

# Globaltrans Investment PLC

Russia's Leading Private  
Freight Rail Group



**FIRST HALF 2010 Results Presentation**  
Sergey Maltsev, CEO and Alexander Shenets, CFO  
Investor Conference Call: 7 September 2010

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These materials may contain forward-looking statements regarding future events or the future financial performance of the Company. You can identify forward looking statements by terms such as “expect”, “believe”, “estimate”, “anticipate”, “intend”, “will”, “could”, “may”, or “might”, the negative of such terms or other similar expressions. These forward-looking statements include matters that are not historical facts and statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward-looking statements are not guarantees of future performance and that the Company’s actual results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates may differ materially from those described in or suggested by the forward-looking statements contained in these materials. In addition, even if the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in these materials, those results or developments may not be indicative of results or developments in future periods. The Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in forward-looking statements of the Company, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, market change in the Russian freight rail market, as well as many other risks specifically related to the Company and its operations. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness.

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## Presentation of information

All financial information presented in this presentation is derived from the condensed consolidated interim financial information (unaudited) of Globaltrans Investment PLC for the six months ended 30 June 2010 and prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union applicable to Interim Financial Reporting (International Accounting Standard 34 “Interim Financial Reporting”). Certain financial information which is derived from the management accounts and certain non-GAAP measures (not recognised by IFRS) are marked in this presentation with an asterisk {\*}.

In accordance with the Group’s accounting policies, the acquisition of OOO BaltTransServis (“BTS”, acquired in December 2009) has been accounted for as a common control transaction using the predecessor basis of accounting. Under this method financial statement of the acquiree is included in the consolidated financial statements on the assumption that the Group (in such a composition) was in existence for all periods presented, consequently necessary changes have been made to the condensed consolidated interim financial information (unaudited) of Globaltrans Investment PLC for the six months ended 30 June 2009. Therefore all financial and operational information reported for the six months ended 30 June 2009 and 2010 includes financial and operational information for BTS.

The financial information is presented in US Dollars, which the Group’s management believes to be the most useful for readers of the financial statements. The functional currency of the Company and its Russian subsidiaries is the Rouble. The Estonian subsidiaries have the Estonian Kroon (EEK) as their functional currency. For informational purposes only, changes in certain measures derived from management accounts are presented in Rouble terms in order to illustrate the dynamics of the underlying business.

To better illustrate the changes in the Group’s operational and financial performance during the periods under review, the Group has used the certain non-GAAP measures (not recognised by IFRS) and certain operational information, which is derived from management accounts and marked in this presentation with capital letters with definitions provided on pages 26-27.



**Sergey Maltsev**

*Chief Executive Officer*

- **Key developments**
- **Market update**
- **Operational review**

# Key developments in 1H10

## Restored profitability

to pre-downturn levels

- Adjusted EBITDA Margin restored to **44%\*** compared to 40%\* in 1H09
- Adjusted EBITDA **up 42%** to USD 180.4\* mln
- EPS **up 130%** to USD 0.46
- Adjusted Revenue **up 28%** to USD 407.5\* mln

## Continued recovery

of freight rail market and operational performance of Globaltrans

- Russia's Freight Rail Turnover in June 2010 reached **94%<sup>(1)</sup>** of pre-downturn June 2008 levels
- Globaltrans' Freight Rail Turnover **up 5%** driven by gondola cars (**up 14%**) compared to 1H09
- Further improvement in Empty Run Ratio for gondola cars to **42%** versus 54% in 1H09 and 46% for FY 2009

## FX risk on loan book significantly decreased

thereby retaining a low cost of funding and a strong balance sheet

- Share of RUB denominated debt increased to **52%** as of 30 June 2010 and further to **73%\*** as of 31 July 2010
- Decrease in weighted average effective interest rate to **7.95%\*** as of 30 June 2010
- Net Debt to LTM Adjusted EBITDA at **1.1x\*** as of 30 June 2010

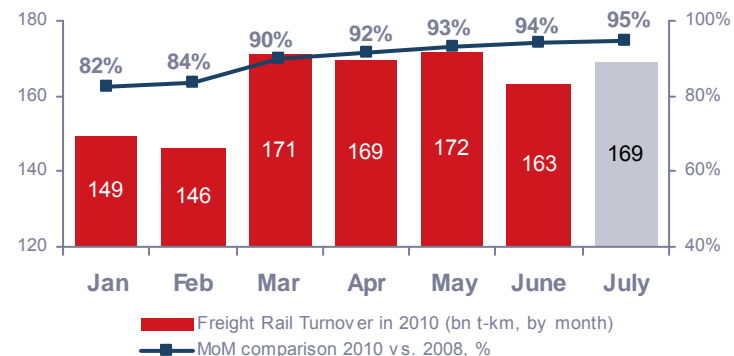
Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

(1) Source: Rosstat, Company calculations.

# Continued recovery of the freight rail market

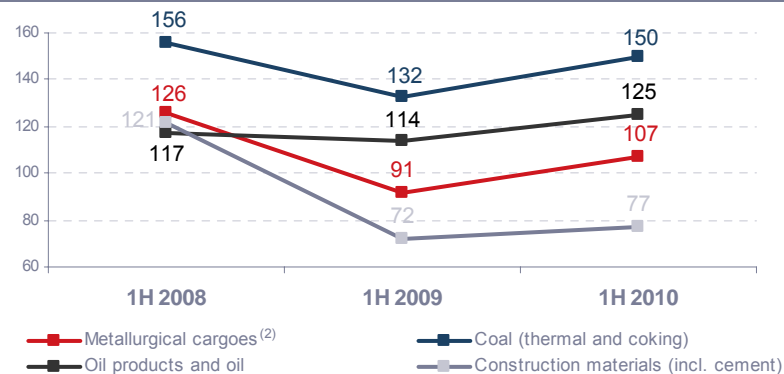
- Russia's Freight Rail Turnover ("FRT", measured in tkm) is gradually recovering to pre-downturn levels**
  - FRT of 1H10 stands at c.89%<sup>(1)</sup> of 1H08 FRT
  - Harsh climatic conditions in 1Q10 resulted in increased loading/unloading times thus decreasing railcar turnover speed
- Recovery uneven across segments in 1H10**
  - Metallurgical cargoes<sup>(2)</sup> reached c.85%<sup>(1)</sup> of cargo volumes of 1H08
  - Coal<sup>(3)</sup> has reached c.96%<sup>(1)</sup> of cargo volumes of 1H08, with recent months exceeding the respective levels of 2008
  - Oil products and oil volumes are c.7%<sup>(1)</sup> above 1H08 levels
  - Construction materials<sup>(4)</sup> rebounded in 2Q10 but still remain c.37%<sup>(1)</sup> below 1H08 levels
- Market recovery and a shortfall in railcar capacity in certain sectors (i.e. coal) supported favourable pricing environment**
  - RZD regulated tariffs up by 9.4%<sup>(5)</sup> from January 2010

## OVERALL RUSSIA FREIGHT RAIL TURNOVER (bn tkm)



Source: Rosstat, Company calculations

## KEY CARGO VOLUMES (1H08, 1H09, 1H10) mln tonnes



Source: Rosstat, Company calculations

Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

(1) Source: Rosstat, Company calculations.

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

(3) Coal includes thermal and coking coal.

(4) Including cement.

(5) Source: Federal Tariff Service of Russian Federation (December of 2010 to December 2009).

# Freight Rail Turnover and pricing of Globaltrans improved

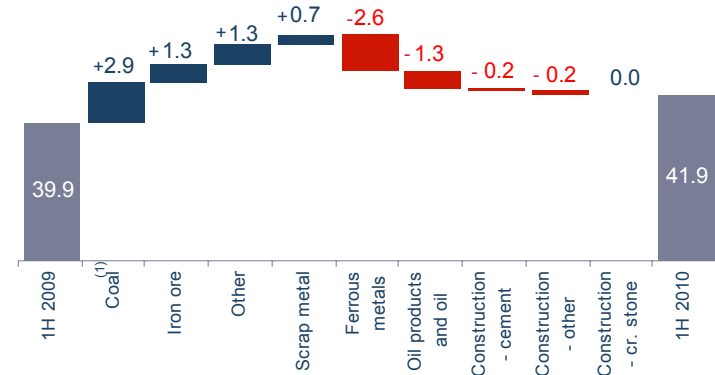
## Freight Rail Turnover up 5% ("FRT") driven by gondola cars (+14%)

- 75% more coal<sup>(1)</sup> transported in 1H10 than in 1H09 driven by favorable pricing of coal
- Significantly improved FRT of iron ore and scrap metal due to increased inbound traffic to metallurgical plants
- Ferrous metals FRT down 15% driven by more internal traffic/shorter routes (volumes in tonnes up 14%)
- Oil products and oil FRT down 8% due to discontinuing operations on a number of less profitable routes (volumes in tonnes down 3%)

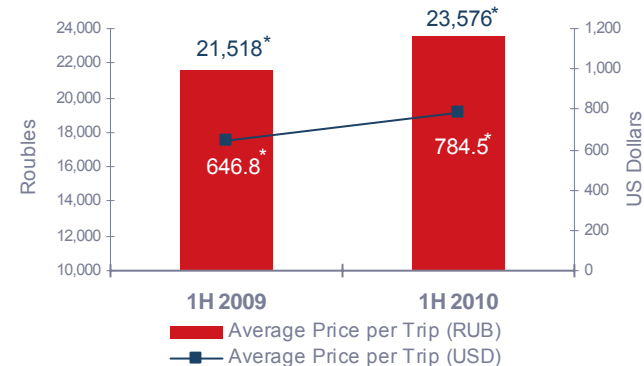
## Average Price per Trip increased 21% in USD (10% in RUB) to USD 784.5\* (RUB 23,576\*)

- Improved pricing driven by gondola car segment with more moderate growth in rail tanks

FREIGHT RAIL TURNOVER (1H10, bln tkm)



AVERAGE PRICE PER TRIP



Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

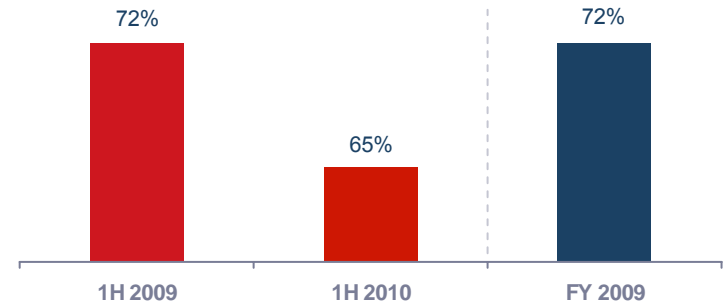
(1) Coal includes thermal and coking coal.



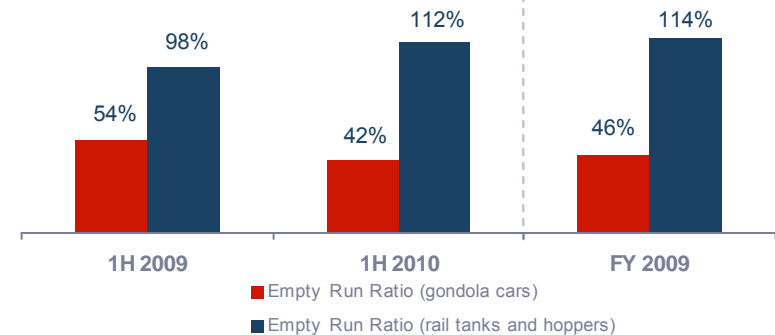
# Empty Run Ratio for gondola cars decreased

- **Total Empty Run Ratio improved to 65% in 1H10 from 72% in 1H09 driven by:**
  - Empty Run Ratio for gondola cars improving from 54% in 1H09 to 42%
    - Market for return cargo remains weak; further improvement conditional upon (i) improved standings of SMEs; (ii) further increase in transportation of construction materials (crushed stone, etc) and (iii) further recovery in imports
  - Empty Run Ratio for rail tanks and hoppers up to 112% from 98% in 1H09
    - Since mid 2009 active relocation of rail tanks between regions to pursue arbitrage in pricing and to avoid time consuming operations, incl. washing of tanks when changing cargoes (resulting in higher empty runs)
- **Average Number of Loaded Trips per Railcar down 6% compared to 1H09**
  - Loading and unloading times increased due to severe weather conditions in 1Q10
  - Average distance of gondola trips shortened by 12% resulting in decreased railcar turnover speed
  - Uneven pattern of availability of return cargoes

TOTAL EMPTY RUN RATIO



EMPTY RUN RATIO BY TYPE OF RAILCARS

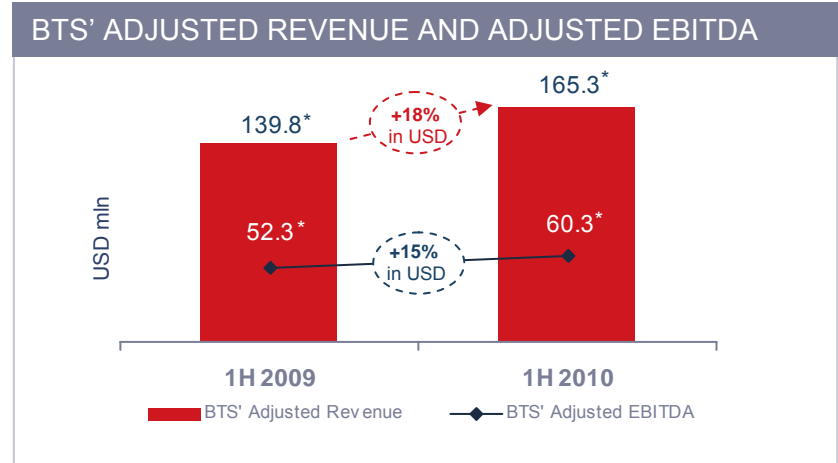
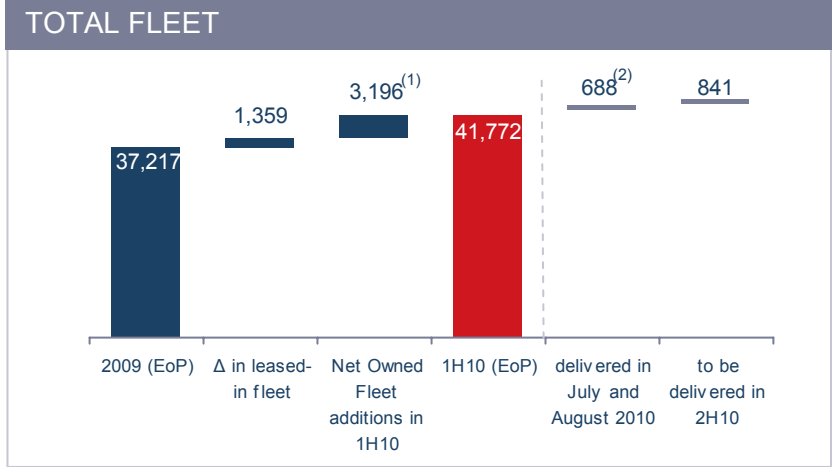


Definitions for terms marked in this presentation with capital letters provided on pages 26-27.



# Railcar deliveries on track, BTS integrated and performing well

- Total Fleet up 12% to 41,772 units as of 30 June 2010 versus end of 2009**
  - Net Owned Fleet addition in amount of 3,196<sup>(1)</sup> units of rolling stock
  - Increase in leased-in fleet by 1,359 units following recovery in demand in 2Q10
- Delivery of ordered railcars on track**
  - In total 5,659 railcars or 87% of 6,500 units ordered in 2009 actually delivered by 31 August 2010
  - Remaining 841 railcars to be delivered in 2H10
  - Average unit price of delivered railcars at USD 42,600 (ex VAT) versus current railcar prices in excess of USD 53,000
- BTS fully integrated and delivered solid financial performance in line with expectations**
  - BTS' Adjusted Revenue increased by 18% to USD 165.3\* mln in 1H10 compared to 1H09
  - BTS' Adjusted EBITDA increased by 15% to USD 60.3\* mln in 1H10 compared to 1H09



Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

(1) Net Owned Fleet additions in 1H10 calculated as difference between 3,198 new railcars delivered from orders of late 2009 plus an additional 3 units of rolling stock delivered minus 5 units disposed.

(2) Including 686 railcars from contracts concluded late 2009 plus additional 2 units of delivered rolling stock.



**Alexander Shenets**

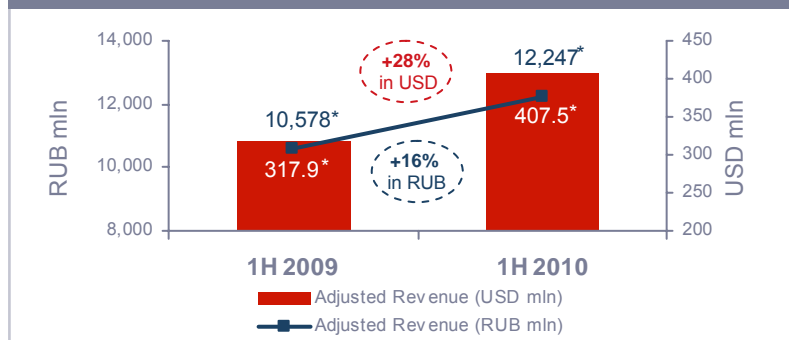
*Chief Financial Officer*

- **Financial review**

# Strong financial performance

- The Group's results include BTS (acquired in December 2009) for both 1H09 and 1H10
- Average exchange rate of the Rouble against the US Dollar appreciated in 1H10 by c.10% compared to 1H09 affecting the results presented in US Dollars

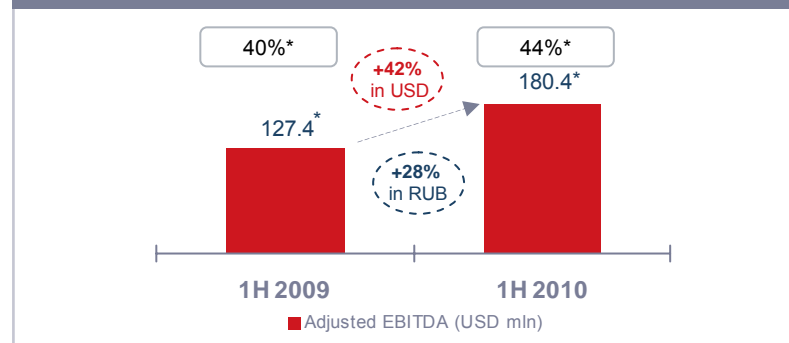
## ADJUSTED REVENUE



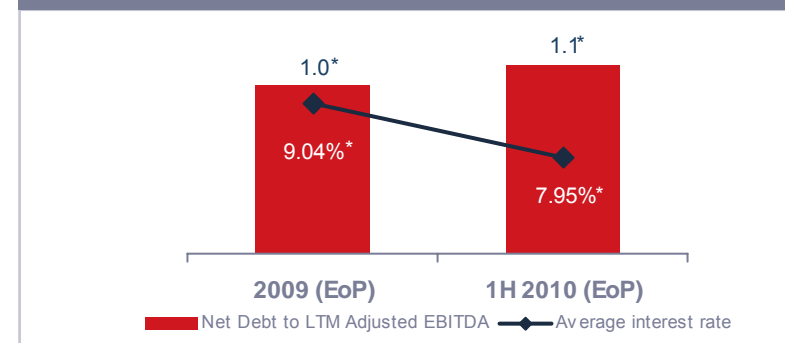
## OPERATING CASH COSTS



## ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN



## NET DEBT/LTM ADJ. EBITDA; AVG INTEREST RATE<sup>(1)</sup>



Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

(1) Weighted average effective interest rate.

# Revenue analysis

	1H 2009 USD mln	1H 2010 USD mln	Change USD mln	Change %
Revenue	556.6	644.8	88.1	16%
<i>Minus</i>				
Infrastructure and locomotive tariffs: loaded trips	238.7	237.3	(1.4)	-1%
<b>Adjusted Revenue</b>	<b>317.9*</b>	<b>407.5*</b>	<b>89.6</b>	<b>28%</b>
<i>Including</i>				
<b>Net Revenue from Operation of Rolling Stock</b>	<b>284.9*</b>	<b>370.7*</b>	<b>85.9</b>	<b>30%</b>
<b>Operating leasing of rolling stock</b>	<b>32.4</b>	<b>35.7</b>	<b>3.3</b>	<b>10%</b>
Railway transportation - freight forwarding	0.2	0.4	0.2	NM
Sale of wagons and locomotives	0.2	-	(0.2)	NM
Other	0.3	0.7	0.4	NM

+16% in RUB

+18% in RUB

- **Adjusted Revenue increased by 28% in USD (16% in RUB)**
  - Infrastructure and locomotive tariffs: loaded trips represents a pass through cost item for the Group
- **Net Revenue from Operation of Rolling Stock, key component of Adjusted Revenue, up by 30% in USD (+18% in RUB)**
  - Average Price per Trip increased by 21% in USD (+10% in RUB), as the result of favourable market environment
  - Average Rolling Stock Operated up by 14% to 32,228 units; driven by deliveries of new railcars and increase in leased-in fleet
  - Average Number of Loaded Trips per Railcar down 6% to 14.7 trips mainly due to unfavourable climatic conditions in 1Q10; reduced average trip distance of gondola cars as well as uneven pattern of availability of return cargoes
- **Revenue from operating leasing increased by 10% in USD driven by a modest increase in number of railcars leased-out as well as price increases**

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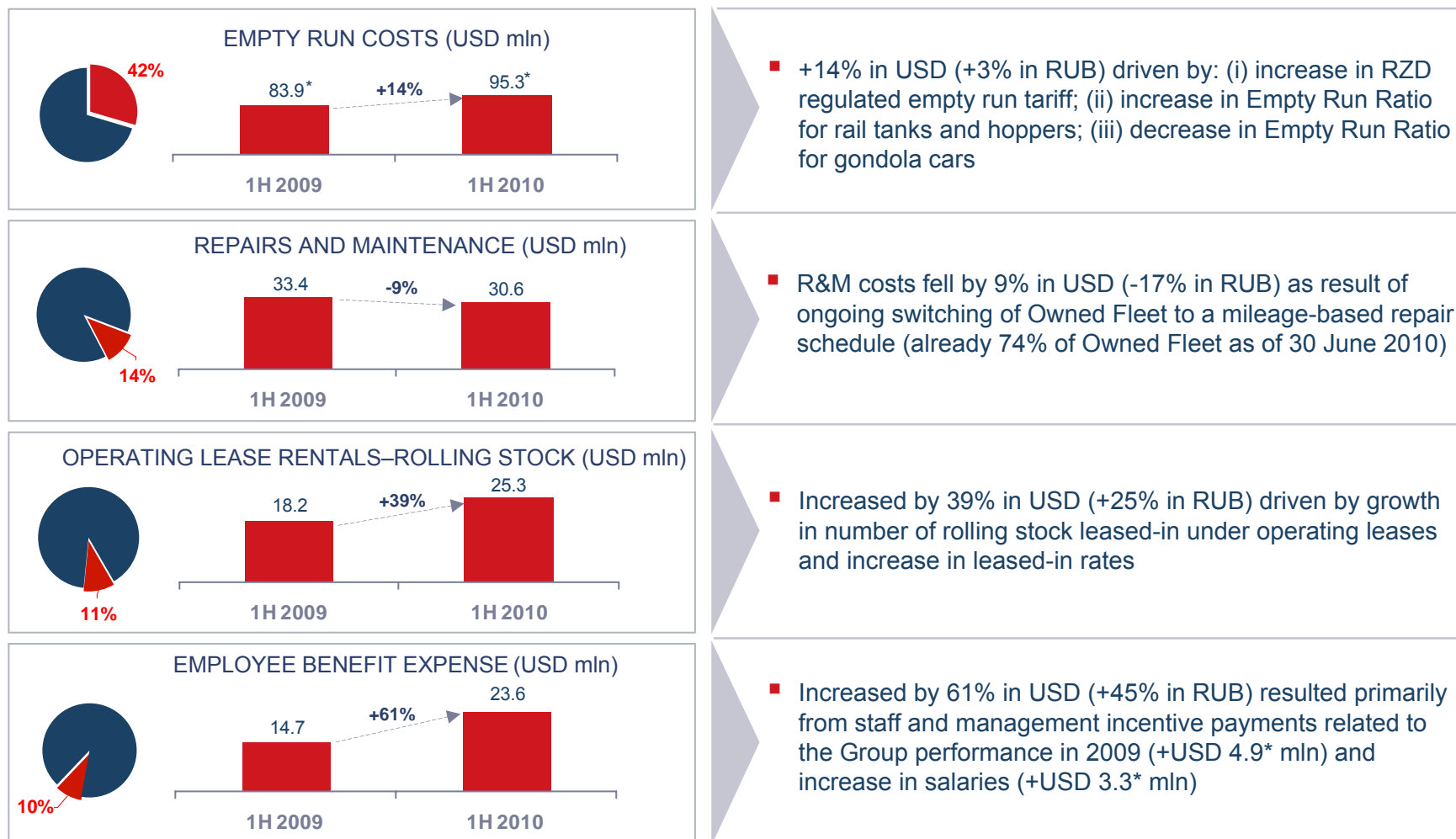
# Cost analysis

	1H 2009 USD mln	1H 2010 USD mln	Change USD mln	Change %
<b>Infrastructure and locomotive tariffs: loaded trips</b>	<b>238.7</b>	<b>237.3</b>	<b>-1.4</b>	<b>-1%</b>
<b>Operating Cash Costs</b>	<b>190.5*</b>	<b>226.4*</b>	<b>36.0</b>	<b>19%</b> <span style="color: red;">+7% in RUB</span>
Empty Run Costs	83.9 <sup>§</sup>	95.3 <sup>§</sup>	11.4	14%
Repairs and maintenance	33.4	30.6	-2.8	-9%
Operating lease rentals - rolling stock	18.2	25.3	7.0	39%
Employee benefit expense	14.7	23.6	8.9	61%
Other Tariffs and Services provided by Other Transportation Organisations	10.5*	13.5*	3.0	29%
Fuel and spare parts - locomotives	8.5	10.7	2.2	26%
Engagement of locomotive crews	4.8	5.6	0.8	18%
Legal, consulting and other professional fees	1.6	2.2	0.6	40%
Other Operating Cash Costs	14.8 <sup>§</sup>	19.6 <sup>§</sup>	4.8	32%
<b>Operating Non-Cash Costs</b>	<b>27.2*</b>	<b>32.6*</b>	<b>5.4</b>	<b>20%</b> <span style="color: red;">+8% in RUB</span>
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>456.3</b>	<b>496.3</b>	<b>39.9</b>	<b>9%</b>

- **Total cost of sales, selling and marketing costs and administrative expenses up 9% in USD**
  - Infrastructure and locomotive tariffs: loaded trips (a pass through cost item for the Group) remained relatively stable (down 1% in USD)
- **Operating Cash Costs up 19% in USD (+7% in RUB) driven by:**
  - increase in Empty Run Costs, employee benefit expense and operating lease rentals – rolling stock;
  - partially offset by decrease in repair and maintenance costs.
- **Operating Non-Cash Costs up 20% in USD (+8% in RUB) primarily due to increase in depreciation charge resulting from significant increase in Owned Fleet (besides PPE is accounted in RUB)**

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# Major Operating Cash Costs items

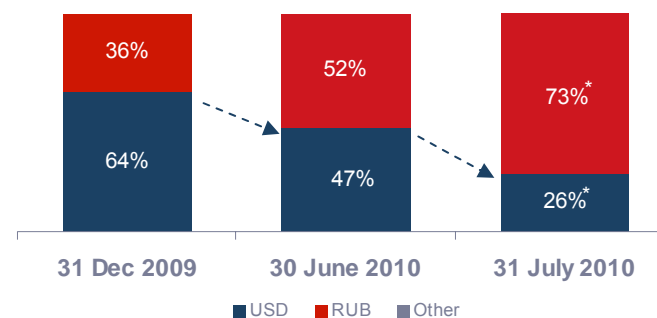


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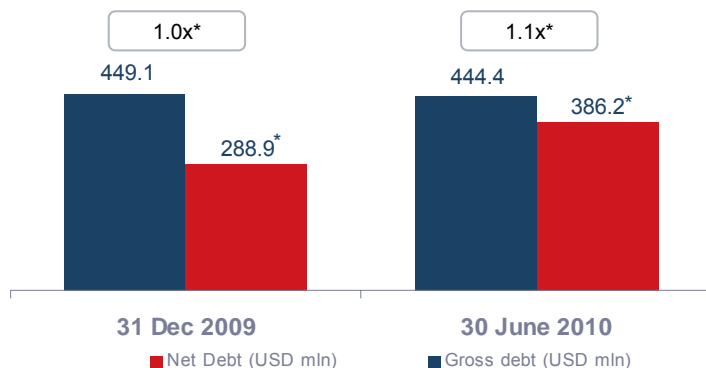
# FX risk significantly decreased, strong balance sheet maintained

- **Continued refinancing of USD denominated debt resulted in significantly decreased FX risk on loan book**
  - Share of RUB denominated debt increased to 73%\* as of 31 July 2010 from 36% as of the end of 2009, driven by debut RUB bond issue in a total amount of RUB 3.0 bln (c. USD 98 mln)
- **Net Debt to LTM Adjusted EBITDA ratio at 1.1x\* as of 30 June 2010**
- **Cost of debt fell**
  - Weighted average effective interest rate of 7.95%\* as of 30 June 2010 vs. 9.04%\* as at FY 2009 (8.73%\* as of 31 July 2010)

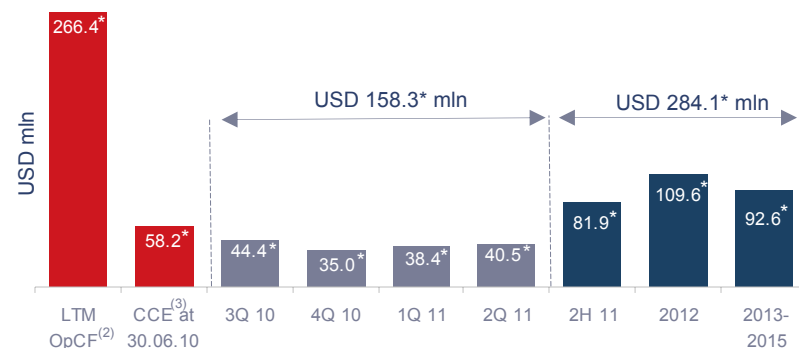
## GROSS DEBT BY CURRENCY



## GROSS DEBT; NET DEBT TO LTM ADJUSTED EBITDA



## DEBT<sup>(1)</sup> REPAYMENT SCHEDULE AS OF 30 JUNE 2010



Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

(1) Excluding accrued interest of USD 2.0\* mln as of 30 June 2010.

(2) LTM OpCF is defined as net cash from operating activities for the last twelve months.

(3) CCE is defined as cash and cash equivalents.





**Sergey Maltsev**

*Chief Executive Officer*

- **Update on strategy execution**
- **Key takeaways**

# Strategy update: continue to deliver long-term, profitable growth throughout the cycle

## RETURN ORIENTED EXPANSION

- Increase the fleet size when market conditions are favourable (assets reasonably priced and freight rail market strong)
- Carefully evaluate expansion opportunities to extract maximum value from acquired assets

- Purchase of 5,000 railcars until end of 2011 on an opportunistic basis
- Continue reviewing M&A opportunities
- Increase share of leased-in railcars to respond to the needs of recovering market

## BALANCED FLEET AND FOCUS ON FREIGHT RAIL TRANSPORTATION

- Ensure the right balance between rail tank cars and universal gondola cars
- Focus on freight rail transportation complemented by leasing out of railcars

- Well balanced fleet with 52% of gondola cars and 47% of rail tank cars as of end of 1H10

## EFFICIENT OPERATIONS

- Focus on route optimisation and fleet management to reduce empty runs and drive profitability
- Optimise repairs and maintenance works
- Increase use of “block trains” on high cargo volume routes

- Continued focus on minimisation of empty runs for gondola cars
- Bring further railcars to mileage based repair and maintenance system

## Key takeaways

- Freight rail market has rapidly recovered

- Profitability of Globaltrans restored

- Strong balance sheet maintained

- Clear strategy combining organic and non organic growth in place

 **Globaltrans**  
is well positioned  
for long-term  
profitable growth



# QUESTIONS AND ANSWERS



# APPENDICES

# Extracts from the condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2010

## Consolidated Interim Income Statement

	Six months ended 30-Jun-2010 US\$'000	Six months ended 30-Jun-2009 US\$'000
Revenue	644,768	556,634
Cost of sales	(460,174)	(432,097)
<b>Gross profit</b>	<b>184,594</b>	<b>124,537</b>
Selling and marketing costs	(1,296)	(879)
Administrative expenses	(34,811)	(23,363)
Other gains /(losses) – net	1,967	(95)
<b>Operating profit</b>	<b>150,454</b>	<b>100,200</b>
Finance income	4,369	2,501
Finance costs	(34,447)	(51,500)
Finance costs – net	(30,078)	(48,999)
Share of profit of associate	132	331
<b>Profit before income tax</b>	<b>120,508</b>	<b>51,532</b>
Income tax expense	(24,575)	(8,275)
<b>Profit for the period</b>	<b>95,933</b>	<b>43,257</b>
<b>Attributable to:</b>		
Equity holders of the Company	72,842	23,825
Non-controlling interests	23,091	19,432
	<b>95,933</b>	<b>43,257</b>
	<b>US\$ per share</b>	<b>US\$ per share</b>
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US\$ per share)</b>	<b>0.46</b>	<b>0.20</b>

# Extracts from the condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2010

## Consolidated Interim Balance Sheet

	As at 30-Jun-2010 US\$'000	As at 31-Dec-2009 US\$'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	969,282	905,475
Intangible assets	408	507
Investment in associate	1,297	1,386
Trade and other receivables	57,836	54,534
<b>Total non-current assets</b>	<b>1,028,823</b>	<b>961,902</b>
<b>Current assets</b>		
Inventories	4,847	5,759
Trade and other receivables	177,098	128,758
Current income tax assets	5,434	5,469
Cash and cash equivalents	58,243	160,253
	245,622	300,239
Assets classified as held for sale	2,154	2,827
<b>Total current assets</b>	<b>247,776</b>	<b>303,066</b>
<b>Total assets</b>	<b>1,276,599</b>	<b>1,264,968</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	15,814	15,814
Share premium	621,227	621,227
Common control transaction reserve	(368,476)	(368,476)
Translation reserve	(107,785)	(80,557)
Capital contribution	90,000	90,000
Retained earnings	381,095	332,253
<b>Total equity attributable to the owners of the Company</b>	<b>631,875</b>	<b>610,261</b>
Non-controlling interests	109,733	101,307
<b>Total equity</b>	<b>741,608</b>	<b>711,568</b>

	As at 30-Jun-2010 US\$'000	As at 31-Dec-2009 US\$'000
<b>Non-current liabilities</b>		
Borrowings	284,057	295,679
Trade and other payables	9,516	11,105
Deferred gains	69	178
Deferred tax liabilities	31,057	27,955
<b>Total non-current liabilities</b>	<b>324,699</b>	<b>334,917</b>
<b>Current liabilities</b>		
Borrowings	160,339	153,452
Trade and other payables	48,260	64,084
Deferred gains	195	338
Current income tax liabilities	1,498	609
<b>Total current liabilities</b>	<b>210,292</b>	<b>218,483</b>
<b>Total liabilities</b>	<b>534,991</b>	<b>553,400</b>
<b>Total equity and liabilities</b>	<b>1,276,599</b>	<b>1,264,968</b>



# Extracts from the condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2010

## Consolidated Interim Cash Flow Statement

	Six months ended 30-Jun-2010 US\$'000	Six months ended 30-Jun-2009 US\$'000		Six months ended 30-Jun-2010 US\$'000	Six months ended 30-Jun-2009 US\$'000
<b>Cash flows from operating activities</b>			<b>Cash flows from investing activities</b>		
Profit before tax	120,508	51,532	Acquisition of subsidiaries-net of cash acquired	(7,013)	(37,024)
Adjustments for:			Purchases of property, plant and equipment	(148,403)	(6,586)
Depreciation of property, plant and equipment	30,779	26,521	Proceeds from sale of assets classified as held for sale	265	-
Amortisation of intangible assets	87	-	Proceeds from disposal of property, plant and equipment	117	123
Loss on sale of property, plant and equipment	1,050	199	Interest received	3,394	796
Amortisation of financial guarantees	(972)	(1,717)	Receipts from finance lease receivable	2,731	1,212
Impairment charge on property, plant and equipment	-	346	<b>Net cash used in investing activities</b>	<b>(148,909)</b>	<b>(41,479)</b>
Interest income	(3,397)	(784)			
Interest expense	21,332	23,129	<b>Cash flows from financing activities</b>		
Share of profit of associates	(132)	(331)	Proceeds from borrowings	160,872	102,125
Exchange losses on financing activities	12,164	25,765	Repayments of borrowings	(114,092)	(141,855)
Finance cost on liability for minimum dividend distribution	951	-	Finance lease principal payments	(43,452)	(42,788)
Distribution to minority participants in redeemable shares	-	2,606	Interest paid	(21,792)	(26,299)
Recognised deferred gain	(170)	(442)	Proceeds from sale and finance leaseback transactions	-	10,388
	182,200	126,824	Dividends paid to shareholders of BTS prior to common control transaction	-	(23,453)
Changes in working capital:			Distribution to minority participants in redeemable shares	-	(2,606)
Inventories	912	349	Dividends paid to non-controlling interests in subsidiaries	(9,478)	-
Trade and other receivables	(58,555)	(11,013)	Dividends paid to Company's shareholders	(24,000)	-
Trade and other payables	(9,654)	(8,296)	<b>Net cash used in financing activities</b>	<b>(51,942)</b>	<b>(124,488)</b>
<b>Cash generated from operations</b>	<b>114,903</b>	<b>107,864</b>	<b>Net decrease in cash and cash equivalents</b>	<b>(101,354)</b>	<b>(60,683)</b>
Tax paid	(15,406)	(2,580)	Exchange losses on cash and cash equivalents	(201)	(5,431)
<b>Net cash from operating activities</b>	<b>99,497</b>	<b>105,284</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>159,093</b>	<b>136,914</b>
			<b>Cash, cash equivalents and overdrafts at end of period</b>	<b>57,538</b>	<b>70,800</b>

# Selected operational information

1.	Rolling stock fleet	1H 2010	1H 2009	Change, %	FY 2009
1.1.	<b>Owned Fleet (at period end)</b>				
	Gondola (open top) cars	18,214	13,652	33%	15,464
	Rail tank cars	16,819	16,124	4%	16,372
	Hopper cars	370	1,101	-66%	370
	Locomotives	57	60	-5%	58
	Flat cars	120	78	54%	120
	Other cars	0	0	0%	0
		<b>35,580</b>	<b>31,015</b>	<b>15%</b>	<b>32,384</b>
1.2.	<b>Rolling stock leased-in under operating leases (at period end)</b>				
	Gondola (open top) cars	3,412	1,856	84%	2,357
	Rail tank cars	2,779	2,647	5%	2,474
	Hopper cars	0	0	0%	0
	Locomotives	1	1	0%	2
	Flat cars	0	0	0%	0
	Other cars	0	0	0%	0
		<b>6,192</b>	<b>4,504</b>	<b>37%</b>	<b>4,833</b>
1.3.	<b>Total Fleet (at period end)</b>	<b>41,772</b>	<b>35,519</b>	<b>18%</b>	<b>37,217</b>
1.4.	<b>Rolling stock leased-out under operating leases (at period end)</b>				
	Gondola (open top) cars	780	745	5%	775
	Rail tank cars	6,027	5,093	18%	5,101
	Hopper cars	125	690	-82%	125
	Locomotives	3	3	0%	6
	Flat cars	5	0	0%	0
	Other cars	0	0	0%	0
		<b>6,940</b>	<b>6,531</b>	<b>6%</b>	<b>6,007</b>
1.5.	<b>Average age of Owned Fleet (at period end)</b>				
	Gondola (open top) cars	4.4	4.7	-	4.6
	Rail tank cars	8.1	7.1	-	7.8
	Hopper cars	3.5	1.9	-	3.1
	Locomotives	5.3	4.6	-	5.0
	Flat cars	1.2	0.3	-	0.7
	Other cars	0.0	0.0	-	0.0
		<b>6.1</b>	<b>5.8</b>	<b>-</b>	<b>6.2</b>

2.	Operation of rolling stock	1H 2010	1H 2009	Change, %	FY 2009
2.1.	<b>Freight Rail Turnover, billion tonnes-km</b>	<b>41.9</b>	<b>39.9</b>	<b>5%</b>	<b>80.9</b>
2.1.1.	<b>Freight Rail Turnover by cargo type, billion tonnes-km</b>				
	Ferrous metals	14.2	16.7	-15%	33.0
	Scrap metal	1.2	0.4	162%	1.2
	Iron ore	3.2	1.9	70%	4.5
	Oil products and oil	13.7	15.0	-8%	30.4
	Construction materials - crushed stone	0.4	0.4	0%	0.8
	Construction materials - cement	0.1	0.4	-60%	0.6
	Construction materials - other	0.2	0.5	-48%	0.9
	Coal (thermal and coking)	6.7	3.8	75%	7.4
	Other	2.2	0.9	155%	2.1
2.2.	<b>Transportation Volume, million tonnes</b>	<b>28.7</b>	<b>26.1</b>	<b>10%</b>	<b>52.8</b>
2.2.1.	<b>Transportation Volume by cargo type, million tonnes</b>				
	Ferrous metals	5.4	4.8	14%	9.3
	Scrap metal	1.3	0.5	151%	1.3
	Iron ore	1.8	0.9	98%	2.2
	Oil products and oil	14.2	14.7	-3%	29.7
	Construction materials - crushed stone	0.5	0.4	13%	0.9
	Construction materials - cement	0.2	0.4	-54%	0.6
	Construction materials - other	0.4	0.3	5%	0.7
	Coal (thermal and coking)	3.2	3.0	8%	5.8
	Other	1.7	1.1	59%	2.3
2.3.	<b>Transportation Volume by cargo class</b>				
	Class 1	27%	24%	-	24%
	Class 2	47%	53%	-	53%
	Class 3	26%	23%	-	23%

- In accordance with the Group's accounting policies, the acquisition of BTS has been accounted for as a common control transaction using the predecessor basis of accounting. Under this method financial statement of the acquiree is included in the consolidated financial statements on the assumption that the Group (in such a composition) was in existence for all periods presented. Therefore all operational information reported here for the periods ended 30 June 2009, 31 December 2009 and 30 June 2010 includes operational information for BTS.

- All information presented herein is derived from the management accounts.

# Selected operational information (continued)

Operation of rolling stock	1H 2010	1H 2009	Change, %	FY 2009
<b>2.4. Average Rolling Stock Operated</b>				
Gondola (open top) cars	18,722	14,460	29%	14,600
Rail tank cars	13,102	13,147	0%	13,298
Hopper cars	244	519	-53%	401
Locomotives	41	39	6%	40
Other cars	119	21	462%	66
	<b>32,228</b>	<b>28,187</b>	<b>14%</b>	<b>28,406</b>
<b>2.5. Average Number of Loaded Trips per Railcar</b>				
Gondola (open top) cars	12.2	11.9	3%	24.3
Rail tank cars	18.3	20.0	-9%	37.5
Hopper cars	8.8	8.8	0%	19.5
	<b>14.7</b>	<b>15.6</b>	<b>-6%</b>	<b>30.4</b>
<b>2.6. Average distance of loaded trip, km</b>				
Gondola (open top) cars	1,994.0	2,260.6	-12%	2,280.4
Rail tank cars	958.2	1,004.8	-5%	1,015.5
Hopper cars	908.3	937.6	-3%	950.2
	<b>1,466.4</b>	<b>1,495.8</b>	<b>-2%</b>	<b>1,537.8</b>
<b>2.7. Empty Run Ratio</b>				
Gondola (open top) cars	42%	54%	-	46%
Rail tank cars and hopper cars	112%	98%	-	114%
<b>Total Empty Run Ratio</b>	<b>65%</b>	<b>72%</b>	<b>-</b>	<b>72%</b>
<b>2.8. Average Price per Trip</b>				
Average Price per Trip in USD	784.5	646.8	21%	716.9
Average Price per Trip in RUB	23,576	21,518	10%	22,773
<b>2.9. Net Revenue from Operation of Rolling Stock by cargo type, USD million</b>				
Ferrous metals	101.0	72.0	40%	160.6
Scrap metal	9.4	2.8	229%	7.6
Iron ore	9.7	3.9	148%	10.4
Oil products and oil	203.3	179.9	13%	381.7
Coal (thermal and coking)	25.0	10.7	134%	23.3
Construction materials (incl. cement)	3.5	4.2	-16%	8.0
Other	18.8	11.4	66%	26.8
	<b>370.7</b>	<b>284.9</b>	<b>30%</b>	<b>618.5</b>

Operation of rolling stock	1H 2010	1H 2009	Change, %	FY 2009
<b>2.10. Net Revenue from Operation of Rolling Stock by cargo class</b>				
Class 1	16%	11%	-	10%
Class 2	51%	57%	-	56%
Class 3	33%	32%	-	34%
<b>2.11. Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers)</b>				
Severstal	4%	4%	-	3%
MMK	11%	11%	-	10%
Evrast	10%	10%	-	10%
Ural steel	2%	1%	-	1%
Mechel	1%	1%	-	1%
Rosneft	3%	4%	-	4%
Gazpromneft	6%	8%	-	8%
TNK-BP	24%	24%	-	25%
Lukoil	9%	11%	-	10%
RITEK	0%	2%	-	1%
Other (inc. SMEs)	29%	26%	-	27%
<b>2.12. Empty Run Costs, USD million</b>	<b>95.3</b>	<b>83.9</b>	<b>14%</b>	<b>167.9</b>
<b>2.13. Share of Empty Run Kilometres Paid by Globaltrans</b>	<b>84%</b>	<b>83%</b>	<b>1%</b>	<b>83%</b>
<b>3. Employees</b>	<b>1H 2010</b>	<b>1H 2009</b>	<b>Change, %</b>	<b>FY 2009</b>
<b>3.1. Employees by departments (simplified)</b>				
Operations	621	611	2%	591
Administrative	319	347	-8%	359
	<b>939</b>	<b>958</b>	<b>-2%</b>	<b>950</b>

- In accordance with the Group's accounting policies, the acquisition of BTS has been accounted for as a common control transaction using the predecessor basis of accounting. Under this method financial statement of the acquiree is included in the consolidated financial statements on the assumption that the Group (in such a composition) was in existence for all periods presented. Therefore all operational information reported here for the periods ended 30 June 2009, 31 December 2009 and 30 June 2010 includes operational information for BTS.

- All information presented herein is derived from the management accounts.

# Definitions

**Adjusted EBITDA** (a non-GAAP financial measure) represents EBITDA excluding “net foreign exchange transaction (losses)/gains on financing activities”, “share of profit/(loss) of associates”, “other gains/(losses) – net”, “loss/(gain) on sale of property, plant and equipment” and “impairment charge for property, plant and equipment”.

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

**Adjusted Revenue** (a non-GAAP financial measure) is calculated as “revenue” less “infrastructure and locomotive tariffs: loaded trips”.

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

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

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

**EBITDA** (a non-GAAP financial measure) represents “profit for the period” before “income tax expense”, “finance costs – net” (excluding “net foreign exchange transaction (losses)/gains on financing activities”), “depreciation of property, plant and equipment” and “amortisation of intangible assets”.

**Empty run or empty runs** means movement of railcars without cargo for the whole or a substantial part of the journey.

**Empty Run Costs** (a non-GAAP financial measure, meaning costs payable to OAO Russian Railways for forwarding empty railcars) is derived from management accounts and presented as part of the “empty run trips, other tariffs and services provided by other transportation organisations” component of “cost of sales” reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation and rolling stock leased in or leased out.

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

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

**Functional currency** defined as the currency of the primary economic environment in which the entity operates, for Globaltrans Investment PLC is Russian Rouble.

## Definitions (continued)

**LTM Adjusted EBITDA** is defined as Adjusted EBITDA for the last twelve months.

**Net Debt** (a non-GAAP financial measure) is defined as the sum of current and non-current borrowings (including interest accrued) less “cash and cash equivalents”.

**Net Revenue from Operation of Rolling Stock** (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”.

**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 “depreciation of property, plant and equipment”, “amortisation of intangible assets”, “impairment charge for receivables”, “loss/(gain) on sale of property, plant and equipment”, “impairment charge for property, plant and equipment”.

**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”, “loss/(gain) on sale of property, plant and equipment”, “impairment charge for 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)”, “cost of wagons and locomotives sold in trading transactions (not part of property, plant and equipment)” and “other expenses”.

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

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

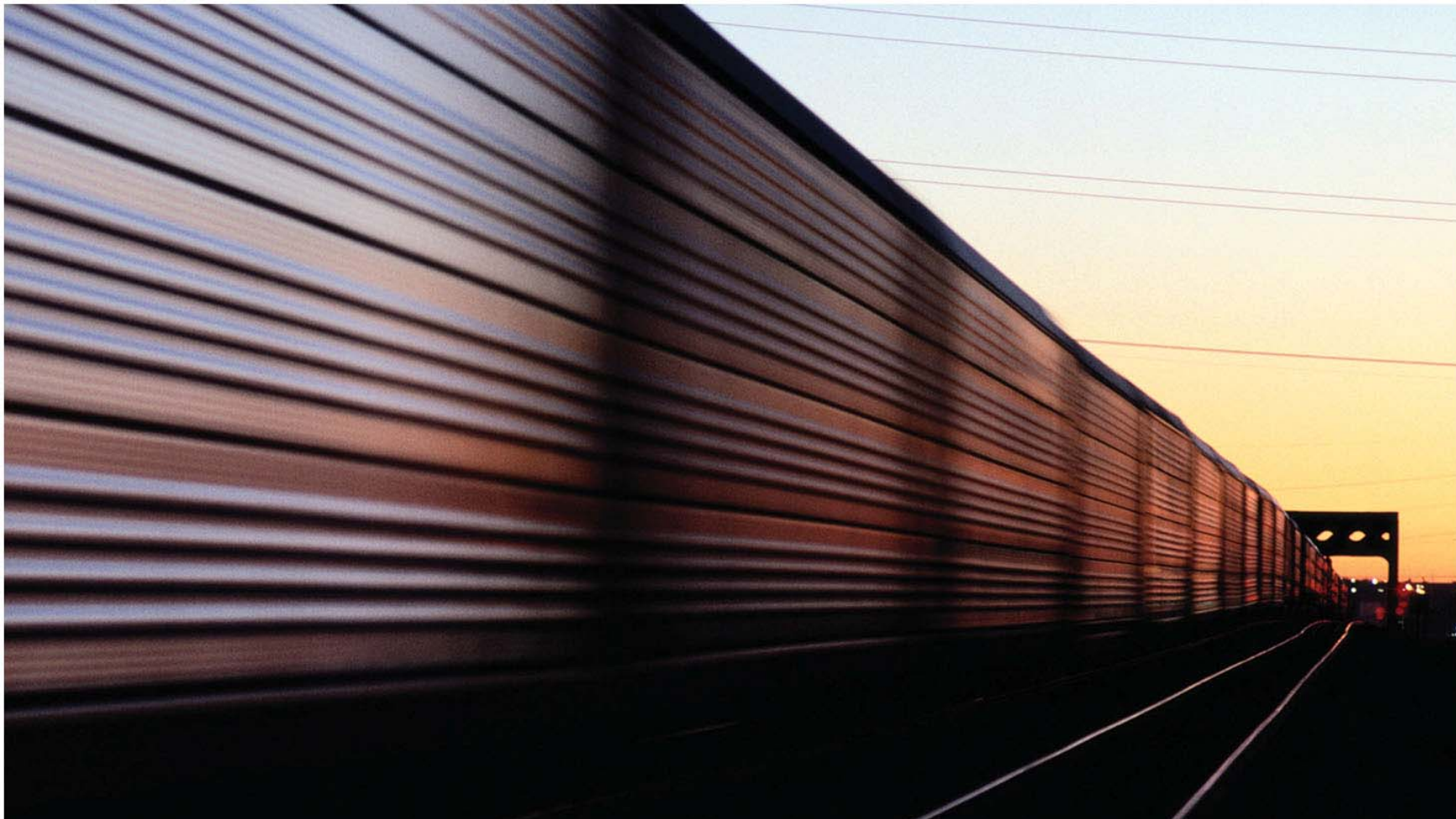
**Total Fleet** is defined as the total rolling stock owned and leased under finance and operating leases as of the end of period (it includes railcars and locomotives unless otherwise stated).

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

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

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





## INVESTOR RELATIONS

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