

## 2012 Interim Results

Sergey Maltsev, CEO and Alexander Shenets, CFO  
Investor Conference Call: 3 September 2012

- Innovation
- Partnerships
- Independence
- Performance

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## Presentation of information

The financial information presented in this presentation is derived from the condensed consolidated interim financial information (unaudited) of Globaltrans Investment PLC (“the Company” or, together with its subsidiaries, “Globaltrans” or “the Group”) as at and for the six months ended 30 June 2012 and 2011 and prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The Group’s consolidated financial statements for the prior periods along with the selection of operating measures are available at Globaltrans’ corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

The consolidated financial information is presented in US Dollars, which the Group’s management believes to be better understood by the principal users of the financial statements. The functional currency of the Company, its Cypriot subsidiaries and its Russian subsidiaries is the Rouble. The Company’s Estonian and Finnish subsidiaries have the Euro as their functional currency and the Company’s Ukrainian subsidiary has the Ukrainian Hryvna as its functional currency. The balance sheets of the Group’s companies which have currencies other than the US Dollar as their functional currency are translated into US Dollars, at the exchange rate prevailing at the date of the relevant balance sheet, whereas income and expense items are translated into US Dollars at the average monthly exchange rates using the official exchange rates of the central bank of the country of registration of each entity, which approximate the exchange rate existing at the date of the transactions, in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”. All resulting foreign currency exchange rate differences are recognised in other comprehensive income.

The Group’s condensed consolidated interim financial information for the six months ended 30 June 2012 includes results of Ferrotrans (formerly Metalloinvesttrans acquired in May 2012). Ferrotrans’ results have been consolidated from 15 May 2012.

Certain financial information which is derived from management accounts is marked in this presentation with an asterisk (\*).

In this presentation 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 presentation.

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 presentation 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”); OJSC Russian Railways (“RZD”) and Federal Tariff Service of Russian Federation (“FST”). 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 presentation 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](http://www.globaltrans.com).



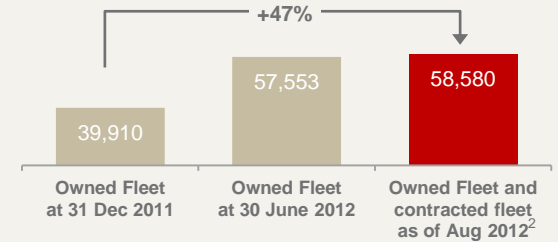
**Sergey Maltsev**  
Chief Executive Officer

- Highlights
- Market and business review

# Highlights

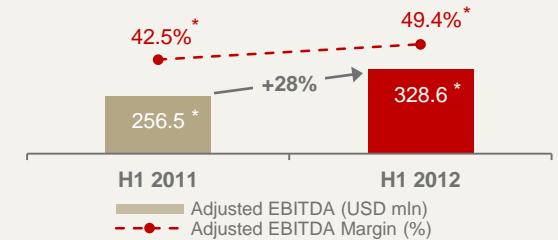
## Successful large-scale expansion

- Owned Fleet up 47%<sup>1</sup> (18,670) units in 2012 YTD:
  - c.10,000 railcars delivered and successfully deployed YTD
  - Ferrotrans (former Metalloinvesttrans) integration is on track



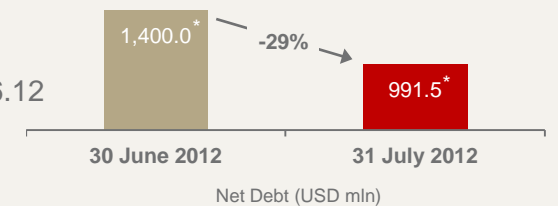
## Strong financial performance

- Adjusted EBITDA Margin increased 693 bps to 49.4%\* in H1 2012 driven primarily by substitution of Leased-in Fleet with newly acquired railcars and increased pricing
- Adjusted EBITDA increased 28% y-o-y to USD 328.6 mln\* in H1 2012



## Strengthened balance sheet

- Successful follow-on offering enables pursuit of further growth opportunities
- Net Debt adjusted for SPO proceeds to LTM Adj EBITDA of 1.7x<sup>3</sup> as of 30.06.12
- Ample credit liquidity available for Globaltrans



Source: Globaltrans.

Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) provided at the end of this presentation.

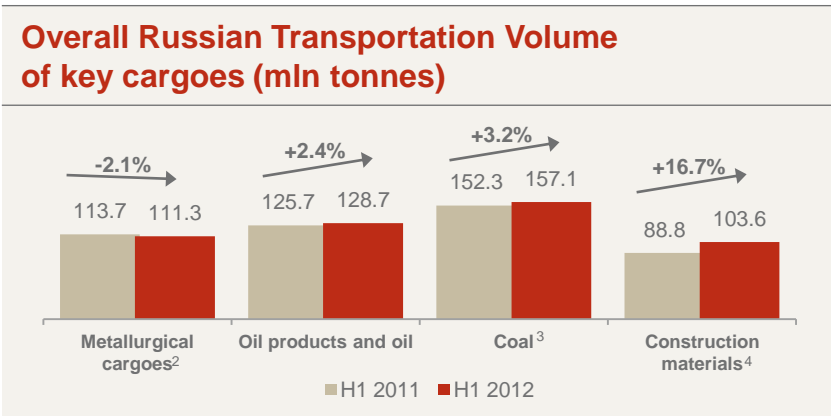
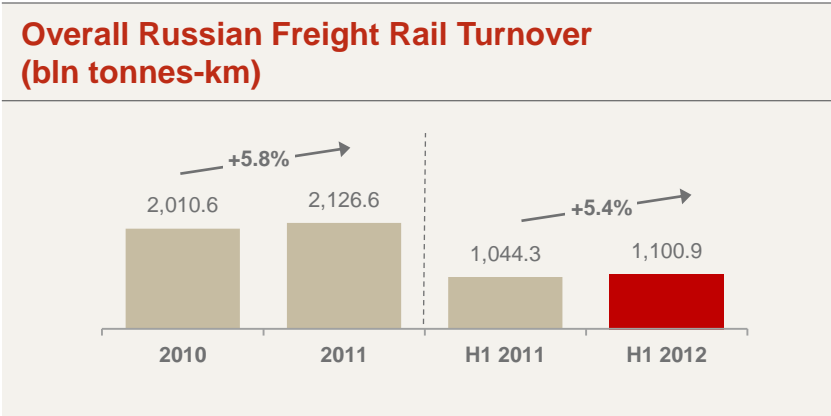
(1) Expansion of Owned Fleet based on delivered and contracted railcars as of August 2012 and fleet of Ferrotrans acquired in May 2012 compared to Owned Fleet as of 31 December 2011.

(2) Including 277 units delivered in July-August 2012 and 750 units expected to be delivered in H2 2012.

(3) Net Debt as of 30 June 2012 adjusted for USD 400 mln of gross proceeds from follow-on offering undertaken in July 2012; Adjusted EBITDA for the last twelve months ended 30 June 2012.

# Russian freight rail market continues to grow

- Russian freight rail market continued its growth**
  - Overall Russian Freight Rail Turnover increased 5.4% y-o-y in H1 2012, driven primarily by construction materials, coal and oil products and oil
- Fully deregulated operators market with more than 75% of Russian railcar fleet in private ownership**
  - Market pricing prevails in the industry
  - Large industrial groups increasingly interested in outsourcing freight rail logistics
  - Trend towards industry consolidation with acquisition of Metalloinvesttrans<sup>1</sup> establishing a precedent
- Further liberalisation ongoing**
  - Unification of empty run tariffs from November 2012
  - Deregulation of locomotive traction expected



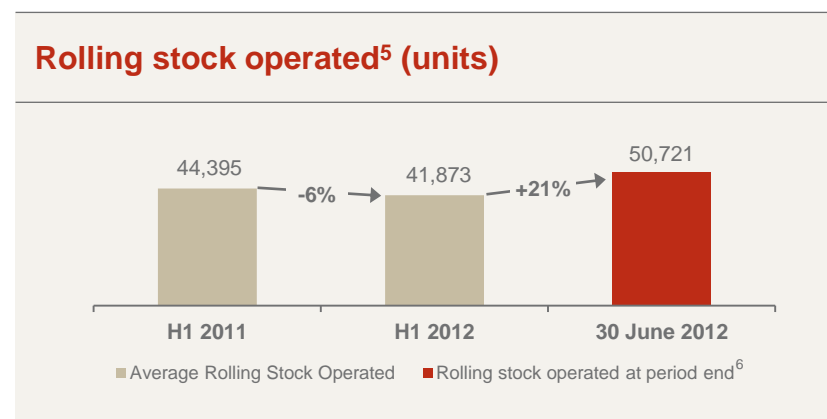
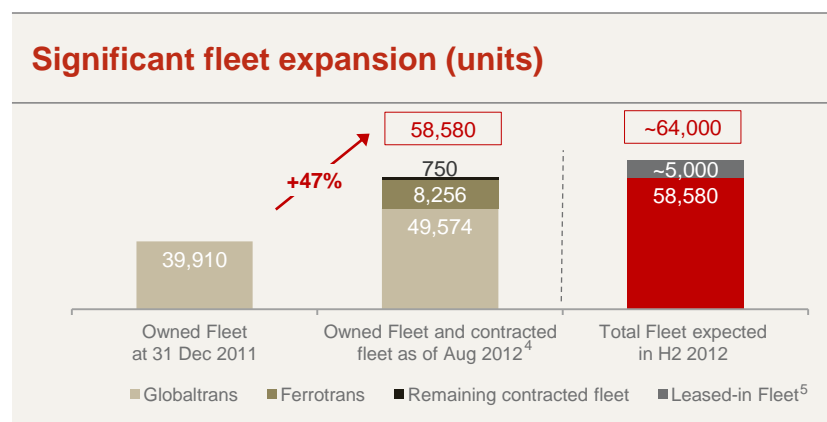
Source: Globaltrans, Rosstat, RZD

Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) provided at the end of this presentation.

- (1) Renamed to Ferrotrans from August 2012.
- (2) Metallurgical cargoes include ferrous metals, scrap metal and ores.
- (3) Coal includes thermal and coking.
- (4) Construction materials including cement.

# Successful large-scale business expansion: Owned Fleet up 47% YTD<sup>1</sup>

- **Organic growth: c.11,000 railcars contracted since Dec 2011**
  - 10,208 units delivered as of Aug 2012<sup>2</sup>
  - Newly acquired railcars deployed mostly with existing clients
- **Acquisition of Ferrotrans (former Metalloinvesttrans) in May 2012**
  - Sizeable and modern fleet of 8,256 owned railcars (95% gondola cars)
  - 3-year contract for servicing Metalloinvest rail logistics
  - Ferrotrans integration is on track
  - Financial performance post acquisition is in line with 2011 results<sup>3</sup>
- **Asset base generating revenue: set for increase in H2 2012**
  - Average Rolling Stock Operated temporarily decreased 6% y-o-y in H1 2012 due to decrease of Leased-in Fleet ahead of new railcar deliveries
  - New railcars will be fully operational in H2 2012; Ferrotrans to be consolidated into Group's financials for the entire H2 2012



Source: Globaltrans.

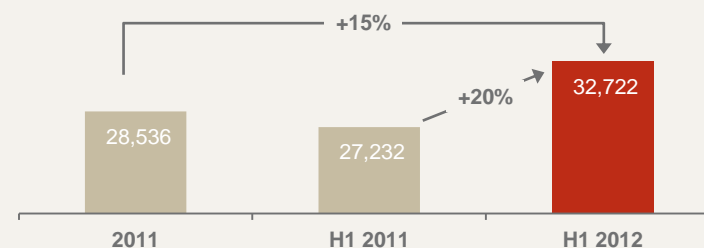
Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) provided at the end of this presentation.

(1) Expansion of Owned Fleet based on delivered and contracted railcars as of August 2012 and fleet of Ferrotrans acquired in May 2012 compared to Owned Fleet as of 31 December 2011.  
 (2) Including 539 units delivered in December 2011, 9,392 units in the first six months of 2012 and 277 units in July-August 2012.  
 (3) Adjusted EBITDA of Ferrotrans amounted to Rub 518 mln\* in the period from 16 May 2012 to 30 June 2012 (Rub 4,107 mln\* in 2011) according to management accounts.  
 (4) Including 57,553 units owned as of 30 June 2012, 277 units delivered in July-August 2012 and 750 units expected to be delivered in H2 2012.  
 (5) Assuming Leased-in Fleet remains at approximately the same level as at 30 June 2012.  
 (6) Rolling stock available for operation calculated as Total Fleet (including fleet of Ferrotrans) less fleet leased out to third parties as of 30 June 2012

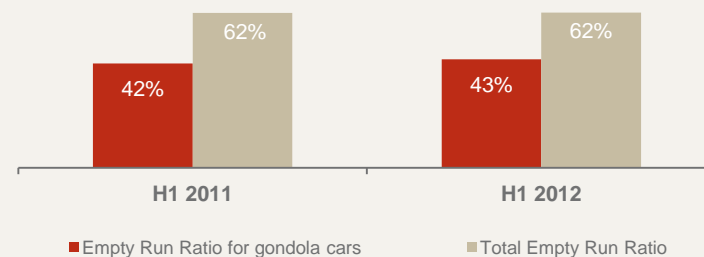
## Strong pricing and steady Total Empty Run Ratio

- **High quality offering and favourable market conditions supported strong pricing in H1 2012**
  - Average Price per Trip up 20% y-o-y in RUB terms (+12% in USD<sup>1</sup>)
  - Average Distance of Loaded Trip declined 2% y-o-y
- **Total Empty Run Ratio remained stable at 62% y-o-y**
  - Empty Run Ratio for gondola cars remained relatively stable at 43% (H1 2011: 42%)
  - Empty Run ratio for rail tank and hopper cars improved to 104% (H1 2011: 111%) reflecting changed logistics for transportation of oil products and oil
- **Share of Empty Run Kilometres paid by Globaltrans up to 79% (H1 2011: 77%)** driven by decreased transportation of coal and impact from consolidation of Ferrotrans

**Average Price per Trip (RUB)**



**Empty Run Ratio (%)**



Source: Globaltrans.

Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) provided at the end of this presentation.

(1) Average Russian Rouble vs. US Dollar exchange rate depreciated by c.7% y-o-y impacting results presented in US Dollars.



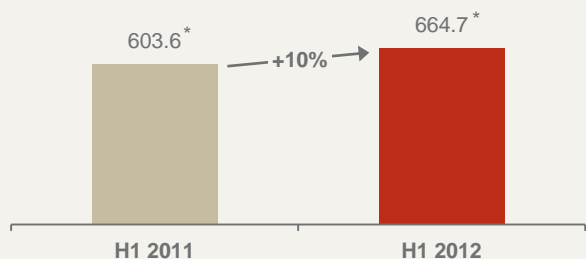


**Alexander Shenets**  
Chief Financial Officer

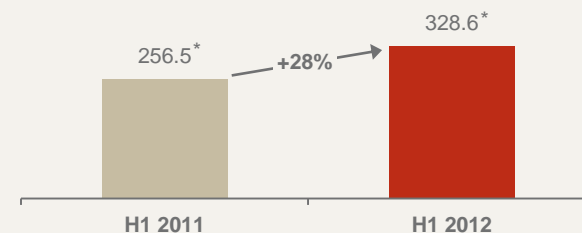
- Financial review

## Strong set of financial results in H1 2012

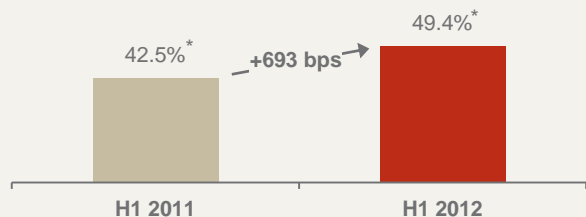
### Adjusted Revenue (USD mln)



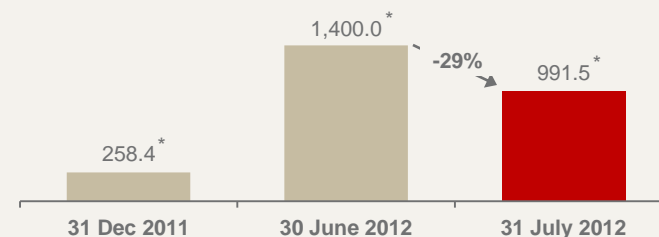
### Adjusted EBITDA (USD mln)



### Adjusted EBITDA Margin (%)



### Net Debt (USD mln)



Source: Globaltrans.

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Average Russian Rouble vs. US Dollar exchange rate depreciated by c.7% y-o-y impacting results presented in US Dollars. The first half 2012 period end exchange rate of the Russian Rouble against the US Dollar weakened by 1.9% compared to the end of 2011.

## Revenue analysis

	H1 2011 (USD mln)	H1 2012 (USD mln)	Change (USD mln)	Change y-o-y %
<b>Revenue</b>	<b>905.8</b>	<b>967.5</b>	<b>61.7</b>	<b>7%</b>
<i>Minus</i>				
Infrastructure and locomotive tariffs: loaded trips <sup>1</sup>	302.3	302.8	0.6	0%
<b>Adjusted Revenue</b>	<b>603.6*</b>	<b>664.7*</b>	<b>61.1</b>	<b>10%</b>
<i>Including</i>				
<b>Net Revenue from Operation of Rolling Stock</b>	<b>566.0*</b>	<b>585.0*</b>	<b>19.0</b>	<b>3%</b>
<b>Operating leasing of rolling stock</b>	<b>35.9</b>	<b>73.1</b>	<b>37.2</b>	<b>104%</b>
Railway transportation – freight forwarding	1.2	5.2	4.0	333%
Other revenue	0.5	1.4	0.9	198%

- **Adjusted Revenue increased 10% y-o-y to USD 664.7 mln\***
- **Net Revenue from Operation of Rolling Stock, key component of Adjusted Revenue, increased 3% y-o-y to USD 585.0 mln\*:**
  - Average Price per Trip increased 12% y-o-y to USD 1,071; Average Distance of Loaded Trip decreased 2% y-o-y
  - Average Rolling Stock Operated temporarily declined 6% y-o-y to 41,873 units primarily due to the decrease in the number of Leased-in Fleet ahead of new railcar deliveries
  - Average Number of Loaded Trips declined 2% y-o-y
- **Revenue from Operating leasing of rolling stock increased 104% y-o-y to USD 73.1 mln:**
  - An increase in average rolling stock leased-out over the period primarily reflecting (i) increase in number of rail tank cars leased-out (primarily due to delivery of newly acquired rail tank cars) and (ii) the temporary lease of certain acquired gondola cars subject to existing leasing contracts. These gondola cars will be switched to operators' business in H2 2012 when respective contracts expire
  - An increase in lease-out rates

Source: Globaltrans.

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(1) Infrastructure and locomotive tariffs: loaded trips is in principle a "pass-through" item for the Group and is reflected in equal amounts in the Group's revenue and cost of sales.

## Cost analysis

	H1 2011 (USD mln)	H1 2012 (USD mln)	Change (USD mln)	Change y-o-y %
<b>Infrastructure and locomotive tariffs: loaded trips<sup>1</sup></b>	<b>302.3</b>	<b>302.8</b>	<b>0.6</b>	<b>0%</b>
<b>Total Operating Cash Costs</b>	<b>346.9*</b>	<b>336.1*</b>	<b>(10.8)</b>	<b>-3%</b>
Empty Run Costs	122.6*	123.0*	0.4	0%
Operating lease rentals – rolling stock	78.9	36.6	(42.3)	-54%
Repairs and maintenance	39.3	41.9	2.5	6%
Employee benefit expense	28.6	41.7	13.0	45%
Other Tariffs and Services Provided by Other Transportation Organisations	28.9*	36.0*	7.0	24%
Fuel and spare parts – locomotives	14.2	16.6	2.4	17%
Engagement of locomotive crews	6.4	6.0	(0.3)	-5%
Legal, consulting and other professional fees	2.1	4.4	2.3	114%
Other Operating Cash Costs	25.9*	30.0*	4.1	16%
<b>Total Operating Non-Cash Costs</b>	<b>38.7*</b>	<b>48.8*</b>	<b>10.1</b>	<b>26%</b>
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>687.9</b>	<b>687.8</b>	<b>(0.1)</b>	<b>0%</b>

- **Total cost of sales, selling and marketing costs and administrative expenses remained stable y-o-y**
- **Total Operating Cash Costs down 3% y-o-y or USD 10.3 mln primarily driven by:**
  - Operating lease rentals – rolling stock costs halved, due to a decrease in the Leased-in Fleet;
  - Partially offset by increased employee benefit expense and other expenses; and an increase in Other Tariffs and Services provided by Other Transportation Organisations primarily due to increased usage of Engaged Fleet to satisfy strong customer demand as well as a consolidation of Ferrotrans from 15 May 2012 where substantial portion of volumes are handled by Engaged Fleet
- **Infrastructure and locomotive tariffs: loaded trips<sup>1</sup> (a “pass-through” cost item for the Group) remained stable y-o-y**
- **Total Operating Non-Cash Costs up 26% y-o-y or USD 10.1 mln due to increase in depreciation charge (up USD 7.3 mln y-o-y) driven by increase of the Owned Fleet**

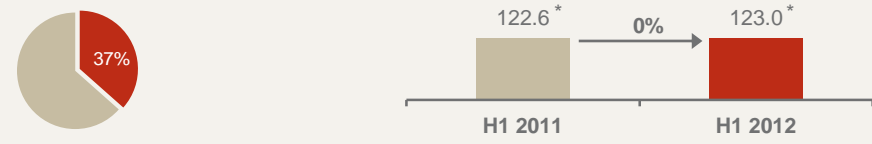
Source: Globaltrans.

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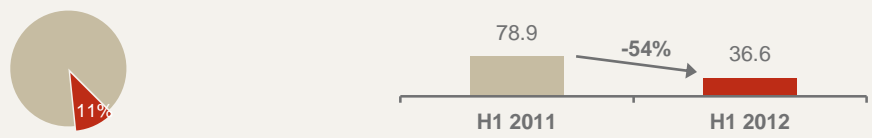
(1) Infrastructure and locomotive tariffs: loaded trips is in principle a “pass-through” item for the Group and is reflected in equal amounts in the Group’s revenue and cost of sales.

# Major Operating Cash Cost items

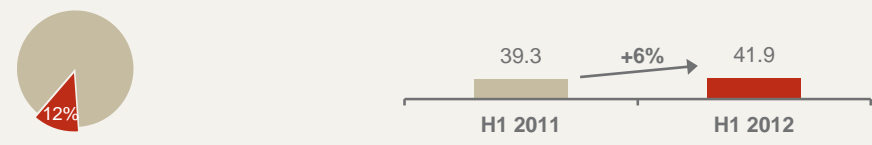
## Empty Run Costs (USD mln)



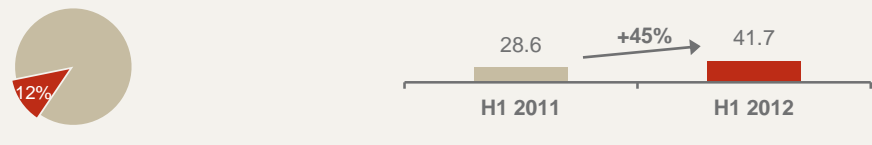
## Operating lease rentals – rolling stock (USD mln)



## Repairs and maintenance (USD mln)



## Employee benefit expense (USD mln)



- **Remained stable y-o-y:**

- 6% increase (in RUB terms) in regulated tariff for traction of empty railcars<sup>1</sup>
- Increase in Share of Empty Run Kilometres paid by Globaltrans to 79% (H1 2011: 77%) and Steady Total Empty Run Ratio
- Offset partially by a 7% decrease in Freight Rail Turnover reflecting a temporary decrease in the Group's Average Rolling Stock Operated over the period (down 6%)

- **Decreased 54% y-o-y or USD 42.3 mln:**

- Significant decline in Leased-in Fleet from third parties (down 50% at 30 June 2012 compared to 30 June 2011)

- **Increased 6% y-o-y or USD 2.5 mln:**

- Cost inflation for repair works and spare parts
- Increase in number of ad-hoc repairs

- **Increased 45% y-o-y or USD 13.0 mln:**

- General wage inflation
- Increase in the unified social tax rate in Russia
- Increase in average number of employees (mostly from Ferrotrans' consolidation)
- Increase in performance-linked bonuses

Source: Globaltrans, Federal Tariff Service of Russia (FST).

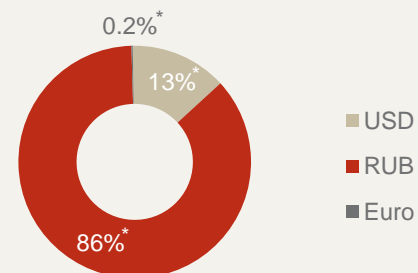
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(1) Based tariff set by FST effective 1 January 2012.

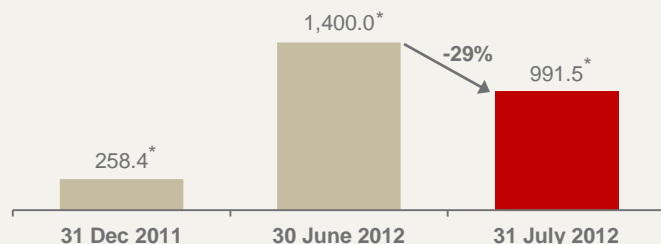
## Strengthened balance sheet enabling business expansion

- **H1 2012: Debt increased to finance CAPEX and acquisition of Ferrotrans (former Metalloinvesttrans)**
  - Total debt increased by USD 1,110.5 mln to USD 1,489.6 mln at 30 June 2012 compared to the end of 2011
- **Proceeds from follow-on offering and strong cash generation helped to strengthen the balance sheet as of 31 July 2012<sup>1</sup>:**
  - Net Debt amounted to USD 991.5 mln\*
  - Low FX exposure with share of RUB-denominated debt of 86%\*
  - Share of debt with fixed interest rate of 75%\*
  - Weighted average effective interest rate of 9.0%\*
- **Ample credit liquidity available for Globaltrans**

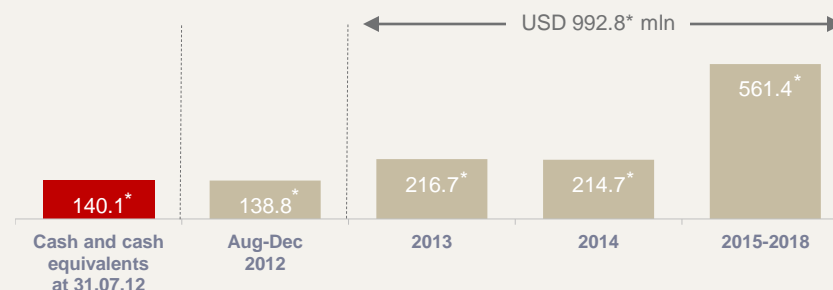
### Total debt as at 31 July 2012 by currency (%)



### Net Debt (USD mln)



### Debt repayment schedule<sup>2</sup> as at 31 July 2012 (USD mln)



Source: Globaltrans.

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(1) All information related to the Group's debt as of 31 July 2012 based on management accounts.

(2) Including accrued interest of USD 15.1 mln\*.



**Sergey Maltsev**  
Chief Executive Officer

- Key takeaways

## Large, profitable resilient business well positioned to capture growth

### Large and profitable

- Large fleet of c.63,000 modern railcars<sup>1</sup>
- Adjusted EBITDA Margin of 49.4%\* in H1 2012
- USD 329.9 mln of cash flow from operating activities in H1 2012

### Resilient business profile

- Unique combination of large modern fleet, high level of service and established high quality client base
- Well balanced fleet of universal gondola and resilient rail tank cars
- Leased-in and Engaged Fleets enhance operational flexibility

### Positioned for growth

- Russian freight rail market is growing with overall Russian Freight Rail Turnover up 5.2% y-o-y in 7m 2012
- Operators' market is fragmented, locomotive traction liberalisation is expected
- Strengthened balance sheet with Net Debt adjusted for SPO proceeds to LTM Adj EBITDA of 1.7x<sup>2</sup> as of 30 June 2012

Source: Globaltrans, Rosstat.

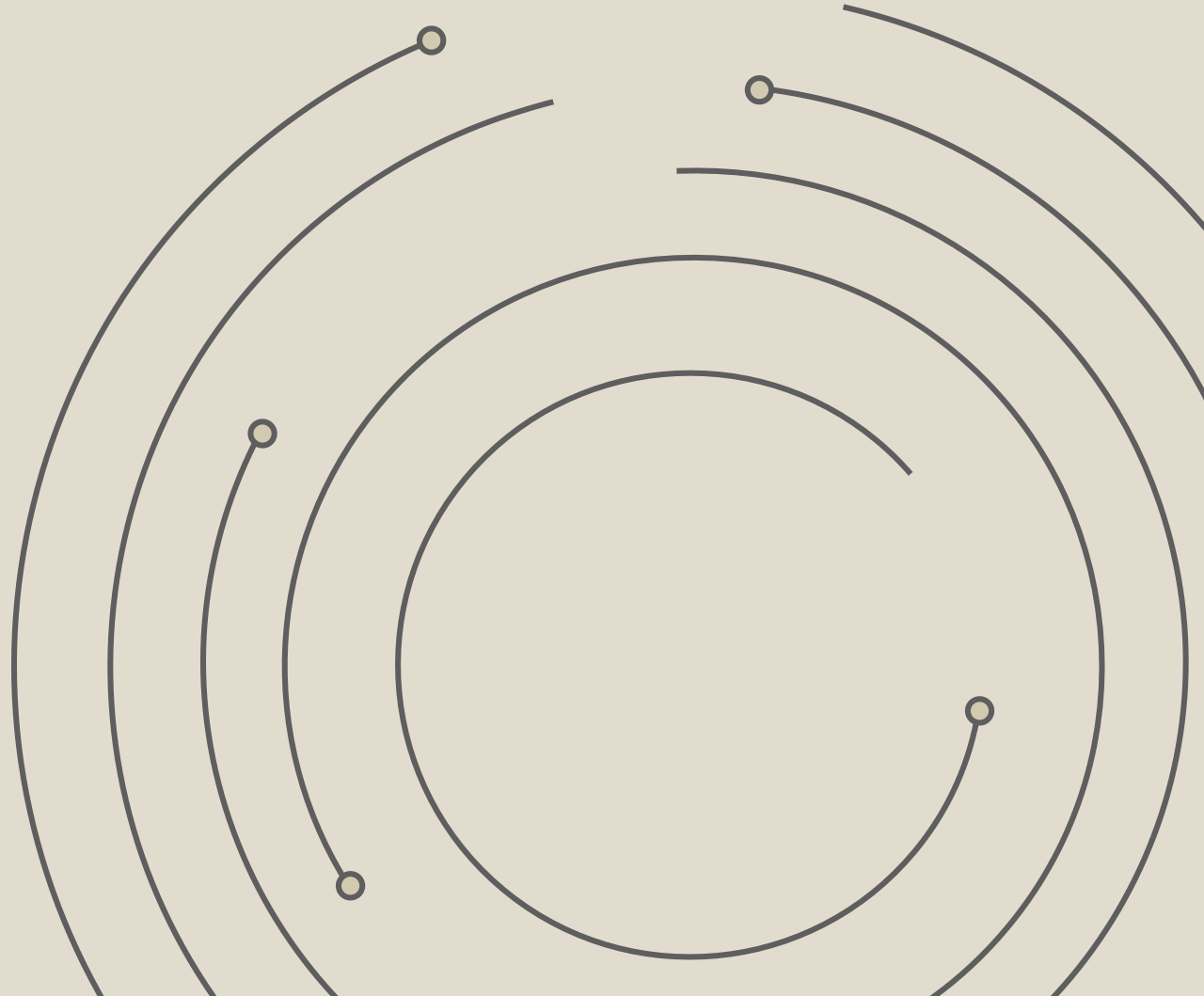
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(1) Total Fleet of 62,710 units as of 30 June 2012; average age of Owned Fleet of 6.6 years as of 30 June 2012

(2) Net Debt as of 30 June 2012 adjusted for USD 400 mln of gross proceeds from follow-on offering undertaken in July 2012; Adjusted EBITDA for the last twelve months ended 30 June 2012

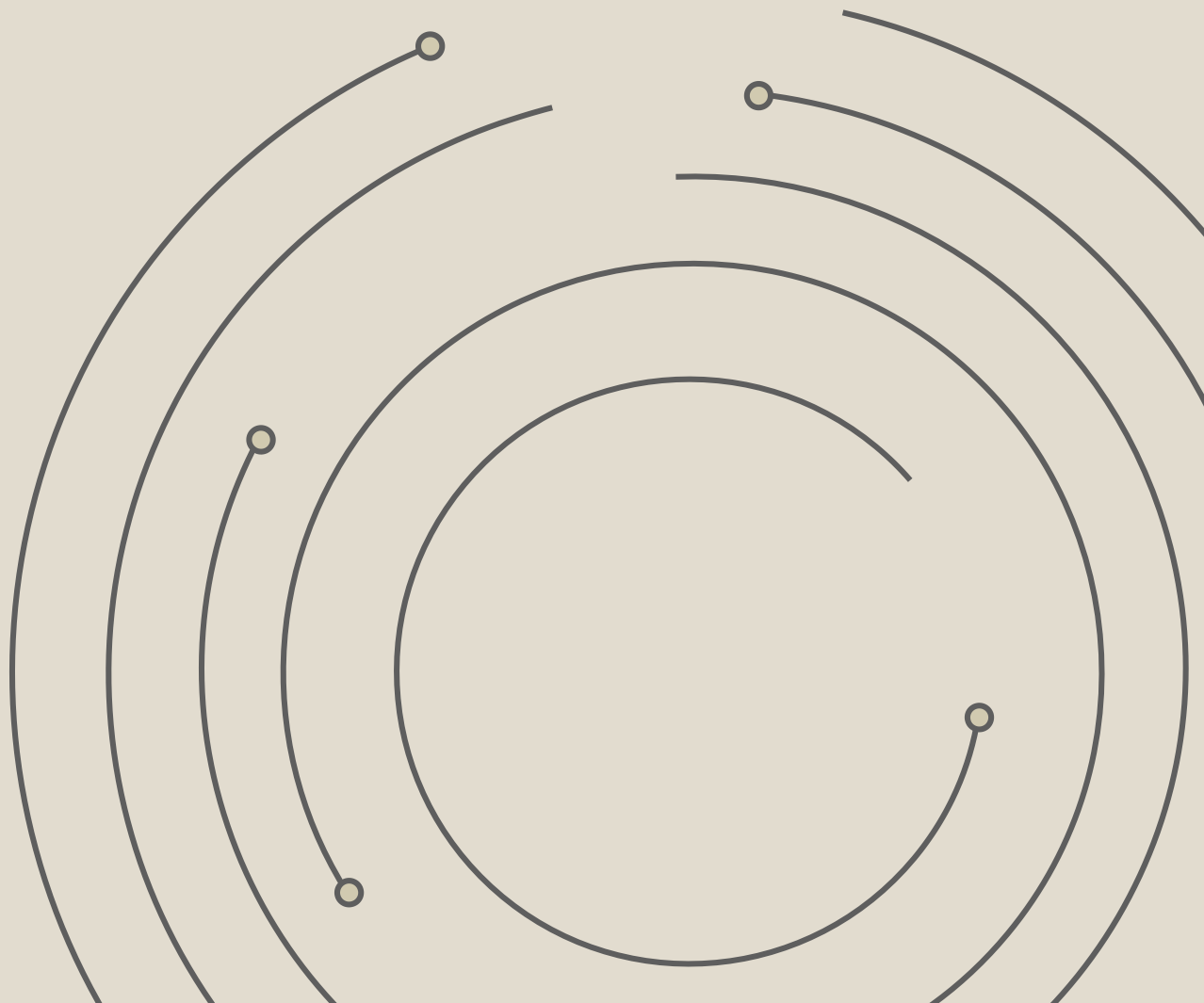


## Questions and answers



## Appendix I

Selected H1 2012 financial  
and operational information



## Extracts from the Group's condensed consolidated interim financial information (unaudited) for six months ended 30 June 2012

### Consolidated interim income statement for six months ended 30 June 2012

	H1 2012 USD'000	H1 2011 USD'000
Revenue	967,537	905,844
Cost of sales	(626,556)	(645,721)
<b>Gross profit</b>	<b>340,981</b>	<b>260,123</b>
Selling and marketing costs	(1,868)	(1,542)
Administrative expenses	(59,349)	(40,636)
Other gains /(losses) – net	1,372	(555)
<b>Operating profit</b>	<b>281,136</b>	<b>217,390</b>
Finance income	4,948	2,843
Finance costs	(81,028)	(20,702)
Finance costs – net	(76,080)	(17,859)
Share of profit of associate	213	300
<b>Profit before income tax</b>	<b>205,269</b>	<b>199,831</b>
Income tax expense	(45,720)	(40,544)
<b>Profit for the period</b>	<b>159,549</b>	<b>159,287</b>
<b>Attributable to:</b>		
Owners of the Company	132,635	134,618
Non-controlling interests	26,914	24,669
	<b>159,549</b>	<b>159,287</b>
	<b>USD per share</b>	<b>USD per share</b>
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period</b>	<b>0.86</b>	<b>0.85</b>

# Extracts from the Group's condensed consolidated interim financial information (unaudited) for six months ended 30 June 2012

## Consolidated interim balance sheet at 30 June 2012

	30-Jun-12	31-Dec-11
	USD'000	USD'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	2,072,413	1,106,171
Intangible assets	177,534	150
Investment in associate	2,002	1,845
Trade and other receivables	31,099	75,777
<b>Total non-current assets</b>	<b>2,283,048</b>	<b>1,183,943</b>
<i>Current assets</i>		
Inventories	10,862	8,002
Trade and other receivables	293,925	150,955
Current income tax assets	13,671	4,191
Cash and cash equivalents	89,625	120,757
<b>Total current assets</b>	<b>408,083</b>	<b>283,905</b>
<b>TOTAL ASSETS</b>	<b>2,691,131</b>	<b>1,467,848</b>

	30-Jun-12	31-Dec-11
	USD'000	USD'000
<b>EQUITY AND LIABILITIES</b>		
<i>Equity attributable to the owners of the Company</i>		
Share capital	15,814	15,814
Share premium	621,227	621,227
Treasury shares	(43,173)	-
Common control transaction reserve	(368,476)	(368,476)
Translation reserve	(153,791)	(139,787)
Capital contribution	90,000	90,000
Retained earnings	673,039	639,283
<b>Total equity attributable to the owners of the Company</b>	<b>834,640</b>	<b>858,061</b>
<b>Non-controlling interests</b>	<b>132,842</b>	<b>130,994</b>
<b>TOTAL EQUITY</b>	<b>967,482</b>	<b>989,055</b>
<i>Non-current liabilities</i>		
Borrowings	1,212,055	208,381
Deferred tax liabilities	106,846	35,247
<b>Total non-current liabilities</b>	<b>1,318,901</b>	<b>243,628</b>
<i>Current liabilities</i>		
Borrowings	277,535	170,731
Trade and other payables	125,602	63,959
Current tax liabilities	1,611	475
<b>Total current liabilities</b>	<b>404,748</b>	<b>235,165</b>
<b>TOTAL LIABILITIES</b>	<b>1,723,649</b>	<b>478,793</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,691,131</b>	<b>1,467,848</b>

# Extracts from the Group's condensed consolidated interim financial information (unaudited) for six months ended 30 June 2012

## Consolidated interim cash flow statement for six months ended 30 June 2012

	H1 2012 USD'000	H1 2011 USD'000
<b>Cash flows from operating activities</b>		
Profit before tax	205,269	199,831
Adjustments for:		
Depreciation of property, plant and equipment	46,316	38,986
Amortisation of intangible assets	1,585	91
Loss/(gain) on sale of property, plant and equipment	900	(481)
Interest income	(2,796)	(2,843)
Interest expense	41,475	20,815
Share of profit of associate	(213)	(300)
Exchange losses/(gains) on financing activities	37,401	(1,234)
Finance cost on liability for minimum dividend distribution	-	1,121
Recognised deferred gain	-	(155)
	<b>329,937</b>	<b>255,831</b>
<b>Changes in working capital:</b>		
Inventories	(1,656)	53
Trade and other receivables	(77,864)	(516)
Trade and other payables	(22,694)	6,637
<b>Cash generated from operations</b>	<b>227,723</b>	<b>262,005</b>
Tax paid	(51,403)	(25,841)
<b>Net cash from operating activities</b>	<b>176,320</b>	<b>236,164</b>

	H1 2012 USD'000	H1 2011 USD'000
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries-net of cash acquired	(539,417)	-
Purchases of property, plant and equipment	(647,516)	(50,264)
Proceeds from disposal of property, plant and equipment	1,669	4,443
Interest received	2,796	2,843
<b>Net cash used in investing activities</b>	<b>(1,182,468)</b>	<b>(42,978)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,320,369	15,585
Repayments of borrowings	(123,748)	(133,006)
Finance lease principal payments	(17,787)	(41,453)
Interest paid	(38,610)	(21,073)
Proceeds from sale and lease back transactions	-	27,776
Dividends paid to non-controlling interests in subsidiaries	(23,452)	(22,338)
Dividends paid to owners of the Company	(98,879)	(58,510)
Purchase of treasury shares	(43,173)	-
<b>Net cash from/(used in) financing activities</b>	<b>974,720</b>	<b>(233,019)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(31,428)</b>	<b>(39,833)</b>
Exchange gains/(losses) on cash and cash equivalents	1,333	(722)
Cash, cash equivalents and bank overdrafts at beginning of period	119,720	136,958
<b>Cash, cash equivalents and bank overdrafts at end of period</b>	<b>89,625</b>	<b>96,403</b>

## Selected operational information for H1 2012

### Rolling stock fleet

	30-Jun-12	30-Jun-11	Chg	Chg, %	31-Dec-11
<b>Owned Fleet</b>					
Gondola cars	38,038	21,123	16,915	80%	21,797
Rail tank cars	18,627	17,570	1,057	6%	17,570
Hopper cars	713	370	343	93%	370
Locomotives	54	53	1	2%	53
Flat cars	121	120	1	1%	120
<b>Total</b>	<b>57,553</b>	<b>39,236</b>	<b>18,317</b>	<b>47%</b>	<b>39,910</b>
<b>Leased-in Fleet</b>					
Gondola cars	1,959	7,653	(5,694)	-74%	4,810
Rail tank cars	3,191	2,637	554	21%	2,857
Hopper cars	4	-	4	n/a	-
Locomotives	3	3	-	0%	3
Flat cars	-	-	-	-	-
<b>Total</b>	<b>5,157</b>	<b>10,293</b>	<b>(5,136)</b>	<b>50%</b>	<b>7,670</b>
<b>Total Fleet</b>	<b>62,710</b>	<b>49,529</b>	<b>13,181</b>	<b>27%</b>	<b>47,580</b>
<b>Leased-out Fleet</b>					
Gondola cars	3,836	820	3,016	368%	1,089
Rail tank cars	7,609	5,439	2,170	40%	5,551
Hopper cars	523	125	398	318%	370
Locomotives	-	-	-	-	-
Flat cars	21	20	1	5%	20
<b>Total</b>	<b>11,989</b>	<b>6,404</b>	<b>5,585</b>	<b>87%</b>	<b>7,030</b>
<b>Average age of Owned Fleet</b>					
Gondola cars	5.4	5.1	-	-	5.5
Rail tank cars	9.2	8.7	-	-	9.2
Hopper cars	6.0	4.5	-	-	5.0
Locomotives	7.4	6.4	-	-	6.9
Flat cars	3.3	2.2	-	-	2.7
<b>Total</b>	<b>6.6</b>	<b>6.7</b>	<b>-</b>	<b>-</b>	<b>7.1</b>

### Operation of rolling stock

	H1 2012	H1 2011	Chg	Chg, %	2011
<b>Freight Rail Turnover, billion tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>24.3</b>	<b>26.4</b>	<b>(2.2)</b>	<b>-8%</b>	<b>49.8</b>
Ferrous metals	13.2	14.2	(1.0)	-7%	25.5
Scrap metal	1.0	1.3	(0.3)	-25%	2.9
Iron ore	10.1	11.0	(0.8)	-7%	21.4
<b>Oil products and oil</b>	<b>15.6</b>	<b>16.3</b>	<b>(0.7)</b>	<b>-4%</b>	<b>30.9</b>
<b>Construction materials</b>	<b>3.5</b>	<b>2.2</b>	<b>1.2</b>	<b>55%</b>	<b>4.9</b>
Construction materials - crushed stone	2.6	1.2	1.4	111%	2.9
Construction materials - cement	0.1	0.2	(0.1)	-30%	0.4
Construction materials - other	0.8	0.8	(0.1)	-7%	1.6
<b>Coal (thermal and coking)</b>	<b>7.7</b>	<b>9.7</b>	<b>(2.0)</b>	<b>-21%</b>	<b>19.4</b>
<b>Other</b>	<b>2.5</b>	<b>2.9</b>	<b>(0.4)</b>	<b>-13%</b>	<b>5.6</b>
<b>Total</b>	<b>53.6</b>	<b>57.5</b>	<b>(3.9)</b>	<b>-7%</b>	<b>110.6</b>
<b>Transportation Volume, million tones</b>					
<b>Metallurgical cargoes</b>	<b>12.0</b>	<b>12.8</b>	<b>(0.8)</b>	<b>-7%</b>	<b>23.9</b>
Ferrous metals	5.7	6.4	(0.6)	-10%	11.6
Scrap metal	1.2	1.5	(0.3)	-20%	3.1
Iron ore	5.1	5.0	0.1	2%	9.1
<b>Oil products and oil</b>	<b>12.4</b>	<b>13.2</b>	<b>(0.8)</b>	<b>-6%</b>	<b>24.7</b>
<b>Construction materials</b>	<b>3.0</b>	<b>2.4</b>	<b>0.6</b>	<b>27%</b>	<b>4.9</b>
Construction materials - crushed stone	2.3	1.4	0.8	58%	3.2
Construction materials - cement	0.1	0.2	(0.1)	-59%	0.4
Construction materials - other	0.6	0.7	(0.1)	-13%	1.3
<b>Coal (thermal and coking)</b>	<b>4.6</b>	<b>5.6</b>	<b>(1.1)</b>	<b>-19%</b>	<b>11.1</b>
<b>Other</b>	<b>2.3</b>	<b>2.4</b>	<b>(0.1)</b>	<b>-6%</b>	<b>5.0</b>
<b>Total</b>	<b>34.2</b>	<b>36.4</b>	<b>(2.2)</b>	<b>-6%</b>	<b>69.6</b>

## Selected operational information for H1 2012 (continued)

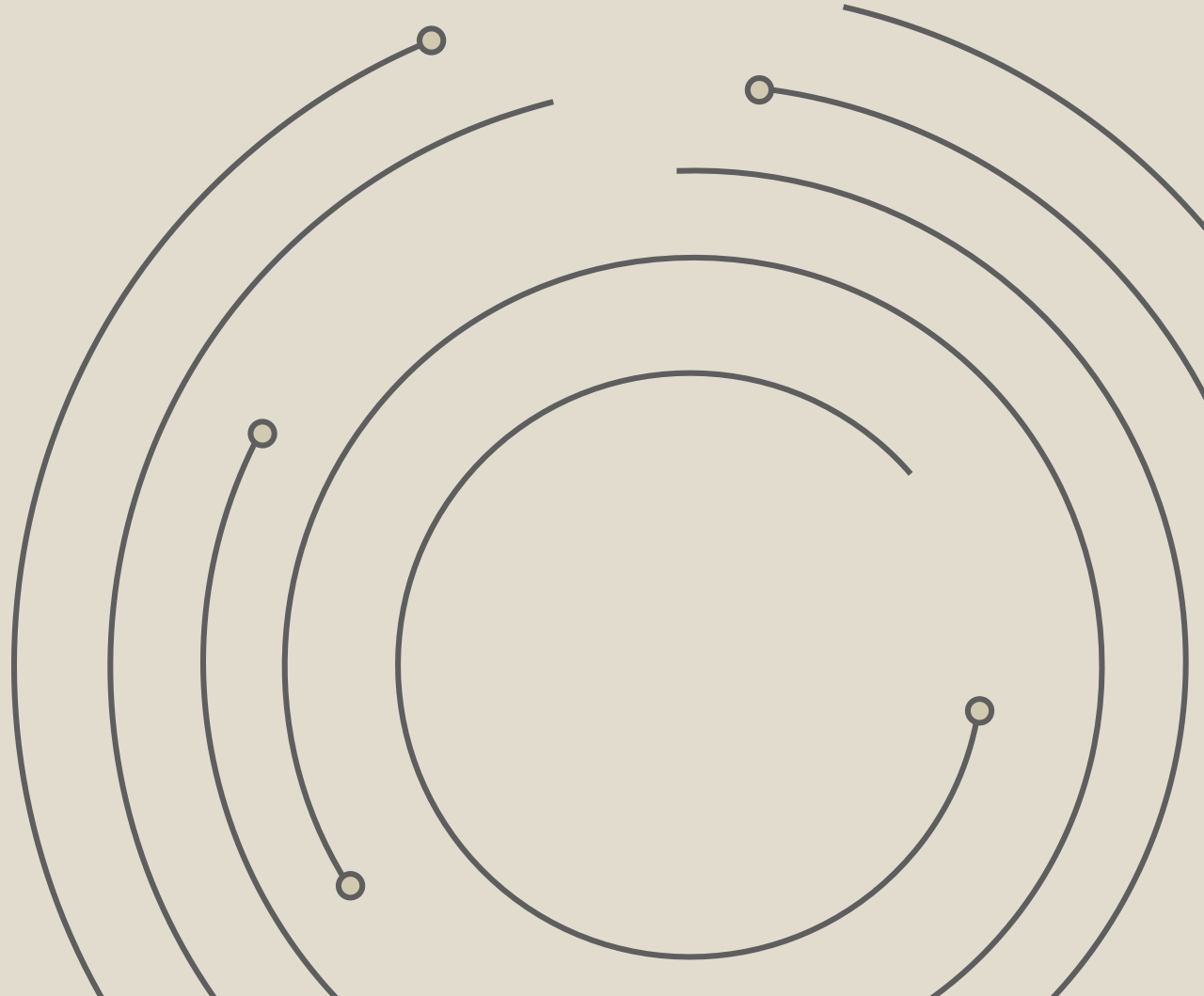
### Operation of rolling stock (continued)

	H1 2012	H1 2011	Chg	Chg, %	2011
<b>Transportation Volume by cargo class</b>					
Class 1	44%	41%	-	-	42%
Class 2	36%	36%	-	-	36%
Class 3	20%	23%	-	-	22%
<b>Average Rolling Stock Operated</b>					
Gondola cars	26,988	28,669	(1,681)	-6%	27,183
Rail tank cars	14,711	15,349	(638)	-4%	14,869
Hopper cars	44	240	(196)	-82%	174
Locomotives	36	38	(2)	-5%	37
Other cars	95	99	(4)	-4%	99
<b>Total</b>	<b>41,873</b>	<b>44,395</b>	<b>(2,521)</b>	<b>-6%</b>	<b>42,363</b>
<b>Average Number of Loaded Trips per Railcar</b>					
Gondola cars	12.5	12.8	(0.2)	-2%	25.8
Rail tank cars	14.0	14.6	(0.6)	-4%	28.3
Hopper cars	13.7	9.7	4.0	41%	19.6
<b>Total</b>	<b>13.1</b>	<b>13.4</b>	<b>(0.3)</b>	<b>-2%</b>	<b>26.6</b>
<b>Average Distance of Loaded Trip, km</b>					
Gondola cars	1,746	1,815	(69)	-4%	1,816
Rail tank cars	1,255	1,224	31	3%	1,238
Hopper cars	508	906	(398)	-44%	903
<b>Total</b>	<b>1,557</b>	<b>1,588</b>	<b>(31)</b>	<b>-2%</b>	<b>1,597</b>
<b>Average Price per Trip</b>					
Average Price per Trip in USD	1,071	953	117	12%	971
Average Price per Trip in RUB	32,722	27,232	5,490	20%	28,536
<b>Net Revenue from Operation of Rolling Stock by cargo type, USD million</b>					
<b>Metallurgical cargoes</b>	<b>223.4</b>	<b>213.7</b>	<b>9.7</b>	<b>5%</b>	<b>399.6</b>
Ferrous metals	145.0	147.8	(2.9)	-2%	269.3
Scrap metal	13.7	15.3	(1.6)	-10%	34.2
Iron ore	64.7	50.6	14.1	28%	96.2
<b>Oil products and oil</b>	<b>247.3</b>	<b>241.5</b>	<b>5.8</b>	<b>2%</b>	<b>460.5</b>
Coal (thermal and coking)	49.6	61.4	(11.8)	-19%	125.2
<b>Construction materials, incl. cement</b>	<b>30.7</b>	<b>17.2</b>	<b>13.5</b>	<b>78%</b>	<b>41.8</b>
Other	34.0	32.2	1.9	6%	68.6
<b>Total</b>	<b>585.0</b>	<b>566.0</b>	<b>19.0</b>	<b>3%</b>	<b>1,095.8</b>

	H1 2012	H1 2011	Chg	Chg, %	2011
<b>Net Revenue from Operation of Rolling Stock by cargo class</b>					
Class 1	28%	27%	-	-	28%
Class 2	44%	43%	-	-	43%
Class 3	28%	30%	-	-	29%
<b>Net Revenue from Operation of Rolling Stock by largest clients<sup>1</sup></b>					
TNK-BP	18%	19%	-	-	20%
MMK	12%	10%	-	-	11%
Evraz	8%	9%	-	-	8%
Metalloinvest	11%	9%	-	-	8%
Gazprom Neft	5%	5%	-	-	5%
Lukoil	4%	7%	-	-	5%
Rosneft	3%	4%	-	-	3%
Severstal	2%	4%	-	-	3%
Mechel	2%	2%	-	-	2%
TMK	2%	n/a	-	-	n/a
Other (inc. small and medium enterprises)	32%	31%	-	-	33%
<b>Empty Run Ratio</b>					
Gondola cars	43%	42%	-	-	41%
Rail tank cars and hopper cars	104%	111%	-	-	111%
<b>Total Empty Run Ratio</b>	<b>62%</b>	<b>62%</b>	<b>-</b>	<b>-</b>	<b>62%</b>
<b>Empty Run Costs, USD million</b>					
	123.0	122.6	0.4	0%	233.8
<b>Share of Empty Run Kilometres Paid by Globaltrans</b>					
	79%	77%	-	-	78%
<b>Employees</b>					
	30 June 2012	30 June 2011	Chg	Chg, %	31 Dec 2011
<b>Employees by departments (simplified)</b>					
Operations	829	671	159	24%	679
Administrative	377	332	45	14%	331
<b>Total</b>	<b>1,206</b>	<b>1,002</b>	<b>204</b>	<b>20%</b>	<b>1,009</b>

## Appendix II

### Definitions





## Definitions for operational metrics (in alphabetical order)

**Average Distance of Loaded Trip** is calculated as the sum of 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 applicable 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 utilisation, rolling stock leased-out or Engaged Fleet).

**Engaged Fleet** is defined as rolling stock subcontracted or otherwise attracted from a third party 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 Ratio** is calculated as the total of empty trips in kilometres by the relevant 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 and is calculated as the sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km.

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

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

**Owned Fleet** is defined as rolling stock fleet owned and leased-in under finance leases (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 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 Empty Run Ratio** is calculated as total kilometres travelled empty divided by total kilometres travelled loaded by the fleet operated by Globaltrans (not including 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 Owned Fleet and the Leased-in Fleet, including both railcars and locomotives, but excluding the Engaged Fleet.

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

## Definitions for non-GAAP financial measures (in alphabetical order)

**Adjusted EBITDA** (a non-GAAP financial measure) represents EBITDA excluding “Net foreign exchange transaction gains/losses on borrowings”, “Net foreign exchange transaction gains/(losses) on cash and cash equivalents”, “Share of profit of associates”, “Other gains - net”, “Loss/(gain) 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 “Infrastructure and locomotive tariffs: loaded trips”.

**EBITDA** (a non-GAAP financial measure) represents “Profit for the year” before “Income tax expense”, “Finance costs-net” (excluding “Net foreign exchange transaction gains/(losses) on borrowings”), “Depreciation of property, plant and equipment” and “Amortisation of intangible assets”.

**Empty Run Costs** (a non-GAAP financial measure, meaning costs payable to OJSC “Russian Railways” for forwarding empty railcars) is derived from management accounts and presented as part of the “Infrastructure and locomotive tariffs: 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.

**Functional Currency** is defined as the currency of the primary economic environment in which the entity operates. The functional currency of the Company, its Cyprus and Russian subsidiaries is the Russian rouble. The Estonian and Finnish subsidiaries have the Euro as their functional currency. The Ukrainian subsidiary of the Company has Ukrainian hryvnia as its functional currency.

**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 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”.

**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 “Infrastructure and locomotive tariffs: loaded trips”, “Depreciation of property, plant and equipment”, “Amortisation of intangible assets”, “Impairment charge for receivables” and “Loss/(gain) on sale of property, plant and equipment”.

**Total Operating Non-Cash Costs** (a non-GAAP financial measure) include line items such as “Depreciation of property, plant and equipment”, “Amortisation of intangible assets”, “Impairment charge for receivables” and “Loss/(gain) on sale of property, plant and equipment”.

**Other Operating Cash Costs** (a non-GAAP financial measure) 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)” and “Other expenses”.

**Other Tariffs and Services Provided by Other Transportation Organisations** (a non-GAAP financial measure) is presented as part of the “Infrastructure and locomotive tariffs: empty run trips, other tariffs and services provided by other transportation organisations” component of “Cost of sales” reported under EU IFRS.

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