, primarily reflecting the factors described above. The Adjusted EBITDA Margin contracted to 37%* compared to 42%* in the previous year, on the back of a 1% year-on-year increase in Adjusted Revenue and 11% year-on-year increase in Total Operating Cash Costs.

The difference between EBITDA and Adjusted EBITDA arises primarily from "Net foreign exchange transaction gains/(losses) on borrowings and other liabilities" and "Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets", which are eliminated from Adjusted EBITDA.

The following table provides detail on Adjusted EBITDA for the year ended 31 December 2015 and 2014, and its reconciliation to EBITDA and Profit for the year.

	2014 RUB mln	2015 RUB mln	Change %
Profit for the year	571	4,302	653%
<i>Plus (Minus)</i>			
Income tax expense	2,206	1,248	-43%
Finance costs – net	2,788	2,945	6%
Net foreign exchange transaction losses on borrowings and other liabilities	(431)	(163)	-62%
Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets	539	(46)	NM
Amortization of intangible assets	1,079	1,078	0%
Depreciation of property, plant and equipment	5,085	4,879	-4%
Impairment of property, plant and equipment	0.2	141	NM
Impairment of intangible assets	5,828	996	-83%
EBITDA	17,665*	15,381*	-13%
<i>Minus (Plus)</i>			
Net foreign exchange transaction losses on borrowings and other liabilities	(431)	(163)	-62%
Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets	539	(46)	NM
Share of loss of associate	(12)	(54)	342%
Other gains – net	31	86	180%
Net (loss)/profit on sale of property, plant and equipment	(22)	20	NM
Adjusted EBITDA	17,560*	15,538*	-12%

Finance income and costs

The following table provides a breakdown of Finance income and costs for the year ended 31 December 2015 and 2014.

	2014 RUB mln	2015 RUB mln	Change %
<i>Included in finance costs:</i>			
Borrowings from third parties	(16)	(2)	-86%
Bank borrowings	(1,923)	(2,758)	43%
Non-convertible bonds	(1,100)	(194)	-82%
Finance leases	(34)	(1)	-97%
Total interest expense	(3,073)	(2,955)	-4%
Other finance costs	(19)	(42)	114%
Total finance costs	(3,093)	(2,996)	-3%
<i>Included in finance income:</i>			
Loans receivables from third parties	1	4.9	393%
Bank balances	41	96	135%
Short term bank deposits	143	159	11%
Total interest income	185	260	41%
Other finance income	11	-	-100%
Total finance income	196	260	32%
Net foreign exchange transaction losses on borrowings and other liabilities	(431)	(163)	-62%
Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets	539	(46)	NM
Net foreign exchange transaction gains/(losses) from financing activities	109	(209)	NM
Net finance costs	(2,788)	(2,945)	6%

Total finance income

In 2015, the Group recorded total finance income of RUB 260 million, an increase of 32% year on year, largely reflecting a combination of the rise in interest rates on bank deposits and an increase in the total amount of bank deposits during the reporting year.

Total finance costs

Total finance costs were down 3% year on year to RUB 2,996 million in 2015, primarily reflecting the reduction of the Group's Total debt, which was partially offset by the increase in the Group's weighted average effective interest rate.

Net foreign exchange transaction gains/(losses) on financing activities

A decrease in Net foreign exchange transaction losses on borrowings and other liabilities in 2015 to RUB 163 million compared to RUB 431 million in the previous year reflects the increase in the proportion of RUB denominated debt to almost 100% of the Group's debt as of 31 December 2015.

In 2015 the Group recorded Net foreign exchange transaction losses on cash and cash equivalents and other monetary assets of RUB 46 million compared to gain of RUB 539 million in the previous year. This was the result of the negative impact of foreign exchange volatility on the available cash and cash equivalents denominated in foreign currency in 2015.

Profit before income tax

The Group reported Profit before income tax of RUB 5,550 million in 2015, an increase of 100% compared to the previous year. This increase was driven by the 53% year-on-year increase in the Group's Operating profit to RUB 8,549 million largely reflecting the factors described above along with a decline in the impairment of intangible assets from RUB 5,828 million in 2014 (related to goodwill - the acquisition of captive rail operators completed in 2012 and 2013) to RUB 996 million in 2015 (related to customer relationships with MMK).

Profit before income tax (excluding the impact of impairment of intangible assets) was down 24% year on year to RUB 6,546 million* in 2015.

Income tax expense

Income tax expense was down 43% year on year to RUB 1,248 million in 2015, largely reflecting the decline in the Group's Profit before income tax (excluding the impact of impairment of intangible assets) and a change in the weighted average effective tax rate used for 2015.

The weighted average effective tax rate for the year ended 31 December 2015 was 22.5% (2014: 79.4%). Excluding the impact of the impairment charge of goodwill which had no tax implications for the Group, the weighted average effective tax rate for the year ended 31 December 2014 was 25.6%. The decrease in the weighted average effective tax rate is due to certain reductions in the provision of withholding tax on intra-group dividends, which were lower in 2015 as compared to 2014 and also due to a change in the composition of the profitability of the Group arising from the Group entities operating in different tax jurisdictions.

LIQUIDITY AND CAPITAL RESOURCES

In 2015, the Group's large scale capital expenditure ("CAPEX") for expansion remained on hold and the Group's capital expenditure consisted primarily of maintenance CAPEX. The Group was able to meet its liquidity and capital expenditure needs comfortably through operating cash flow, cash and cash equivalents available at 31 December 2014 as well as proceeds from borrowings.

The Group manages its liquidity based on expected cash flows. As at 31 December 2015, the Group had Net Working Capital of RUB 2,506 million*. Utilising its anticipated operating cash flow and borrowings, the Group believes that it has sufficient working capital to enable it to operate successfully.

Cash flows

The following table sets out the principal components of the Group's consolidated cash flow statement for the year ended 31 December 2015 and 2014.

	2014 RUB mln	2015 RUB mln
<i>Cash flows from operating activities</i>	17,768	15,701
<i>Changes in working capital:</i>		
Inventories	(91)	56
Trade and other receivables	(424)	1,449
Trade and other payables	1,600	(1,527)
Cash generated from operations	18,854	15,679
Tax paid	(2,286)	(1,322)
Net cash from operating activities	16,568	14,357
<i>Cash flows from investing activities</i>		
Indemnification received	78	-
Loans granted to third parties	-	(86)
Loans repayments received from third parties	1	20
Purchases of property, plant and equipment	(1,532)	(1,459)
Purchases of intangible assets	(0.05)	-
Proceeds from disposal of property, plant and equipment	221	93
Interest received	190	255
Net cash used in investing activities	(1,042)	(1,177)
<i>Cash flows from financing activities</i>		
Net cash outflows from borrowings and financial leases ¹²	(5,393)*	(7,634)*
Acquisition of non-controlling interests	(2)	-
Proceeds from disposal of non-controlling interests	-	(0.2)
Interest paid	(3,129)	(3,285)
Dividends paid to Company's shareholders	(3,984)	-
Dividends paid to non-controlling interests	(2,307)	(2,696)
Net cash used in financing activities	(14,815)	(13,614)
Net increase/(decrease) in cash and cash equivalents	711	(434)
Exchange gains/(losses) on cash and cash equivalents	530	(109)
Cash, cash equivalents and bank overdrafts at beginning of the year	3,406	4,648
Cash, cash equivalents and bank overdrafts at the year end	4,648	4,104

¹² Net Cash inflows (outflows) from borrowings and financial leases defined as a balance between the following line items: "Proceeds from borrowings", "Repayments of borrowings" and "Finance lease principal payments".

Net cash from operating activities

Net cash generated from operating activities declined 13% year on year to RUB 14,357 million in 2015. This reflects the 12% year-on-year decrease in Cash flows from operating activities, primarily due to the factors described above, combined with stable working capital requirements in 2015 (compared to a working capital release of RUB 1,085 million in 2014), which was partially offset by lower Tax paid in 2015.

Net cash used in investing activities

Net cash used in investing activities remained low at RUB 1,177 million in 2015 (up 13% year on year), reflecting the continued low investment activity of the Group. The Purchases of property, plant and equipment largely consisted of maintenance CAPEX.

Net cash used in financing activities

Net cash used in financing activities was RUB 13,614 million in 2015, down 8% from the previous year. This was due to a combination of the following factors:

- Net cash outflows from borrowings and finance leases¹² were up 42% year on year to RUB 7,634 million* in 2015 illustrating the Group's preference for using cash for debt repayments during the reporting year;
- The 5% year-on-year increase in Interest paid to RUB 3,285 million in 2015, mainly reflecting the increase in the Group's weighted average effective interest rate;
- No dividend was paid in 2015 to the owners of the Company in respect of financial year 2014 compared to the RUB 3,984 million paid out in the previous year, in order to use cash flow for debt repayment due to the challenging borrowing environment that prevailed in the first half of 2015; and
- The payment of RUB 2,696 million in dividends to non-controlling interests in subsidiaries, compared to the RUB 2,307 million paid in the previous year.

Capital Expenditure

The Group's capital expenditure for the acquisition of rolling stock on an accrual basis was RUB 1,164 million in 2015, a decrease of 14% compared to RUB 1,354 million in the previous year. In both years, the Group's capital expenditure mainly constituted maintenance CAPEX. This low level of maintenance CAPEX demonstrates the relatively young age of the Group's Owned Fleet with an average age of 9.5 years as of 31 December 2015.

As of the end of 2015, the net reduction in the Group's Owned Fleet was 444 units of rolling stock or 1% compared to the end of 2014, which largely constituted a write-off of 733 railcars, which had reached the end of their useful life and the acquisition of 289 railcars from the secondary market. The Group expects a write-off of around 300 units of rolling stock (or about 0.5% of the Group's Owned Fleet) by the end of 2016.

Capital Resources

In 2015, the Group continued to use cash for debt repayments. As of the end of 2015, the Group's financial indebtedness consisted of bank borrowings, finance lease liabilities and loans from third parties for an aggregate principal amount of RUB 20,359 million (including accrued interest of RUB 45 million*), down 28% compared to the end of 2014.

The Group's Net Debt as of the end of 2015 was RUB 16,255 million*, a reduction of 31% from the level of Net Debt at the end of 2014.

The following table provides detail on the Group's financial indebtedness structure as of 31 December 2015 (including accrued interest of RUB 45 million*).

	As of 31 December 2015 RUB mln	%
		of Total
Bank borrowings	20,335	100%
Finance lease liabilities	0.1	0%
Loans from third parties	24	0%
Total	20,359	100%

The Group continued to deleverage with a ratio of Net Debt to Adjusted EBITDA at 1.0x* as of the end of 2015 (31 December 2014: 1.3x*).

The currency structure of the Group's indebtedness was further improved with RUB-denominated borrowings accounting for almost 100% of the Group's debt portfolio as of the end of 2015, compared to 98% as of the end of 2014.

The carrying amounts were denominated in the following currencies as of the end of 2015.

	As of 31 December 2015 RUB mln	%
		of Total
Russian rouble	20,359	100%
US dollar	0.1	0%
Total	20,359	100%

The weighted average effective interest rate rose to 12.0%* as of 31 December 2015 compared to 10.3%* as of the end of 2014 due to higher interest rates in the Russian financial market arising from the challenging borrowing environment that prevailed in the first half of 2015 albeit improved from 12.5%* as of the end of 30 June 2015.

The share of borrowings with a fixed interest rate increased to 99%* at 31 December 2015 compared to 90%* at the end of 2014.

The Group has a balanced maturity profile, supported by the Group's solid cash flow generation, available cash and cash equivalents, as well as undrawn credit facilities¹³ in the amount of RUB 4,576 million* as of 31 December 2015.

The following table gives the maturity profile of the Group's borrowings (including accrued interest of RUB 45 million*) as of 31 December 2015.

	As of 31 December 2015 RUB mln
Q1 2016	2,336*
Q2 2016	2,496*
Q3 2016	2,260*
Q4 2016	2,203*
2017	4,812*
2018-2020	6,253*
Total	20,359*
Free Cash Flow (2015)	9,614*
Cash and cash equivalents	4,104
Undrawn credit facilities ¹³	4,576*

PRESENTATION OF INFORMATION

The financial information presented in this announcement is derived from the consolidated financial statements (audited) of Globaltrans Investment PLC ("the Company" or, together with its subsidiaries, "Globaltrans" or "the Group") as at and for the year ended 31 December 2015 and 2014 and prepared in accordance with International Accounting Standards as adopted by the European Union and the requirements of Cyprus Companies Law, Cap. 113 ("EU IFRS").

¹³ Excluding the unissued registered RUB denominated exchange-traded bonds in the amount of RUB 15 billion.

The Group's consolidated financial statements as at and for the year ended 31 December 2015 and 2014 along with selected historical financial and operational information are available at Globaltrans' corporate website (www.globaltrans.com).

The presentation currency of the Group's consolidated financial statements is Russian rouble ("RUB").

Certain financial information which is derived from management accounts is marked in this announcement with an asterisk {*}.

In this announcement the Group has used certain non-GAAP financial information (not recognised by EU IFRS or IFRS) as supplemental measures of the Group's operating performance.

Information (non-GAAP and operating measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided at the end of this announcement.

Rounding adjustments have been made in calculating some of the financial and operational information included in this announcement. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

The Group has obtained certain statistical, market and pricing information that is presented in this announcement on such topics as the Russian freight rail transportation market and related subjects from the following third-party sources: Federal State Statistics Service of Russian Federation ("Rosstat"), JSC Russian Railways ("RZD"), Federal Tariff Service of Russian Federation ("FST") and the Council of Rail Operators ("Railsovet"). The Group has accurately reproduced such information and, as far as it is aware and is able to ascertain from information published by such third-party sources, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Group has not independently verified this third-party information. In addition, the official data published by Russian governmental agencies may be substantially less complete or researched than that of more developed countries.

All non-GAAP financial and operational information presented in this announcement should be used only as an analytical tool, and investors should not consider such information in isolation or in any combination as a substitute for analysis of the Group's consolidated financial statements and condensed interim financial information reported under EU IFRS, which are available the Globaltrans' corporate website www.globaltrans.com.

DEFINITIONS

Terms that require definitions are marked with capital letters in this announcement and their definitions are provided below in alphabetical order:

Adjusted EBITDA (a non-GAAP financial measure) represents EBITDA excluding "Net foreign exchange transaction gains/(losses) on borrowings and other liabilities", "Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets", "Share of profit/(loss) of associate", "Other gains - net" and "Net profit/(loss) on sale of property, plant and equipment".

Adjusted EBITDA Margin (a non-GAAP financial measure) is calculated as Adjusted EBITDA divided by Adjusted Revenue.

Adjusted Revenue (a non-GAAP financial measure) is calculated as "Total revenue" less the following "pass through" items "Infrastructure and locomotive tariffs: loaded trips" and "Services provided by other transportation organizations".

Average Distance of Loaded Trip is calculated as the sum of the distances of all loaded trips for a period divided by the number of loaded trips for the same period.

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 the 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 utilization, rolling stock leased out or Engaged Fleet).

EBITDA (a non-GAAP financial measure) represents "Profit for the period" before "Income tax expense", "Finance costs - net" (excluding "Net foreign exchange transaction gains/(losses) on borrowings and other liabilities" and "Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets"), "Depreciation of property, plant and equipment", "Amortization of intangible assets", "Impairment of property, plant and equipment" and "Impairment of intangible assets".

Engaged Fleet is defined as rolling stock subcontracted or otherwise engaged from a third-party rail operator for a loaded trip from the point of origination to the cargo's destination, at which point the railcar is then released to such third-party.

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

Empty Run Costs (a non-GAAP financial measure meaning costs payable to RZD for forwarding empty railcars) is derived from management accounts and presented as part of the "Infrastructure and locomotive tariffs: empty run trips and other tariffs" component of "Cost of sales" reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilization, rolling stock leased in or leased out and Engaged Fleet.

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 utilization, rolling stock leased out or Engaged Fleet).

Free Cash Flow (a non-GAAP financial measure) is calculated as "Net cash from operating activities" (after "Changes in working capital" and "Tax paid") less "Purchases of property, plant and equipment" (which includes maintenance CAPEX) and "Interest paid".

Freight Rail Turnover is a measure of freight carriage activity over a particular period calculated as the sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km. It includes volumes transported by the Engaged Fleet, unless otherwise stated.

Infrastructure and Locomotive Tariffs - Other Tariffs (a non-GAAP financial measure) is presented as part of the "Infrastructure and locomotive tariffs: empty run trips and other tariffs" component of "Cost of sales" reported under EU IFRS. This cost item includes the costs of relocation of rolling stock to and from maintenance, transition of purchased rolling stock to its first place of commercial utilization, and relocation of rolling stock in and from lease operations as well as other expenses.

Leased-in Fleet is defined as rolling stock fleet leased-in under operating leases, including both railcars and locomotives.

Leased-out Fleet is defined as rolling stock fleet leased out to third parties under operating leases.

Market Share is calculated using the Group's own information as the numerator and information published by Rosstat as the denominator. The Group's Market Share is calculated as a percentage of the overall Russian freight rail transportation volume and includes volumes transported by Engaged Fleet.

Net Debt (a non-GAAP financial measure) is defined as the sum of total borrowings (including interest accrued) less "Cash and cash equivalents".

Net Revenue from Engaged Fleet (a non-GAAP financial measure) represents the net sum of the price charged for transportation to clients by the Group utilising Engaged Fleet less the loaded railway tariff charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips") less the cost of attracting fleet from third-party operators (included in the EU IFRS line item "Services provided by other transportation organizations").

Net Revenue from Operation of Rolling Stock (a non-GAAP financial measure) 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", "Services provided by other transportation organization" and Net Revenue from Engaged Fleet.

Net Working Capital (a non-GAAP financial measure) 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 - net", and "VAT recoverable", less the sum of the current portions of "Trade payables to third parties", "Trade payables to related parties", "Advances from customers for transportation services", "Advances from related parties for sale of rail cars", "Accrued expenses", "Other payables to third parties", "Other payables to related parties" and "Current tax liabilities".

Total Operating Cash Costs (a non-GAAP financial measure) represent operating cost items payable in cash and calculated as "Total cost of sales, selling and marketing costs and administrative expenses" less the "pass through" items: "Infrastructure and locomotive tariffs: loaded trips" and "Services provided by other transportation organizations" and non-cash items: "Depreciation of property, plant and equipment", "Amortization of intangible assets", "Impairment charge for receivables", "Impairment of property, plant and equipment" and "Net profit/(loss) on sale of property, plant and equipment".

Total Operating Non-Cash Costs (a non-GAAP financial measure) include cost items such as “Depreciation of property, plant and equipment”, “Amortization of intangible assets”, “Impairment charge for receivables”, “Impairment of property, plant and equipment” and “Net profit/(loss) on sale of property, plant and equipment”.

Other Operating Cash Costs (a non-GAAP financial measure) include cost items such as “Legal, consulting and other professional fees”, “Operating lease rentals - office”, “Auditors’ remuneration”, “Advertising and promotion”, “Communication costs”, “Information services”, “Taxes (other than income tax and value added taxes)” and “Other expenses”.

Owned Fleet is defined as the rolling stock fleet owned and leased in under finance lease as at the end of the reporting period. It includes railcars and locomotives unless otherwise stated and excludes Engaged Fleet.

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 relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilization, and rolling stock leased out or Engaged Fleet) in the relevant period.

Total Empty Run Ratio is calculated as total kilometres travelled empty divided by the total kilometres travelled loaded by the fleet operated by Globaltrans (not including the relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilization, or rolling stock leased out or Engaged Fleet) in the relevant period.

Total Fleet is defined as the total rolling stock owned and leased in under finance and operating leases as at the end of period. It includes railcars and locomotives unless otherwise stated and excludes Engaged Fleet.

Transportation Volume is a measure of freight carriage activity over a particular period measuring weight of cargo carried in million tonnes. It includes volumes transported by Engaged Fleet, unless otherwise stated.

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.