

## Full Year 2013 Results

Sergey Maltsev, CEO and Alexander Shenets, CFO

Investor Conference Call: 31 March 2014

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## Presentation of information

The financial information presented in this presentation is derived from the consolidated financial statements (audited) of Globaltrans Investment PLC (“the Company” or, together with its subsidiaries, “Globaltrans” or “the Group”) for the years ended 31 December 2013 and 2012 and prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and the requirements of Cyprus Companies Law, Cap. 113 (“EU IFRS”). 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 statements are 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 Russian Rouble. The Company’s Estonian and Finnish subsidiaries have the Euro as their functional currency and the Company’s Ukrainian subsidiary has the Ukrainian hryvnia 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.

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.

The Group’s consolidated financial statements for 2013 includes results of Steeltrans (renamed from MMK-Trans), which have been consolidated from 12 February 2013.

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 at the Globaltrans’ corporate website [www.globaltrans.com](http://www.globaltrans.com).



**Sergey Maltsev**  
Chief Executive Officer

- Highlights
- Market and business review

## Highlights: operational excellence, robust cash generation, high dividends

### Continued operational excellence

- Sustained market outperformance with Freight Rail Turnover up 13%<sup>1</sup> y-o-y
- Market Share increased to 8.3% from 6.6% in 2012
- Empty Run Ratio for gondola cars maintained at 38%, the lowest annual level for the last 5 years

### High profitability and Free Cash Flow

- Adjusted EBITDA slightly down at USD 653 mln\* with a 46%\* Adjusted EBITDA Margin
- Cash generated from operations of USD 658 mln with Free Cash Flow<sup>2</sup> of USD 423 mln\*

### Comfortable debt profile

- Net Debt reduced by USD 185 mln in 2H 2013 to USD 910 mln\* at 2013 end
- Net Debt to Adjusted EBITDA at comfortable level of 1.4x\*
- 94% of total debt denominated in RUB with 87%\* with fixed interest rate
- Net Debt decreased further to USD 749 mln\* as of end Feb 2014

### Increased Dividend Pay-out Ratio

- USD 110.8 mln of dividends proposed, 62 US cents per ordinary share/GDR (flat in RUB terms<sup>3</sup>), 61% Dividend Pay-out Ratio
- The Board continues to support annual Dividend Pay-out Ratio of not less than 50%<sup>4</sup> in periods of sustained low investment activity

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

1) Including Engaged Fleet; the Group's Freight Rail Turnover excluding Engaged Fleet increased 12% y-o-y.

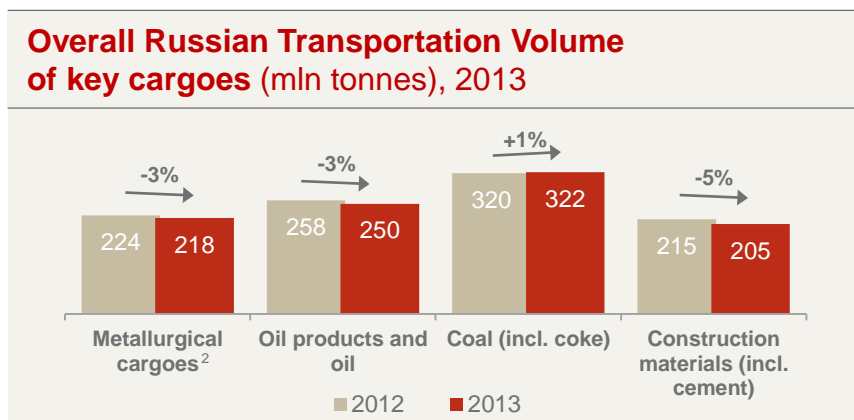
2) Free Cash Flow (a non-GAAP financial measure) is calculated as "Net cash from operating activities" (after changes in working capital and tax paid) less "Purchases of property, plant and equipment" (which includes maintenance CAPEX) and "Interest paid".

3) The proposed dividend amount in Russian Rouble terms equals RUB 3,943 million (calculated at the official USD/RUB FX rate of 35.58 as of 28 March 2014, the date of the Board decision on proposed dividends). This figure is 2% above RUB 3,865 million (USD 125.1 million calculated at the official USD/RUB FX rate of 30.89 as of the previous date of the Board decision on proposed dividends on 22 March 2013).

4) Of Imputed Consolidated Net Profit.

# Challenging market environment reflecting macroeconomic headwinds

- Challenging market conditions prevailed in 2013**
  - Overall Russian Freight Rail Turnover stagnated, declining 1% y-o-y in 2013
  - Soft demand from key industries, weak commodity prices in coal and metals sectors
- In Jan-Feb 2014 overall Russian Freight Rail Turnover increased 6% y-o-y whilst Transportation Volume remained flat**
- Mixed pricing environment**
  - Solid pricing in rail tank segment for rail operators with own locomotives
  - Sluggish pricing in gondola segment reflecting macroeconomic trends
- Rational railcar supply in the market**
  - Production of gondola cars in CIS declined 52%<sup>1</sup> y-o-y in 2013
- Potential market drivers**
  - Rail tank segment: launch of additional oil products production capacities
  - Bulk cargo segment: announced increase in budget spending on large national infrastructure projects and potential decision on accelerated retirement of old railcars



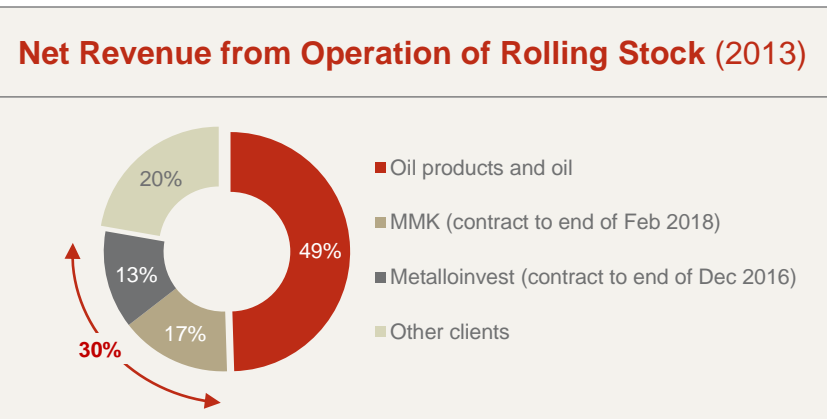
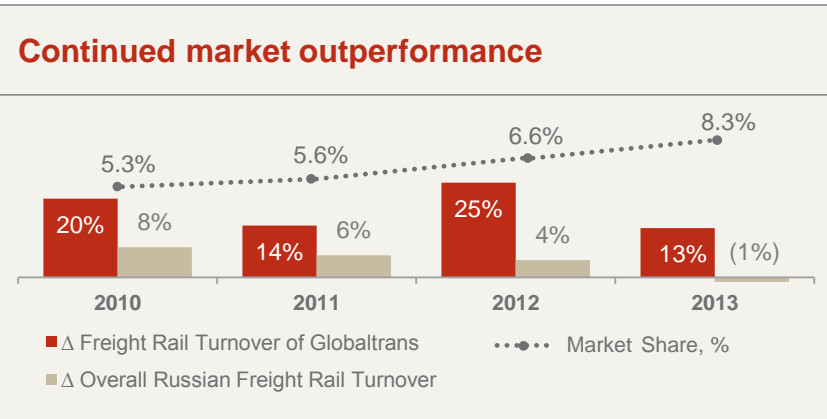
Source: Globaltrans, Rosstat, RZD. Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Source: PG-online ([www.pg-online.ru](http://www.pg-online.ru)).

2) Metallurgical cargoes include ferrous metals, scrap metal and ores.

# Continued market outperformance, all railcars are fully deployed

- Continued growth in business volumes and market share gains**
  - The Group's Freight Rail Turnover increased 13%<sup>1</sup> y-o-y led by metallurgical cargoes<sup>2</sup> (+16%), construction materials<sup>2</sup> (+42%) and coal<sup>2</sup> (+26%)
  - Steady Market Share increase continued in 2013
- All railcars are fully deployed and generate cash flow**
  - c.80% of the Group's Net Revenue from Operation of Rolling Stock in 2013 was contributed by long-term contracts and rail tank car segment
- Leased-in and Engaged Fleets provide for additional "cushion" against market volatility**
  - c.5k railcars<sup>3</sup> are leased-in, particularly rail tank cars
  - c.11k railcars<sup>3</sup> are being engaged from third parties to meet demand under the long-term contracts not covered by Owned and Leased-in Fleets



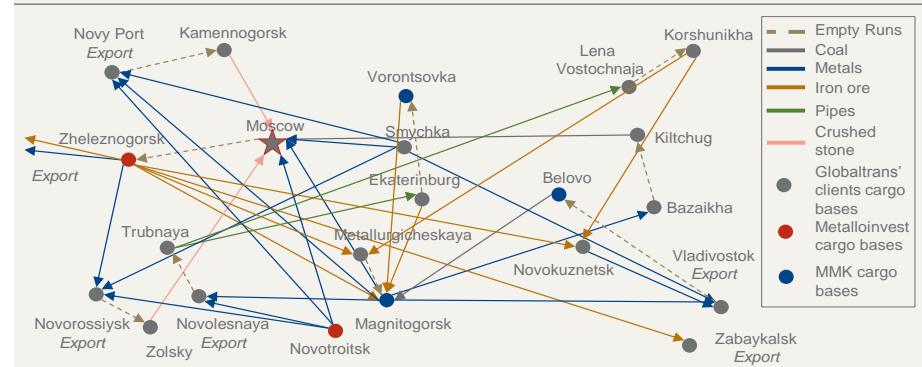
Source: Globaltrans, Rosstat. Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Including Engaged Fleet; the Group's Freight Rail Turnover excluding Engaged Fleet increased 12% y-o-y.  
 2) Metallurgical cargoes include ferrous metals, scrap metal and ores; construction materials including cement; coal including coke.  
 3) As of 31 December 2013.

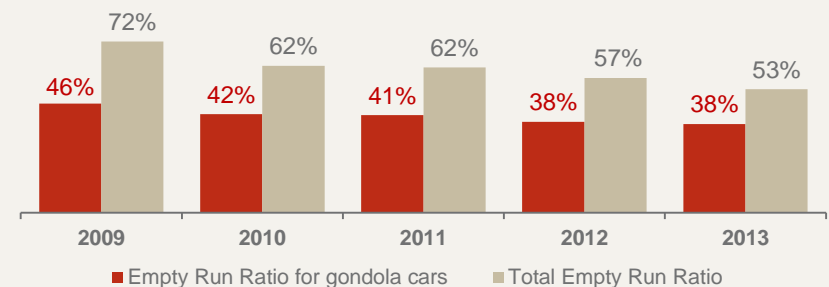
# Operational excellence creates strong customer loyalty

- Centralised gondola logistic hub created, all 40k gondola cars are now operated from a single dispatching centre providing for:**
  - Optimal railcar logistics
  - Minimum dwell time for railcar repairs benefitting Globaltrans
- Operational efficiency maintained at best annual levels for the last 5 years**
  - Empty Run Ratio for gondola cars unchanged at 38%
  - Total Empty Run Ratio improved to 53% (2012: 57%)
- Integration with client's logistics chains combined with best-in-class service proposition creates strong customer loyalty**
  - Metalloinvest contract was extended for an additional 19 months to the end of 2016
  - Service volume under the long-term contract with MMK (valid to the end of February 2018) increased from 70% to 80% for the duration of 2014

## Robust operational platform: key illustrative routes



## Historical Empty Run Ratio



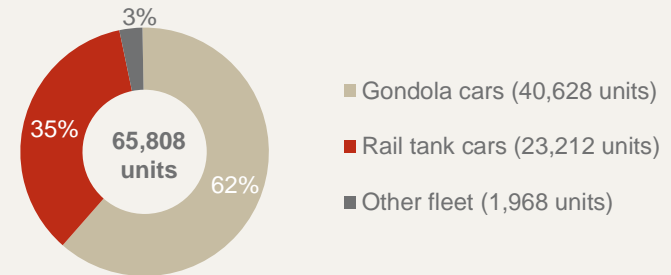
Source: Globaltrans. Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.



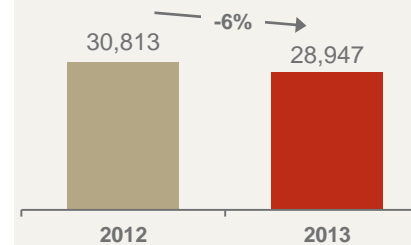
## Business model underpins solid profitability

- Balanced fleet composition supported resilient average pricing as solid pricing in rail tank car segment partially offset sluggish pricing in gondola segment**
  - Average Price per Trip declined 6% y-o-y in RUB terms
  - Average Distance of Loaded Trip was down 3% y-o-y
- Sizable long-term contracts with multiple interconnected plants supported above-market profitability in gondola segment**
  - Driven by efficient logistics arising from service contracts with Metalloinvest and MMK
- Globaltrans' proficiency in block train logistics<sup>1</sup> with own locomotives contributed to strong performance across rail tank car segment**

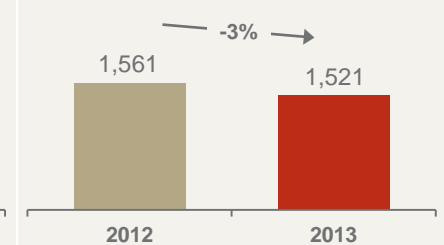
### Total Fleet breakdown (2013 end)



### Average Price per Trip (RUB)



### Average Distance of Loaded Trip (km)



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

1) A block train consists of Group-operated rolling stock bound for one destination. The use of block trains improves delivery times and increases railcar turnover, as it avoids the need to couple and decouple individual rolling stock at rail yards.

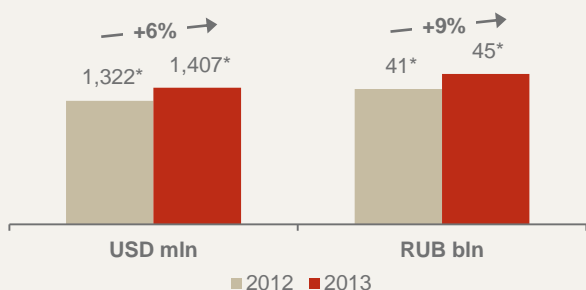


**Alexander Shenets**  
Chief Financial Officer

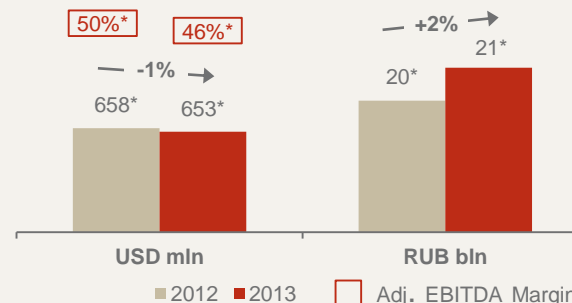
- Financial review

# Solid financial results<sup>1</sup>

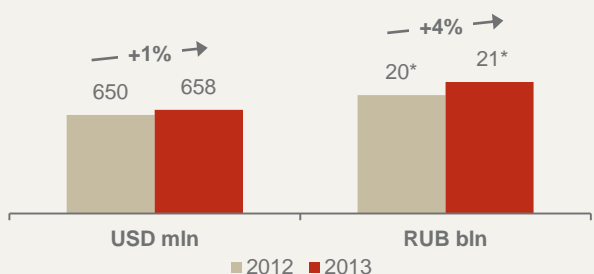
## Adjusted Revenue



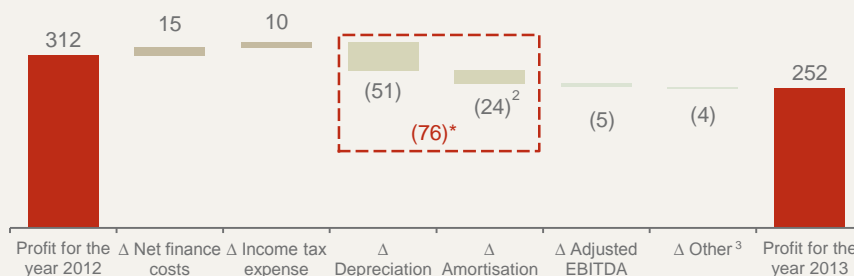
## Adj. EBITDA, Adj. EBITDA Margin



## Cash generated from operations



## Analysis of Profit for the year (USD mln)



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

- 1) The Group's financial performance in 2013 compared to 2012 was affected by a 3% depreciation of the average exchange rate of the Russian Rouble (Functional Currency of the Company, its Cyprus and Russian subsidiaries) against the US Dollar (the Group's financial information presentation currency). The 2013 period end exchange rate of the Russian Rouble against the US Dollar weakened by 8% compared to the end of 2012.
- 2) The increase in amortization of intangible assets reflects the amortisation of customer relationships related to the service contracts with Metalloinvest and MMK which were acquired as part of the acquisitions of Ferrotrans and Steeltrans. The customer relationships with Metalloinvest and MMK are being amortised for five years and seven years respectively.
- 3) Other includes "Share of loss of associate", "Other gains – net", "Loss on sale of property, plant and equipment".

## Revenue analysis

	2012 (USD mln)	2013 (USD mln)	Change (USD mln)	Change %
<b>Revenue</b>	<b>2,114.3</b>	<b>2,327.5</b>	<b>213.3</b>	<b>10%</b>
<i>Minus "pass through" items:</i>				
<i>Infrastructure and locomotive tariffs: loaded trips<sup>1</sup></i>	681.7	764.0	82.3	12%
<i>Services provided by other transportation organisations<sup>2</sup></i>	110.6	156.3	45.6	41%
<b>Adjusted Revenue</b>	<b>1,322.0*</b>	<b>1,407.3*</b>	<b>85.3</b>	<b>6%</b>
<i>Including</i>				
<b>Net Revenue from Operation of Rolling Stock</b>	<b>1,159.0*</b>	<b>1,217.8*</b>	<b>58.8</b>	<b>5%</b>
<b>Operating lease of rolling stock</b>	<b>135.8</b>	<b>118.5</b>	<b>(17.3)</b>	<b>-13%</b>
<b>Net Revenue from Engaged Fleet</b>	<b>18.0*</b>	<b>58.6*</b>	<b>40.5</b>	<b>225%</b>
Railway transportation – freight forwarding	6.9	2.0	(4.9)	-72%
Other <sup>3</sup>	2.3	10.5	8.2	362%

- **Adjusted Revenue increased 6% y-o-y to USD 1,407.3 mln\* (+9% in Rub terms)**
- **Net Revenue from Operation of Rolling Stock, a key component of Adjusted Revenue, increased 5% y-o-y to USD 1,217.8 mln\*:**
  - Average Rolling Stock Operated was up 14% y-o-y to 53,445 units reflecting successful integration of acquisitions
  - Average Price per Trip declined 9% y-o-y in USD terms (-6% in RUB terms; Average Distance of Loaded Trip was down 3% y-o-y)
  - Average Number of Loaded Trips increased 1% y-o-y
- **Revenue from Operating lease of rolling stock decreased 13% y-o-y to USD 118.5 mln**
  - Largely driven by a decline in leasing rates
- **Net Revenue from Engaged Fleet increased to USD 58.6 mln\* from USD 18.0 mln\* in 2012**
  - Reflecting consolidation of acquired businesses

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

- 1) "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 revenue and cost of sales.
- 2) "Services provided by other transportation organisations" is 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 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.
- 3) Including revenue from repair and maintenance services provided to third parties.

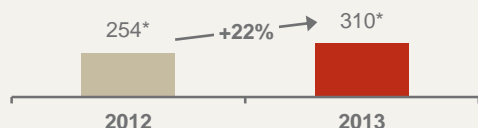
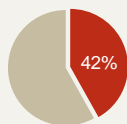
## Cost analysis

	2012 (USD mln)	2013 (USD mln)	Change (USD mln)	Change %
<b>Total Operating Cash Costs</b>	<b>662.8*</b>	<b>742.9*</b>	<b>80.1</b>	<b>12%</b>
Empty Run Costs	253.9*	309.8*	55.9	22%
Repairs and Maintenance	104.1	130.5	26.5	25%
Employee benefit expense	82.1	96.1	14.0	17%
Operating lease rentals – rolling stock	61.6	40.1	(21.5)	-35%
Infrastructure and Locomotive Tariffs - Other Tariffs	42.0*	29.6*	(12.4)	-30%
Fuel and spare parts - locomotives	31.5	38.0	6.5	21%
Engagement of locomotive crews	12.2	14.1	1.9	16%
Legal, consulting and other professional fees	7.0	5.1	(1.9)	-27%
Other Operating Cash Costs	68.5*	79.6*	11.0	16%
<b>Total Operating Non-Cash Costs</b>	<b>123.8*</b>	<b>213.8*</b>	<b>90.0</b>	<b>73%</b>
<i>Including</i>				
Depreciation of property, plant and equipment	113.0	164.4	51.3	45%
Amortisation of intangible assets	7.7	31.9	24.2	313%

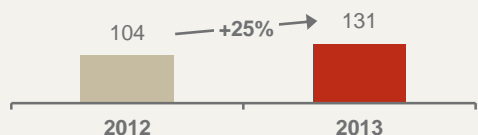
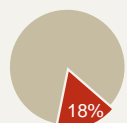
- **Total Operating Cash Costs up 12% y-o-y in line with increase in Average Rolling Stock Operated (up 14% y-o-y):**
  - Increased Empty Run Costs, repair and maintenance costs and employee benefit expense reflecting increased business volumes and cost inflation
  - Partially offset by decreased operating lease rentals - rolling stock costs and Infrastructure and Locomotive Tariffs – Other Tariffs
- **Total Operating Non-Cash Costs up 73% y-o-y reflecting:**
  - Increase in the depreciation of PPE primarily due to the consolidation of acquisitions and purchase of new railcars during 2012
  - Increase in amortisation of IA due to increased amortisation related to the service contracts with Metalloinvest and MMK which were acquired as part of the acquisitions of Ferrotrans and Steeltrans

## Major Operating Cash Cost items

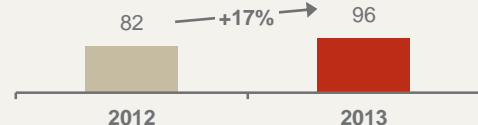
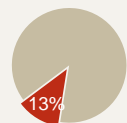
### Empty Run Costs (USD mln)



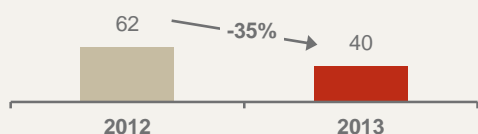
### Repairs and maintenance (USD mln)



### Employee benefit expense (USD mln)



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



- Increased business volumes with Average Rolling Stock Operated up 14% y-o-y
- RZD regulated tariff for traction of empty railcars up 7% y-o-y in RUB terms<sup>1</sup>
- Share of Empty Run km Paid by Globaltrans up to 89% from 81%
- Empty Run Ratio for gondola cars unchanged at 38% with Total Empty Run Ratio improved to 53% from 57% in 2012

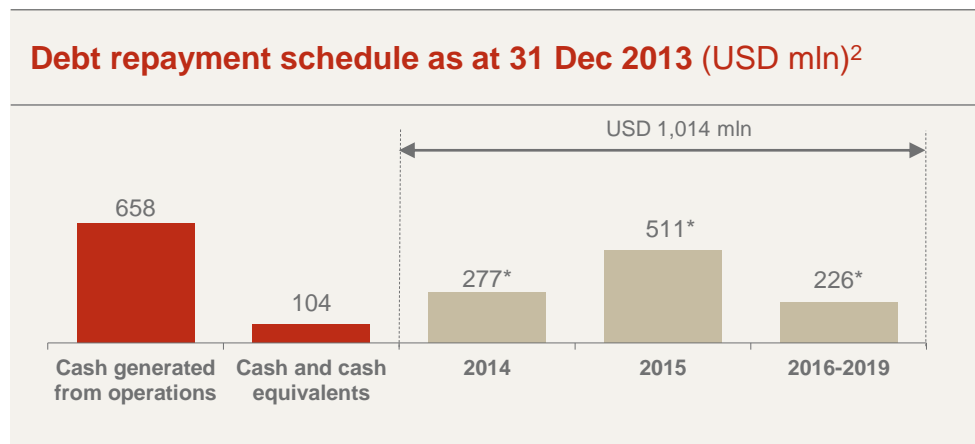
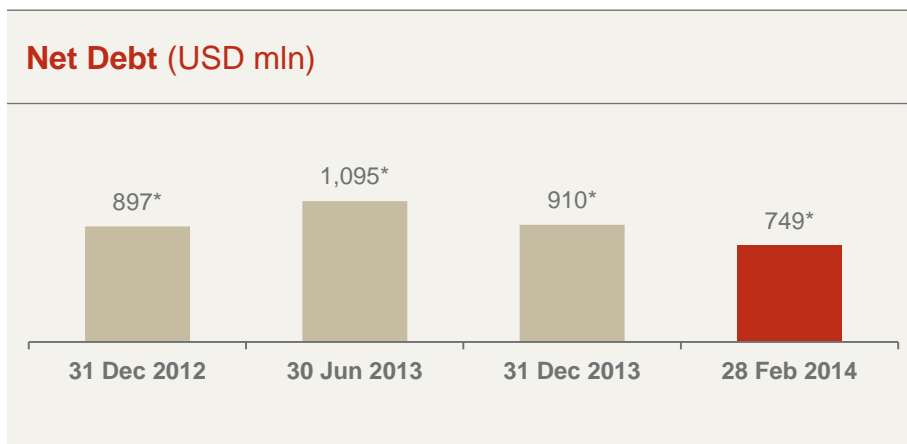
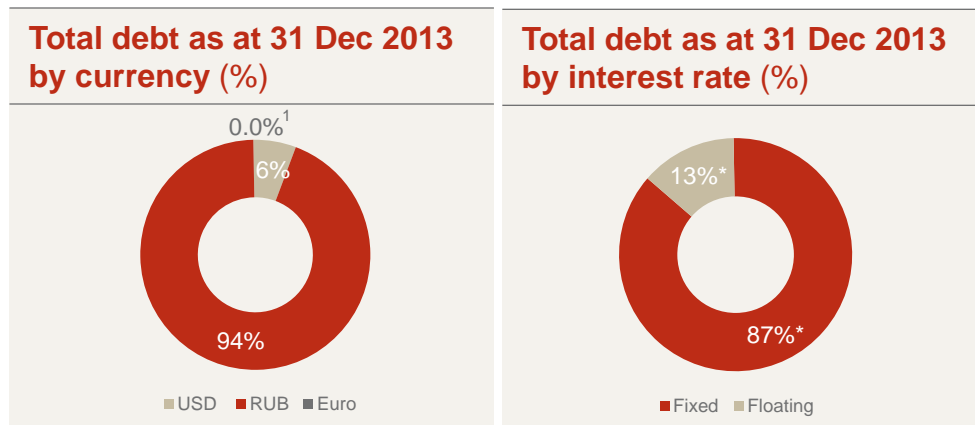
- Increased fleet size reflecting the acquisitions (Average Rolling Stock Operated up 14% y-o-y)
- A greater number of scheduled repairs made for locomotives in the reporting year
- Cost inflation for certain repair works and spare parts

- Average number of employees increased 36% y-o-y, driven by consolidation of the acquired businesses (incl. repair depot)
- The total number of employees decreased 7% from mid-2013 to Feb 2014

- A reduction in the average number of railcars leased-in
- A decline in leasing rates

## Comfortable debt: low level, RUB-denominated, fixed rates

- **Comfortable debt profile as at 31 Dec 2013**
  - Net Debt of USD 910 mln\* with Net Debt to Adjusted EBITDA at comfortable level of 1.4x\*
  - Low FX exposure with share of RUB-denominated debt at 94%
  - Share of debt with a fixed interest rate increased to 87%\*
  - Weighted average effective interest rate of 9.1%\* reflecting large share of RUB-denominated borrowings
- **Net Debt decreased further to USD 749 mln\* at 28 Feb 2014 due to deleveraging and foreign exchange movements**



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

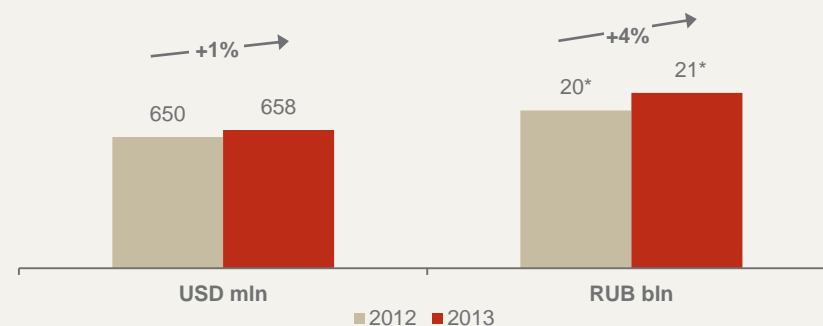
1) Share of total debt denominated in Euro amounted to 0.003% as at 2013 end.

2) Including accrued interest of USD 15 mln\*.

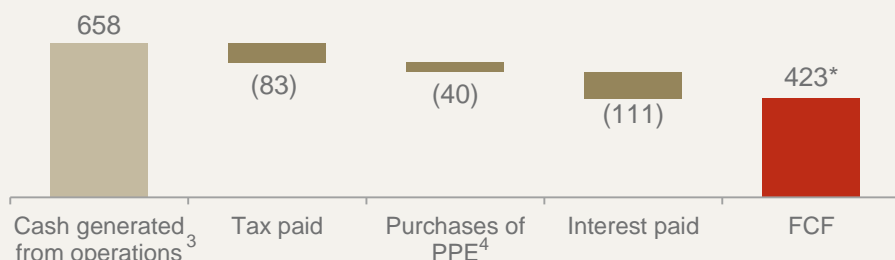
## Robust cash generation and prudent capital allocation

- **Robust cash generation supported by balanced fleet composition, advanced logistics and long-term contracts**
  - Cash generated from operations rose 1% y-o-y to USD 658 mln
- **Substantial Free Cash Flow reflecting suspension of organic CAPEX and low maintenance CAPEX**
  - Free Cash Flow<sup>1</sup> of USD 423 mln\*
- **High dividend proposed, flat in RUB terms<sup>2</sup>**
  - Dividend Pay-out Ratio increased from 48% to 61%

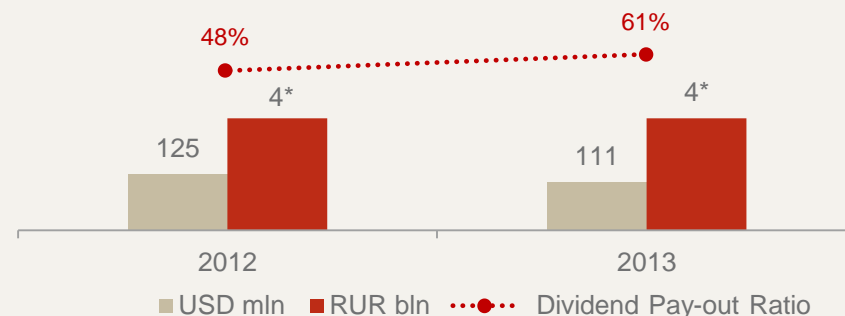
### Cash generated from operations



### Free Cash Flow Analysis (USD mln)



### Dividends<sup>2</sup> and Dividend Pay-out Ratio



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

- 1) 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".
- 2) The proposed dividend amount in Russian Rouble terms equals RUB 3,943 million (calculated at the official USD/RUB FX rate of 35.58 as of 28 March 2014, the date of the Board decision on proposed dividends). This figure is 2% above RUB 3,865 million (USD 125.1 million calculated at the official USD/RUB FX rate of 30.89 as of the previous date of the Board decision on proposed dividends on 22 March 2013).
- 3) After changes in working capital.
- 4) Including maintenance CAPEX.





**Sergey Maltsev**  
Chief Executive Officer

- Priorities for 2014
- Key takeaways

## Priorities for 2014

### OPERATIONAL

- Maintain high operational efficiency, secure benefits from single gondola dispatching centre
- Complete the full merger of Ferrotrans with existing Group subsidiary

### FINANCIAL

- Focus on cost optimisation (administrative expenses, repair & maintenance unit costs, etc)
- Further deleverage in order to establish strong financial platform for new opportunities

### INVESTMENTS

- Continue to keep organic CAPEX on hold
- Monitor available M&A opportunities: “time works in our favour”

## Industry offers opportunities for strong players

### M&A

- A sizable portion of market players are highly leveraged
- Market remains fragmented; gondola operators without outsourcing contracts suffering from the current turbulence
- More than 140k railcars are controlled by captive operators

### Organic growth

- Overall Russian rail car fleet remains obsolete, primarily in gondola segment
- The anticipated new regulation on accelerated retirement of old railcars would improve market's supply and demand balance and may create opportunities for organic growth

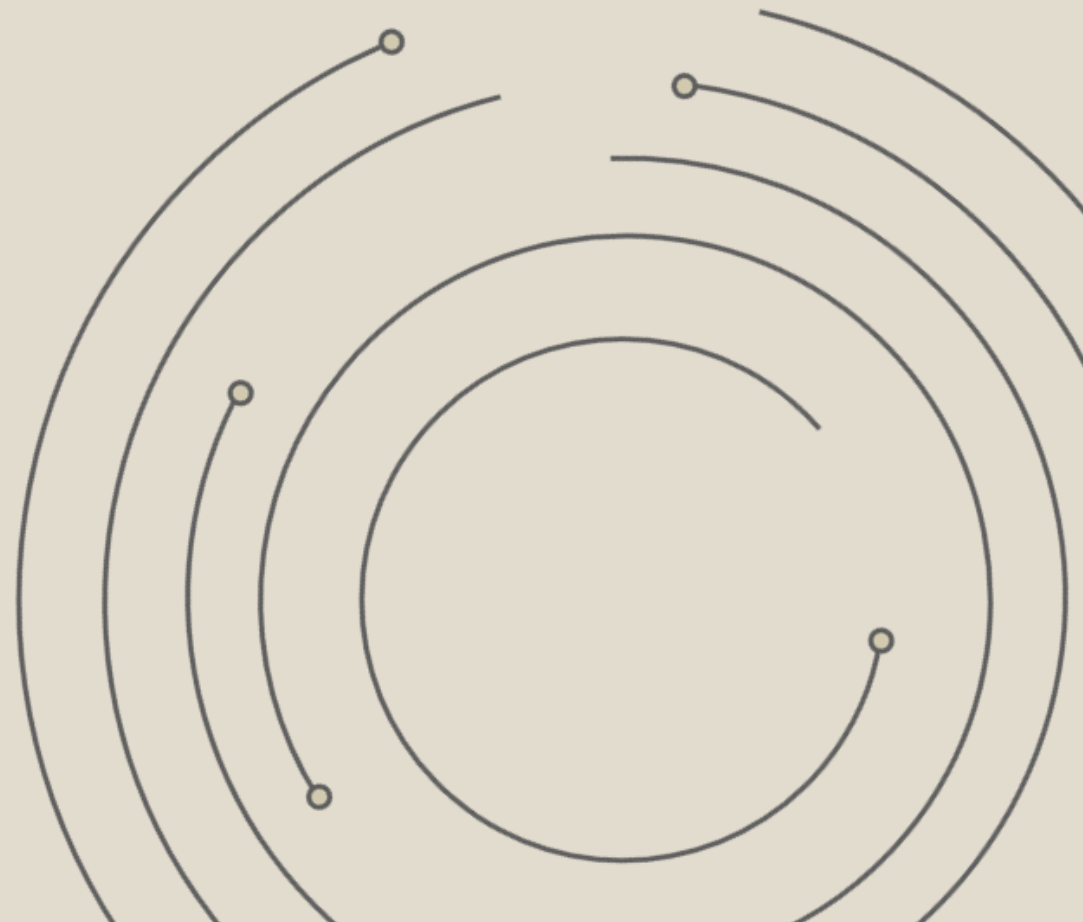
### Locos

- Age and technical condition of locomotive fleet in Russia increasingly becoming a hurdle for network efficiency and reliability
- Substantial investments required to modernise locomotive fleet in Russia

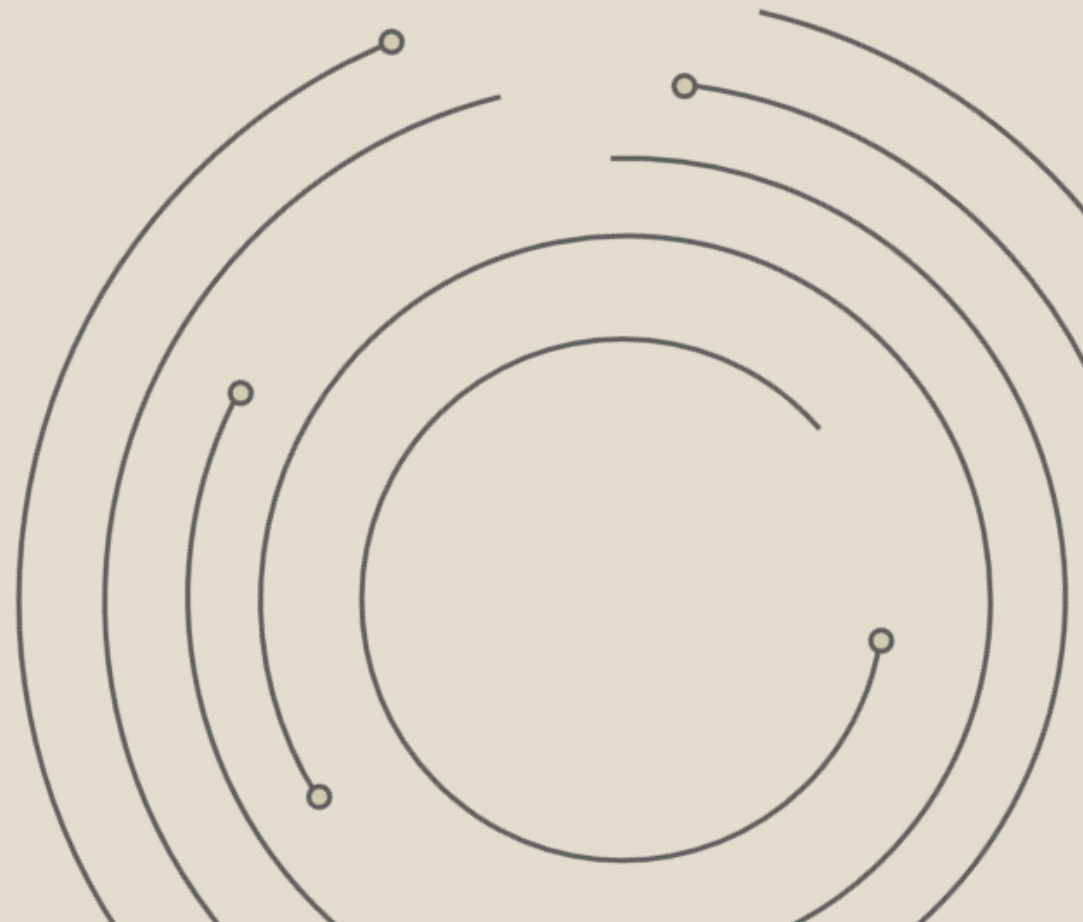
## Globaltrans: a strong player well-positioned to benefit from current market

- ✓ Resilient business model
- ✓ Strong Free Cash Flow
- ✓ Low leverage
- ✓ Attractive Dividend
- ✓ Proven track record of capitalising on market opportunities

## Questions and answers



## Appendices



## Globaltrans: key facts and figures

### A leading private freight rail transportation group in Russia

- Unique combination of large and modern fleet of c.66k railcars<sup>1</sup>, 93% in ownership<sup>2</sup>, average age of 8 years<sup>2</sup>
- Large scale with operations covering all major regions of Russia
- Market capitalisation of USD 1.9 bln<sup>3</sup>, free float of c.54.5%

### Efficient player with resilient business profile

- Advanced logistics providing for high fleet utilisation and low empty runs
- Balanced fleet: universal gondola cars (62%)<sup>4</sup> able to switch between cargoes; rail tank cars (35%)<sup>4</sup> exposed to market for rail transportation of oil products and oil
- About 80% of Net Revenue from Operation of Rolling Stock was derived from long-term service contracts and oil products and oil transportation segment<sup>5</sup>

### Track record of growth

- Market Share increased by more than 3 times since 2007<sup>6</sup>
- Adjusted EBITDA increased at a CAGR of 24% since 2007<sup>7</sup>
- Proven track record of capitalising on market opportunities, both organic and M&A

### Prudent capital allocation, attractive dividend policy

- Organic expansion CAPEX on hold while retaining focus on selective M&A
- Dividend policy of a distribution of at least 30% of the Imputed Consolidated Net Profit
- The Board supports increasing the annual Dividend Pay-out Ratio to not less than 50% in periods of sustained low investment activity

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

1) Total Fleet as of 31 December 2013.

2) Owned fleet includes fleet in ownership and leased-in under finance leases; Average age of Owned Fleet of Globaltrans as of 31 December 2013.

3) As of 27 March 2014.

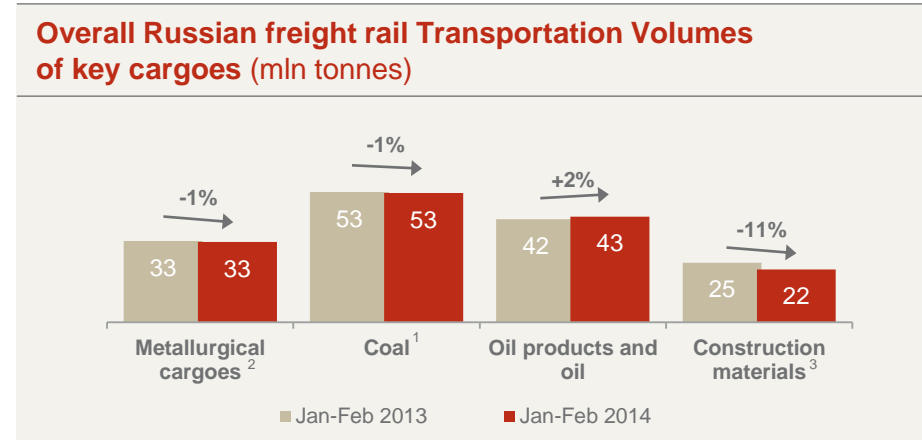
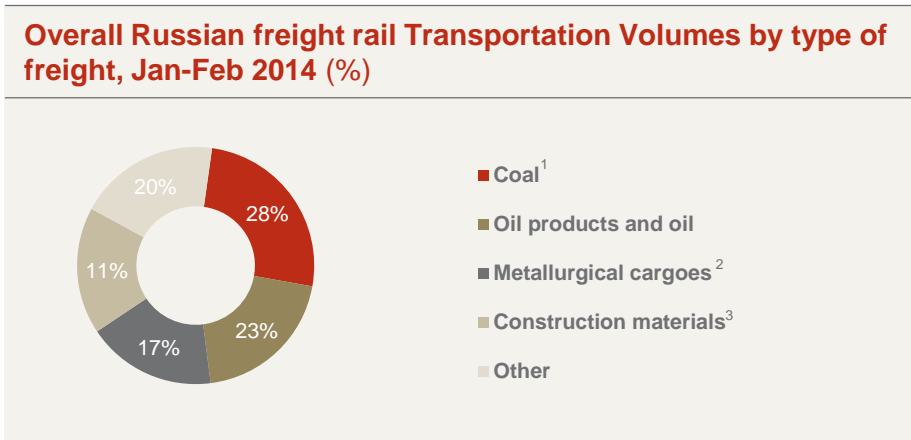
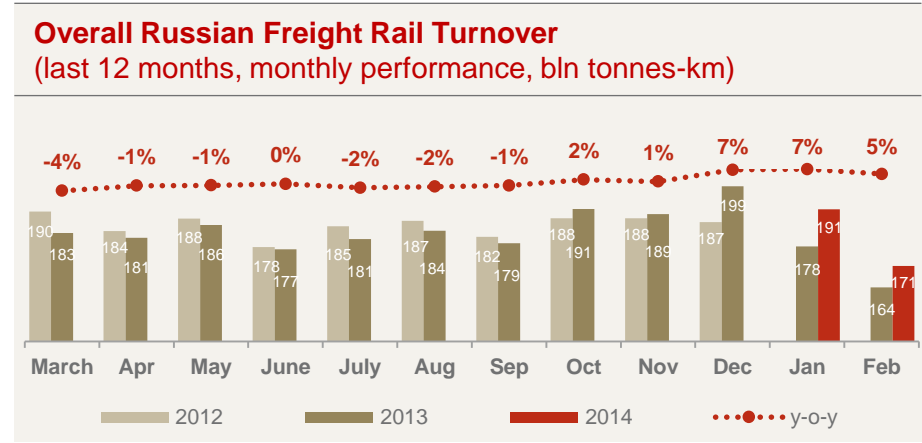
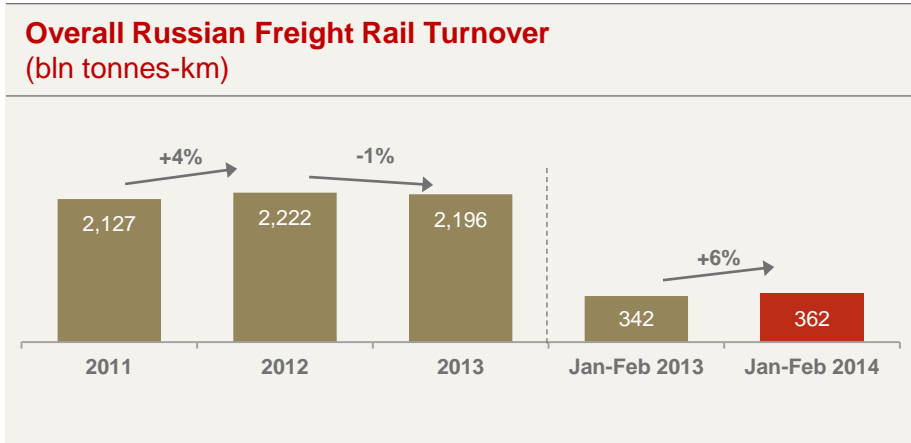
4) Share of Total Fleet as of 31 December 2013.

5) In 2013.

6) From 2007 to 2013.

7) From 2007 to 2013.

# Market watch



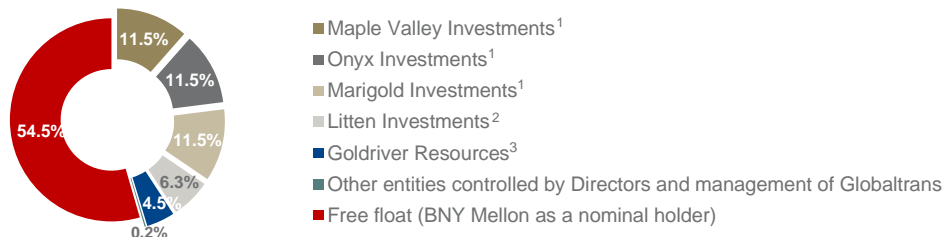
Source: Rosstat, RZD. Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1. Coal including coke.  
 2. Metallurgical cargoes include ferrous metals, scrap metal and ores.  
 3. Construction materials including cement.


















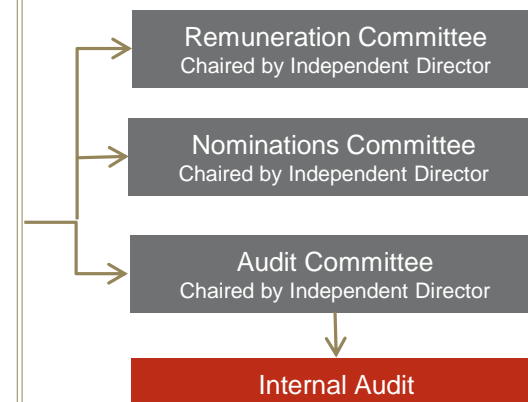
# Corporate governance structure

## General Meeting of Shareholders



## The Board of Directors (15 members, 4 Independent Directors, 3 Committees)

	<b>Michael Zampelas</b> Chairman, Independent Non-Executive Director		<b>Alexander Tarasov</b> Executive Director		<b>Andrey Gomon</b> Non-Executive Director
	<b>John Carroll Colley</b> Independent Non-Executive Director		<b>Sergey Tolmachev</b> Executive Director		<b>Mikhail Loganov</b> Non-Executive Director
	<b>Hans Durrer</b> Senior Independent Non-Executive Director		<b>Konstantin Shirokov</b> Executive Director		<b>Elia Nicolaou</b> Non-Executive Director
	<b>George Papaioannou</b> Independent Non-Executive Director		<b>Alexander Storozhev</b> Executive Director		<b>Melina Pyrgou</b> Non-Executive Director
	<b>Sergey Maltsev</b> Executive Director, CEO		<b>Alexander Eliseev</b> Non-Executive Director		<b>Marios Tofaros</b> Non-Executive Director



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

1. Konstantin Nikolaev, Nikita Mishin and Andrey Filatov are beneficiaries with regard to 11.5% of Globaltrans' ordinary share capital each through their respective SPVs (Maple Valley Investments, Onyx Investments and Marigold Investments). These individuals are co-founders of Globaltrans.
2. Beneficially owned by Alexander Eliseev, Non-Executive Director and co-founder of Globaltrans.
3. Beneficially owned by Sergey Maltsev, Chief Executive Officer, Executive Director and co-founder of Globaltrans.

# Extracts from the Group's consolidated financial statements (audited) for the year ended 31 December 2013

## Consolidated income statement for year ended 31 December 2013

	2013 USD'000	2012 USD'000
<b>Revenue</b>	2,327,549	2,114,295
Cost of sales	(1,727,910)	(1,450,215)
<b>Gross profit</b>	599,639	664,080
Selling and marketing costs	(16,910)	(4,951)
Administrative expenses	(132,167)	(123,796)
Other gains – net	1,164	1,153
<b>Operating profit</b>	451,726	536,486
Finance income	10,287	-
Finance costs	(120,056)	(124,545)
Finance costs – net	(109,769)	(124,545)
Share of profit of associate	213	339
<b>Profit before income tax</b>	342,170	412,280
Income tax expense	(90,532)	(100,702)
<b>Profit for the period</b>	251,638	311,578
<b>Attributable to:</b>		
Owners of the Company	181,717	258,016
Non-controlling interests	69,921	53,562
	251,638	311,578
	<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 year<sup>1</sup></b>	1.02	1.56

Source: Globaltrans.

Director's report and consolidated financial statements for the year ended 31 December 2013 are available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com))

1) Weighted average number of ordinary shares in issue (thousand) increased from 165,580 in 2012 to 178,741 in 2013.

# Extracts from the Group's consolidated financial statements (audited) for the year ended 31 December 2013

## Consolidated balance sheet at 31 December 2013

	31-Dec-13	31-Dec-12
	USD'000	USD'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	2,180,425	2,281,868
Intangible assets	346,755	197,044
Income tax assets	2,481	1,800
Trade and other receivables	4,897	-
Investment in associate	2,552	2,230
<b>Total non-current assets</b>	<b>2,537,110</b>	<b>2,482,942</b>
<i>Current assets</i>		
Inventories	17,994	13,675
Restricted cash	-	10,000
Trade and other receivables	192,597	263,295
Current income tax assets	4,773	1,715
Cash and cash equivalents	104,103	178,190
<b>Total current assets</b>	<b>319,467</b>	<b>466,875</b>
<b>TOTAL ASSETS</b>	<b>2,856,577</b>	<b>2,949,817</b>

	31-Dec-13	31-Dec-12
	USD'000	USD'000
<b>EQUITY AND LIABILITIES</b>		
<i>Equity attributable to the owners of the Company</i>		
Share capital	17,875	17,875
Share premium	949,471	949,471
Common control transaction reserve	(368,476)	(368,476)
Translation reserve	(145,221)	(56,537)
Capital contribution	90,000	90,000
Retained earnings	862,850	815,259
<b>Total equity attributable to the owners of the Company</b>	<b>1,406,499</b>	<b>1,447,592</b>
<b>Non-controlling interests</b>	<b>175,371</b>	<b>158,268</b>
<b>TOTAL EQUITY</b>	<b>1,581,870</b>	<b>1,605,860</b>
<i>Non-current liabilities</i>		
Borrowings	737,129	837,175
Deferred tax liabilities	143,889	125,074
<b>Total non-current liabilities</b>	<b>881,018</b>	<b>962,249</b>
<i>Current liabilities</i>		
Borrowings	276,971	237,933
Trade and other payables	116,273	135,568
Current tax liabilities	445	8,207
<b>Total current liabilities</b>	<b>393,689</b>	<b>381,708</b>
<b>TOTAL LIABILITIES</b>	<b>1,274,707</b>	<b>1,343,957</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,856,577</b>	<b>2,949,817</b>

# Extracts from the Group's consolidated financial statements (audited) for the year ended 31 December 2013

## Consolidated cash flow statement for year ended 31 December 2013

	2013 USD'000	2012 USD'000
<b>Cash flows from operating activities</b>		
Profit before tax	342,170	412,280
Adjustments for:		
Depreciation of property, plant and equipment	164,389	113,043
Amortisation of intangible assets	31,935	7,733
Loss on sale of property, plant and equipment	5,856	2,120
Interest income	(3,562)	(5,643)
Interest expense	122,240	97,990
Share of profit of associates	213	339
Exchange gains on financing activities	(8,909)	32,198
	<b>653,906</b>	<b>659,382</b>
<b>Changes in working capital:</b>		
Inventories	(1,827)	(4,178)
Trade and other receivables	83,837	(24,703)
Trade and other payables	(78,214)	19,401
<b>Cash generated from operations</b>	<b>657,702</b>	<b>649,902</b>
Tax paid	(83,178)	(81,821)
<b>Net cash from operating activities</b>	<b>574,524</b>	<b>568,081</b>

	2013 USD'000	2012 USD'000
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries-net of cash acquired	(202,999)	(572,888)
Advance payment for acquisition of subsidiary	-	(10,000)
Loan repayments received from third parties	81	-
Purchases of property, plant and equipment	(39,967)	(736,911)
Proceeds from disposal of property, plant and equipment	5,410	900
Interest received	3,531	5,682
<b>Net cash used in investing activities</b>	<b>(233,944)</b>	<b>(1,313,217)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	643,306	1,398,298
Repayments of borrowings	(723,265)	(666,787)
Finance lease principal payments	(39,974)	(47,450)
Interest paid	(111,382)	(90,172)
Proceeds from the issue of shares – net of expenses	-	330,305
Dividends paid to Company's shareholders	(125,119)	(98,879)
Dividends paid to non-controlling shareholders	(53,377)	(34,192)
Proceeds from the sale of treasury shares	-	60,012
Purchase of treasury shares	-	(43,173)
<b>Net cash from/(used in) financing activities</b>	<b>(409,811)</b>	<b>807,962</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(69,231)</b>	<b>62,826</b>
Exchange losses on cash and cash equivalents	(4,856)	(4,356)
Cash, cash equivalents and bank overdrafts at beginning of year	178,190	119,720
<b>Cash, cash equivalents and bank overdrafts at end of year</b>	<b>104,103</b>	<b>178,190</b>

# Selected operational information for 2013

## Rolling stock fleet

	As at 31 December 2013	As at 31 December 2012	Change	Change, %
<b>Owned Fleet</b>				
Gondola cars	40,095	38,534	1,561	4%
Rail tank cars	19,061	19,076	(15)	0%
Hopper cars	707	712	(5)	-1%
Locomotives	75	58	17	29%
Flat cars	1,186	121	1,065	880%
<b>Total</b>	<b>61,124</b>	<b>58,501</b>	<b>2,623</b>	<b>4%</b>
<i>Owned Fleet as % of Total Fleet</i>	<i>93%</i>	<i>94%</i>	-	-
<b>Leased-in Fleet</b>				
Gondola cars	533	345	188	54%
Rail tank cars	4,151	3,089	1,062	34%
Hopper cars	-	-	-	-
Locomotives	-	-	-	-
Flat cars	-	-	-	-
<b>Total</b>	<b>4,684</b>	<b>3,434</b>	<b>1,250</b>	<b>36%</b>
<i>Leased-in Fleet as % of Total Fleet</i>	<i>7%</i>	<i>6%</i>	-	-
<b>Total Fleet (Owned Fleet + Leased-in Fleet)</b>	<b>65,808</b>	<b>61,935</b>	<b>3,873</b>	<b>6%</b>
<b>Total Fleet by type of rolling stock, %</b>				
Gondola cars	62%	63%	-	-
Rail tank cars	35%	36%	-	-
Hopper cars	1%	1%	-	-
Locomotives	0%	0%	-	-
Flat cars	2%	0%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	-	-
<b>Leased-out Fleet</b>				
Gondola cars	600	1,235	(635)	-51%
Rail tank cars	8,887	7,509	1,378	18%
Hopper cars	601	463	138	30%
Locomotives	3	0	3	0%
Flat cars	292	20	272	1360%
<b>Total</b>	<b>10,383</b>	<b>9,227</b>	<b>1,156</b>	<b>13%</b>
<i>Leased-out Fleet as % of Total Fleet</i>	<i>16%</i>	<i>15%</i>	-	-
<b>Average age of Owned Fleet</b>				
Gondola cars	6.4	5.8	-	-
Rail tank cars	10.5	9.5	-	-
Hopper cars	7.4	6.5	-	-
Locomotives	11.8	7.1	-	-
Flat cars	25.2	3.8	-	-
<b>Total</b>	<b>8.0</b>	<b>7.0</b>	-	-

## Operation of rolling stock (including Engaged Fleet)

	2013	2012	Change	Change, %
<b>Freight Rail Turnover, billion tonnes-km</b>				
<b>Metallurgical cargoes</b>	<b>87.6</b>	<b>75.7</b>	<b>11.8</b>	<b>16%</b>
Ferrous metals	32.2	30.0	2.2	7%
Scrap metal	3.7	2.1	1.7	81%
Iron ore	51.6	43.7	7.9	18%
<b>Oil products and oil</b>	<b>25.7</b>	<b>30.3</b>	<b>(4.6)</b>	<b>-15%</b>
<b>Coal (incl. coke)</b>	<b>23.2</b>	<b>18.4</b>	<b>4.7</b>	<b>26%</b>
<b>Construction materials</b>	<b>11.2</b>	<b>7.9</b>	<b>3.3</b>	<b>42%</b>
Crushed stone	10.1	6.0	4.0	67%
Cement	0.3	0.3	0.1	21%
Other construction materials	0.8	1.6	(0.8)	-49%
<b>Other</b>	<b>7.8</b>	<b>5.5</b>	<b>2.4</b>	<b>44%</b>
<b>Total</b>	<b>155.5</b>	<b>137.8</b>	<b>17.7</b>	<b>13%</b>
<b>Freight Rail Turnover by cargo type, %</b>				
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	56%	55%	-	-
Oil products and oil	17%	22%	-	-
Coal (incl. coke)	15%	13%	-	-
Construction materials (Incl. cement)	7%	6%	-	-
Other	5%	4%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	-	-
<b>Transportation Volume, million tones</b>				
<b>Metallurgical cargoes</b>	<b>50.0</b>	<b>37.0</b>	<b>13.0</b>	<b>35%</b>
Ferrous metals	18.2	14.5	3.7	25%
Scrap metal	3.6	2.5	1.1	44%
Iron ore	28.2	20.0	8.2	41%
<b>Oil products and oil</b>	<b>23.9</b>	<b>25.1</b>	<b>(1.2)</b>	<b>-5%</b>
<b>Coal (incl. coke)</b>	<b>10.8</b>	<b>10.0</b>	<b>0.8</b>	<b>8%</b>
<b>Construction materials</b>	<b>11.0</b>	<b>7.0</b>	<b>4.0</b>	<b>58%</b>
Crushed stone	9.7	5.5	4.2	77%
Cement	0.2	0.2	0.0	22%
Other construction materials	1.1	1.3	(0.2)	-19%
<b>Other</b>	<b>6.7</b>	<b>4.8</b>	<b>1.9</b>	<b>40%</b>
<b>Total</b>	<b>102.4</b>	<b>83.9</b>	<b>18.5</b>	<b>22%</b>
<b>Engaged Fleet</b>				
	<b>2013</b>	<b>2012</b>	<b>Change</b>	<b>Change, %</b>
<b>Net Revenue from Engaged Fleet, USD million</b>	<b>58.6</b>	<b>18.0</b>	<b>40.5</b>	<b>225%</b>

# Selected operational information for 2013 (continued)

## Operation of rolling stock (excluding Engaged Fleet)

	2013	2012	Change	Change, %
<b>Freight Rail Turnover, billion tonnes-km</b>				
<b>Metallurgical cargoes</b>	<b>65.9</b>	<b>55.7</b>	<b>10.2</b>	<b>18%</b>
Ferrous metals	25.5	26.4	(0.9)	-3%
Scrap metal	2.1	2.1	(0.0)	0%
Iron ore	38.3	27.2	11.1	41%
<b>Oil products and oil</b>	<b>25.1</b>	<b>30.3</b>	<b>(5.3)</b>	<b>-17%</b>
<b>Coal (incl. coke)</b>	<b>21.2</b>	<b>17.5</b>	<b>3.8</b>	<b>22%</b>
<b>Construction materials</b>	<b>11.0</b>	<b>7.9</b>	<b>3.2</b>	<b>40%</b>
Crushed stone	9.9	6.0	3.9	65%
Cement	0.3	0.3	0.1	20%
Other construction materials	0.8	1.6	(0.8)	-50%
<b>Other</b>	<b>7.8</b>	<b>5.3</b>	<b>2.4</b>	<b>46%</b>
<b>Total</b>	<b>131.0</b>	<b>116.7</b>	<b>14.4</b>	<b>12%</b>

Transportation Volume, million tones				
	2013	2012	Change	Change, %
<b>Metallurgical cargoes</b>	<b>35.7</b>	<b>28.0</b>	<b>7.7</b>	<b>27%</b>
Ferrous metals	13.4	12.2	1.3	10%
Scrap metal	2.3	2.5	(0.2)	-8%
Iron ore	20.0	13.4	6.6	50%
<b>Oil products and oil</b>	<b>23.0</b>	<b>25.1</b>	<b>(2.1)</b>	<b>-8%</b>
<b>Coal (incl. coke)</b>	<b>9.8</b>	<b>9.5</b>	<b>0.3</b>	<b>3%</b>
<b>Construction materials</b>	<b>10.8</b>	<b>6.9</b>	<b>3.8</b>	<b>55%</b>
Crushed stone	9.5	5.5	4.0	74%
Cement	0.2	0.2	0.0	23%
Other construction materials	1.0	1.3	(0.2)	-19%
<b>Other</b>	<b>6.6</b>	<b>4.7</b>	<b>1.9</b>	<b>41%</b>
<b>Total</b>	<b>86.0</b>	<b>74.3</b>	<b>11.6</b>	<b>16%</b>

Average Rolling Stock Operated, units				
	2013	2012	Change	Change, %
Gondola cars	38,920	31,656	7,264	23%
Rail tank cars	13,535	14,892	(1,357)	-9%
Hopper cars	127	144	(17)	-12%
Locomotives	38	37	1	4%
Flat cars	826	96	730	763%
<b>Total</b>	<b>53,445</b>	<b>46,825</b>	<b>6,620</b>	<b>14%</b>

Average Number of Loaded Trips per Railcar				
	2013	2012	Change	Change, %
Gondola cars	23.9	23.5	0.3	1%
Rail tank cars	28.3	28.2	0.1	0%
Hopper cars	29.8	19.5	10.3	53%
Flat cars	32.4	12.1	20.3	167%
<b>Total</b>	<b>25.1</b>	<b>25.0</b>	<b>0.2</b>	<b>1%</b>

Average Distance of Loaded Trip, km				
	2013	2012	Change	Change, %
Gondola cars	1,706	1,769	(62)	-4%
Rail tank cars	1,076	1,201	(125)	-10%
Hopper cars	396	568	(172)	-30%
Flat cars	1,636	1,852	(216)	-12%
<b>Total</b>	<b>1,521</b>	<b>1,561</b>	<b>(40)</b>	<b>-3%</b>

	2013	2012	Change	Change, %
<b>Average Price per Trip</b>				
Average Price per Trip, USD	907	992	(84)	-9%
Average Price per Trip, RUB	28,947	30,813	(1,866)	-6%

Net Revenue from Operation of Rolling Stock by cargo type, USD million				
	2013	2012	Change	Change, %
<b>Metallurgical cargoes</b>	<b>390.8</b>	<b>433.9</b>	<b>(43.0)</b>	<b>-10%</b>
Ferrous metals	218.9	269.3	(50.4)	-19%
Scrap metal	18.0	28.8	(10.9)	-38%
Iron ore	154.0	135.7	18.3	13%
<b>Oil products and oil</b>	<b>601.8</b>	<b>493.2</b>	<b>108.7</b>	<b>22%</b>
<b>Coal (incl. coke)</b>	<b>105.6</b>	<b>104.2</b>	<b>1.4</b>	<b>1%</b>
<b>Construction materials (incl. cement)</b>	<b>65.6</b>	<b>66.5</b>	<b>(0.9)</b>	<b>-1%</b>
<b>Other</b>	<b>53.9</b>	<b>61.2</b>	<b>(7.3)</b>	<b>-12%</b>
<b>Total</b>	<b>1,217.8</b>	<b>1,159.0</b>	<b>58.8</b>	<b>5%</b>

Net Revenue from Operation of Rolling Stock by cargo type, %				
	2013	2012	Change	Change, %
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	32%	37%	-	-
Oil products and oil	49%	43%	-	-
Coal (incl. coke)	9%	9%	-	-
Construction materials (incl. cement)	5%	6%	-	-
Other	4%	5%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %				
	2013	2012	Change	Change, %
RN Holding (former TNK-BP)	28%	21%	-	-
MMK	17%	13%	-	-
Metallinvest	13%	13%	-	-
Evraz	3%	7%	-	-
Gazpromneft	8%	6%	-	-
Lukoil	2%	4%	-	-
Rosneft	1%	2%	-	-
Severstal	2%	2%	-	-
Mechel	1%	2%	-	-
TMK	1%	1%	-	-
Other (incl. small and medium enterprises)	23%	28%	-	-

Empty Run Ratio				
	2013	2012	Change	Change, %
Gondola cars	38%	38%	-	-
Rail tank cars and hopper cars and flat cars	109%	105%	-	-
<b>Total Empty Run Ratio</b>	<b>53%</b>	<b>57%</b>	<b>-</b>	<b>-</b>

Empty Run Costs, USD million				
	2013	2012	Change	Change, %
	309.8	253.9	55.9	22%

Share of Empty Run Kilometres Paid by Globaltrans				
	2013	2012	Change	Change, %
	89%	81%	-	-

## Employees

	As at 31 December 2013	As at 31 December 2012	Change	Change, %
<b>Employees by departments (simplified)</b>				
Operations	1,102	802	300	37%
Administrative	518	383	135	35%
<b>Total</b>	<b>1,620</b>	<b>1,185</b>	<b>435</b>	<b>37%</b>

## Historical financial and operational information

	2008 <sup>1</sup>	2009	2010	2011 <sup>2</sup>	2012	2013
<b>Financial information (USD mln)</b>						
<b>Adjusted Revenue</b>	<b>779.4*</b>	<b>685.3*</b>	<b>903.0*</b>	<b>1,149.5*</b>	<b>1,322.0*</b>	<b>1,407.3*</b>
Including Net Revenue from Operation of Rolling Stock	699.8*	618.5*	830.0*	1,067.6*	1,159.0*	1,217.8*
<b>Adjusted EBITDA</b>	<b>345.2*</b>	<b>284.5*</b>	<b>390.9*</b>	<b>505.1*</b>	<b>658.2*</b>	<b>652.7*</b>
<b>Adjusted EBITDA Margin (%)</b>	<b>44%*</b>	<b>42%*</b>	<b>43%*</b>	<b>44%*</b>	<b>50%*</b>	<b>46%*</b>
<b>Profit for the year</b>	<b>142.6</b>	<b>121.2</b>	<b>225.9</b>	<b>317.2</b>	<b>311.6</b>	<b>251.6</b>
<b>Dividend Pay-out Ratio</b>	<b>-</b>	<b>27%</b>	<b>33%</b>	<b>37%</b>	<b>48%</b>	<b>61%</b>
<b>Cash generated from operations</b>	<b>296.6</b>	<b>290.2</b>	<b>323.3</b>	<b>505.2</b>	<b>649.9</b>	<b>657.7</b>
<b>Operational information</b>						
<b>Freight Rail Turnover (billion tonnes-km)</b>	<b>78.5</b>	<b>80.9</b>	<b>97.4</b>	<b>110.6</b>	<b>137.8</b>	<b>155.5</b>
<b>Market Share</b>	<b>3.9%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>6.6%</b>	<b>8.3%</b>
<b>Total Fleet (units, at period end)</b>	<b>35,284</b>	<b>37,217</b>	<b>50,714</b>	<b>47,580</b>	<b>61,935</b>	<b>65,808</b>
Including Owned Fleet (units, at period end)	30,824	32,384	38,173	39,910	58,501	61,124
<b>Total Empty Run Ratio (%)</b>	<b>64%</b>	<b>72%</b>	<b>62%</b>	<b>62%</b>	<b>57%</b>	<b>53%</b>
Including Empty Run Ratio for gondola cars (%)	32%	46%	42%	41%	38%	38%

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

(1) Restated to include the impact of consolidation of LLC Baltransservis acquired in December 2009.

(2) Certain comparable financial and operational information has been re-presented for 2011 to conform to changes in the presentation and accounting for operations with Engaged Fleet for 2012.

## Definitions (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 of associates”, “Other gains - net” and “(Gain)/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 organisations”.

**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 utilisation, 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 on cash and cash equivalents and other monetary assets”), “Depreciation of property, plant and equipment” and “Amortisation 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 utilisation, 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 utilisation, rolling stock leased out or Engaged Fleet).

**Dividend Pay-out Ratio** calculated as a share of Profit for the year attributable to owners of the Company.

**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.

**Imputed Consolidated Net Profit** is based on the Consolidated Financial Statements and calculated according to the following formula: “ $NP = NP_{cons} - Adj_{cons}$ ”, where “ $NP$ ” is the imputed consolidated net profit; “ $NP_{cons}$ ” is consolidated net profit of the Group attributable to the owners of the Group as shown in the Consolidated Financial Statements for the past financial year; “ $Adj_{cons}$ ” are non-cash adjustments determined by the Board including but not limited to: (i) negative goodwill; (ii) non-cash results of mergers, acquisitions and disposals of shares of Group subsidiaries, joint-ventures or associates; (iii) share of profit of associates; and (iv) the results of the issuing, amortisation and the revaluation of guarantees. Consolidated Financial Statements mean the Group’s consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the EU.



## Definitions (in alphabetical order, continued)

**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

**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 as a percentage of the overall Russian freight rail transportation volume or as a percentage of overall Russian freight rail transportation volume of respective cargoes. It includes the volumes transported by Engaged Fleet unless otherwise stated.

**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 organisations”).

**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 organisation” and Net Revenue from Engaged Fleet.

**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 organisations” and non-cash items: “Depreciation of property, plant and equipment”, “Amortisation of intangible assets”, “Impairment charge for receivables” and “(Gain)/loss 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 “(Gain)/loss 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”.

**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 utilisation, 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 utilisation, 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.

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