



Innovation

Partnerships

Independence

Performance

## Interim 2014 Results

 **Globaltrans**

Russia's leading private freight rail group

Sergey Maltsev, CEO and Alexander Shenets, CFO

Investor Conference Call: 2 September 2014

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## Presentation of information

The financial information presented in this document is derived from the condensed consolidated interim financial information (unaudited) of Globaltrans Investment PLC (“the Company” or, together with its subsidiaries, “Globaltrans” or “the Group”) as at and for the six months ended 30 June 2014 and prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union.

The Group’s condensed consolidated interim financial information (unaudited) as at and for the six months ended 30 June 2014 along with the selection of historical financial and operational information are available at Globaltrans’ corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

The condensed consolidated interim financial information (unaudited) is presented in US Dollars (“USD”), which the Group’s management believes to be better understood by the principal users of the financial statements. The functional currency of the Company, its Cypriot subsidiaries and its Russian subsidiaries is the Rouble (“RUB”). 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 comparable financial and operational information included in this document has been re-presented for the six months ended 30 June 2013 to conform with changes in the presentation of operations with Engaged Fleet for the six months ended 30 June 2014.

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

In this document 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 document.

Rounding adjustments have been made in calculating some of the financial and operational information included in this document. 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 document 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 document should be used only as an analytical tool, and investors should not consider such information in isolation or in any combination as a substitute for analysis of the Group’s consolidated financial statements and condensed interim financial information reported under EU IFRS, which are available the Globaltrans’ corporate website [www.globaltrans.com](http://www.globaltrans.com).



**Sergey Maltsev**  
Chief Executive Officer

- Highlights
- Market and business review

## Highlights: Solid performance in a difficult environment

### Strong operational performance

- Freight Rail Turnover up 2%<sup>1</sup> y-o-y with Market Share stable at 8.4%; all railcars are fully deployed
- Solid performance in priority segments (metallurgical cargoes +8%<sup>2</sup>; oil products and oil +2%<sup>2</sup>)
- Empty Run Ratio for gondola cars maintained at low level of 38%; Total Empty Run Ratio down to 51%

### Increased business resilience

- Service contract with Metalloinvest extended for additional 19 months to the end of 2016
- Service contract with Rosneft<sup>3</sup> successfully renegotiated and extended to end of March 2016
- More than 60% of Net Revenue from Operation of Rolling Stock is now covered by long-term service contracts (Metalloinvest, MMK and Rosneft)

### Solid margins and strong Free Cash Flow generation

- Adj. EBITDA Margin of 44%\* with Adj. EBITDA of USD 270.2 mln\*, down 12% y-o-y in RUB terms<sup>4</sup>
- Efficient cost control: Total Operating Cash Costs up just 2% y-o-y in RUB terms<sup>4</sup>
- Free Cash Flow of USD 179.8 mln\*, broadly flat in RUB terms<sup>4</sup>

### New industry regulation benefits players with modern fleets like Globaltrans

- Mandatory certification introduced when extending useful life of railcars
- Useful life of an estimated c.240k railcars (c.20% of total fleet in Russia) will end in 2014-2016<sup>5</sup>
- Due to expected high cost of certification, the regulation will likely drive accelerated retirement of old fleets improving the supply/demand balance

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) Including Engaged Fleet. The Group's Freight Rail Turnover (excl. Engaged Fleet) was up 4% y-o-y.

2) Measured in Freight Rail Turnover (incl. Engaged Fleet); metallurgical cargoes including ferrous metals, scrap metal and iron ore.

3) Including RN Holding (former TNK-BP).

4) The Group's financial performance in the first six months of 2014 was affected by a 13% depreciation in the average exchange rate of the Russian rouble (Functional Currency of the Company, its Cyprus and Russian subsidiaries) against the US Dollar compared to the same period of the previous year (the Group's financial information presentation currency).

5) Estimated by Globaltrans. May differ from estimations or information available from the other sources. Estimated as a percentage of the total fleet of railcars in Russia as of the end of 2013.

## Challenging market environment continues

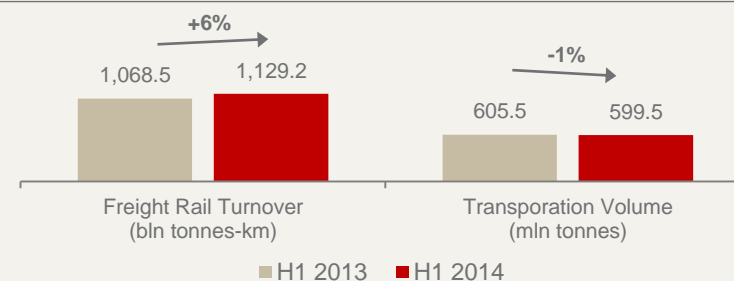
- **Weak market environment in H1 2014 reflecting macro-economic headwinds**

- Stagnating demand with overall Russian Transportation Volume down 1% y-o-y, largely driven by a 13% decrease in transportation volumes of construction materials<sup>1</sup>
- Changed logistics with longer distance trips drove overall Russian Freight Rail Turnover up 6% y-o-y
- Pricing environment remains soft

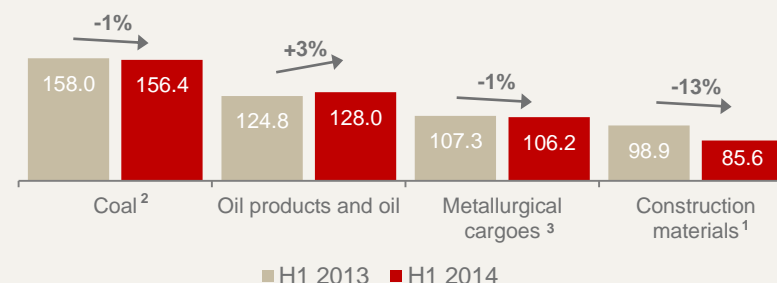
- **Fragmented industry including players with excessive leverage**

- More than a thousand players, many of them are highly leveraged
- Players without outsourcing contracts are suffering most
- Major rail operators have significantly reduced purchases of new railcars
- Continued market weakness may open interesting M&A opportunities for well-capitalised players

### Overall Russian freight rail market performance



### Overall Russian Transportation Volume of key cargoes (mln tonnes)



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.

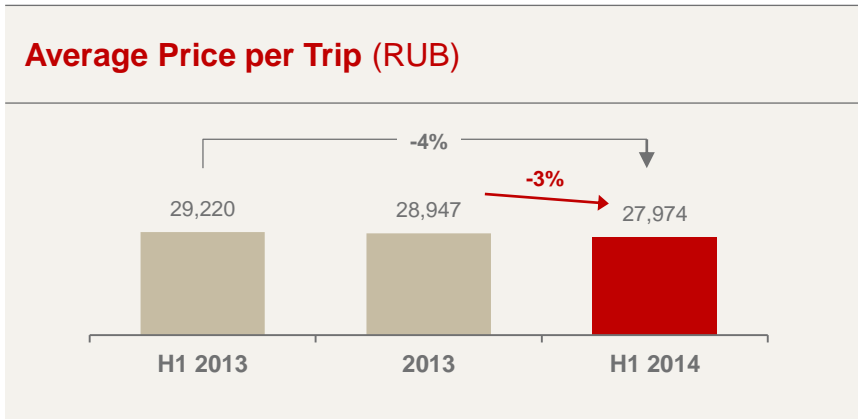
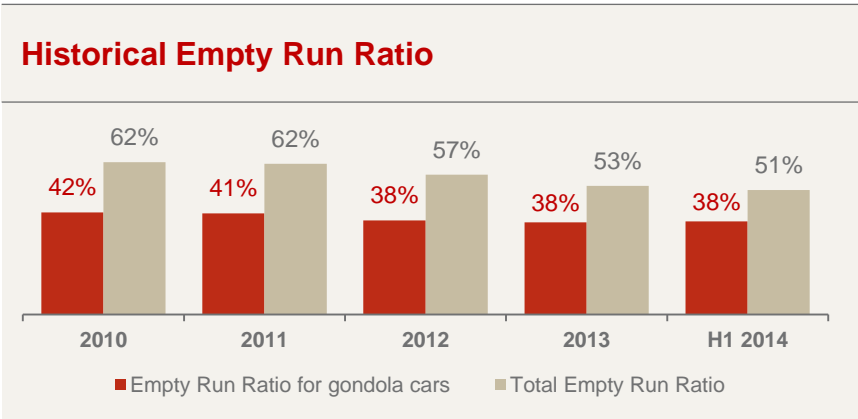
1) Construction materials including cement.

2) Coal including coke.

3) Metallurgical cargoes including ferrous metals, scrap metal and ores.

# Strong operational performance, all railcars fully deployed

- High operational efficiency despite difficult market**
  - Total Empty Run Ratio improved to 51% (H1 2013: 53%), due to change in rail tank car logistics, continuing positive trend of last 3 years
  - Empty Run Ratio for gondola cars at 38% (H1 2013: 37%)
- Growth in business volumes, all railcars are fully deployed**
  - Average Rolling Stock Operated up 2% to 54k units with Freight Rail Turnover (excl. Engaged Fleet) up 4% y-o-y
  - Freight Rail Turnover (incl. Engaged Fleet) increased 2% y-o-y led by metallurgical cargoes<sup>1</sup> (+8%) and oil products and oil (+2%)
  - Market Share stable at 8.4%
- Moderate decrease of Average Price per Trip reflects market conditions**
  - Average Price per Trip down 3% in RUB terms vs. FY 2013 (-4% vs. H1 2013)
  - Continued weak pricing in gondola segment was partially offset by solid performance of rail tank car segment



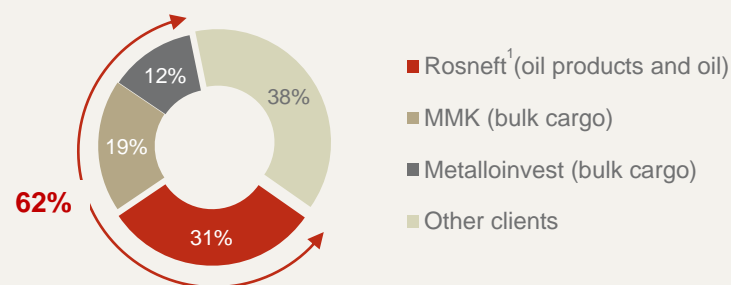
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Metallurgical cargoes including ferrous metals, scrap metal and ores.

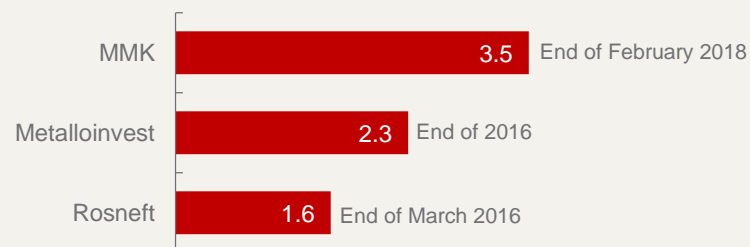
## Share of business based on long-term contracts doubled to more than 60%: key contracts extended

- Globaltrans was one of the first freight rail operators to secure large long-term service contracts with key clients**
  - May 2012: service contract with Metalloinvest covering 100% of its freight rail volumes
  - February 2013: service contract with MMK for at least 70% of its freight rail volumes
- Superior service and track record of successful cooperation enabled the Group to expand its partnerships in 2014**
  - Metalloinvest contract extended for an additional 19 months to the end of 2016
  - Service volumes under the long-term contract (to end Feb 2018) with MMK increased from 70% to 80% for the duration of 2014
  - Service contract with Rosneft<sup>1</sup> extended until the end of March 2016
- Resilient business platform**
  - 62% of the Group's Net Revenue from Operation of Rolling Stock is now covered by long-term contracts
  - The Group engaged about 10k railcars<sup>2</sup> from third parties to meet demand under service contracts not covered by Owned and Leased-in Fleets

### Net Revenue from Operation of Rolling Stock (H1 2014)



### Duration of service contracts (years, as of end of August 2014)



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) Including RN Holding (former TNK-BP).

2) As of 30 June 2014.



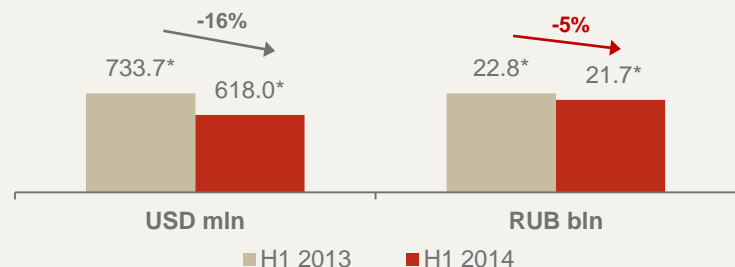


**Alexander Shenets**  
Chief Financial Officer

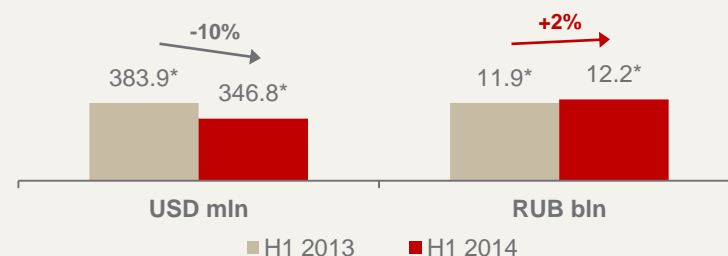
- Financial review

# Financial highlights: the Group performed well given market context, negatively impacted by RUB depreciation<sup>1</sup>

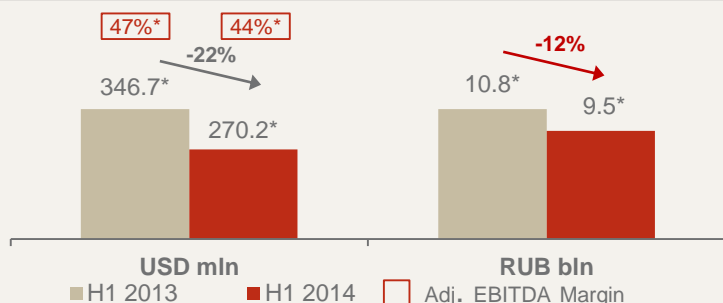
## Adjusted Revenue



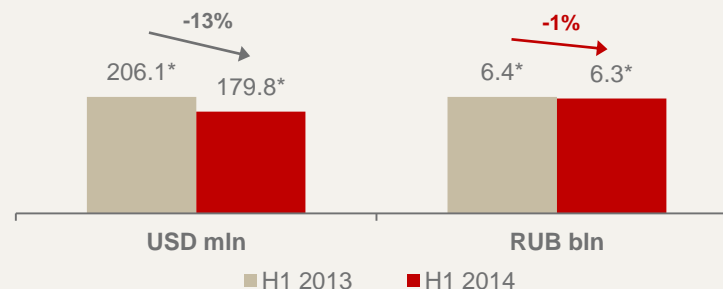
## Total Operating Cash Costs



## Adj. EBITDA, Adj. EBITDA Margin



## Free Cash Flow<sup>2</sup>



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) The Group's financial performance in the first six months of 2014 was affected by a 13% depreciation in the average exchange rate of the Russian rouble (Functional Currency of the Company, its Cyprus and Russian subsidiaries) against the US Dollar compared to the same period of the previous year (the Group's financial information presentation currency). The 30 June 2014 period end exchange rate of the Russian Rouble against the US Dollar weakened by 3% compared to the end of 2013.
- 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".

## Revenue analysis

	H1 2013 (USD mln)	H1 2014 (USD mln)	Change USD, %	Change RUB, %
<b>Revenue</b>	<b>1,213.2</b>	<b>999.4</b>	<b>-18%</b>	<b>-7%</b>
<i>Minus</i>				
Infrastructure and locomotive tariffs: loaded trips <sup>1</sup>	397.3	331.5	-17%	-6%
Services provided by other transportation organisations <sup>2</sup>	82.2	49.8	-39%	-32%
<b>Adjusted Revenue</b>	<b>733.7*</b>	<b>618.0*</b>	<b>-16%</b>	<b>-5%</b>
<i>Including</i>				
<b>Net Revenue from Operation of Rolling Stock</b>	<b>636.9*</b>	<b>541.6*</b>	<b>-15%</b>	<b>-4%</b>
<b>Operating lease of rolling stock</b>	<b>62.6</b>	<b>47.3</b>	<b>-24%</b>	<b>-15%</b>
<b>Net Revenue from Engaged Fleet</b>	<b>27.0*</b>	<b>24.9*</b>	<b>-8%</b>	<b>4%</b>
Railway transportation – freight forwarding	0.9	0.4	-54%	-48%
Other revenue <sup>3</sup>	6.3	3.9	-39%	-31%

- **Adjusted Revenue down 5% y-o-y in RUB terms (-16% in USD terms)**
- **Net Revenue from Operation of Rolling Stock, a key component of Adjusted Revenue, fell 4% y-o-y in RUB terms (-15% in USD terms)**
  - Average Rolling Stock Operated up 2% y-o-y to 54,203 units
  - Average Price per Trip declined 4% y-o-y in RUB terms
  - Average Number of Loaded Trips fell 2% y-o-y
- **Revenue from Operating lease of rolling stock decreased 15% y-o-y in RUB terms (-24% in USD terms)**
  - Primarily reflecting deterioration in leasing rates
- **Net Revenue from Engaged Fleet increased 4% y-o-y in RUB terms (-8% in USD terms)**
  - Largely driven by favourable change in subcontracting terms with third-party rail operators

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) "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.

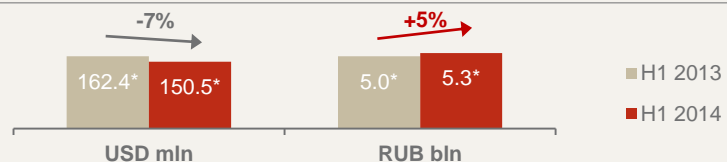
## Costs analysis

	H1 2013 (USD mln)	H1 2014 (USD mln)	Change USD, %	Change RUB, %
<b>Total Operating Cash Costs</b>	<b>383.9*</b>	<b>346.8*</b>	<b>-10%</b>	<b>2%</b>
Empty Run Costs	162.4*	150.5*	-7%	5%
Repairs and Maintenance	63.1	57.3	-9%	3%
Employee benefit expense	47.7	42.3	-11%	0%
Operating lease rentals – rolling stock	21.7	19.6	-10%	2%
Infrastructure and locomotive Tariff - Other Tariffs	15.0*	13.3*	-11%	0%
Fuel and spare parts - locomotives	19.2	19.3	1%	14%
Engagement of locomotive crews	6.8	6.3	-7%	5%
Legal, consulting and other professional fees	3.8	1.6	-59%	-53%
Other Operating Cash Costs	44.2*	36.6*	-17%	-6%
<b>Total Operating Non-Cash Costs</b>	<b>102.8*</b>	<b>88.5*</b>	<b>-14%</b>	<b>-3%</b>
<i>Including</i>				
Depreciation of property, plant and equipment	84.4	73.0	-13%	-2%
Amortisation of intangible assets	15.5	15.4	-1%	12%

- **Total Operating Cash Costs up 2% in RUB terms (-10% in USD terms)**
  - Half the 4% y-o-y growth in Freight Rail Turnover (excl. Engaged Fleet)
- **Total Operating Non-Cash Costs down 3% y-o-y in RUB terms (-14% in USD terms)**
  - Mainly driven by a RUB depreciation related decrease in Depreciation of property, plant and equipment

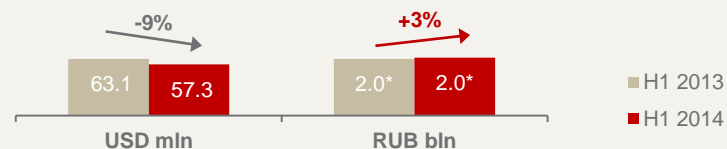
## Major Operating Cash Cost (“OCC”) items

### Empty Run Costs (43% of OCC)



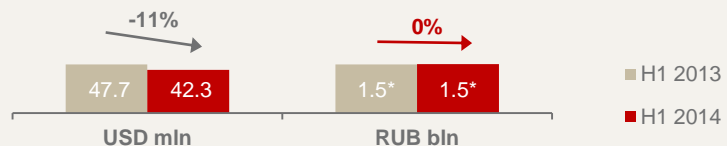
- Increased inline with 4% y-o-y growth in Freight Rail Turnover (excl. Engaged Fleet)
- RZD regulated tariff for traction of empty railcars remained flat y-o-y
- Total Empty Run Ratio further improved to 51% (H1 2013: 53%)
- Share of Empty Run km Paid by Globaltrans steady at 88%

### Repairs and maintenance (17% of OCC)



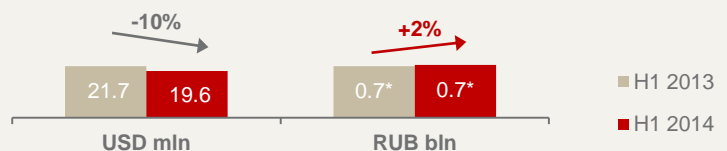
- Average Rolling Stock Operated up 2%
- Improved pricing for repairs was offset by an increased number of ad-hoc repairs in the period as well as an increased number of spare parts used

### Employee benefit expense (12% of OCC)



- Remained flat in RUB terms
- Inflation driven increase in salaries was offset by ongoing optimisation of number of employees
- Period-end headcount was down 6% or c.100 employees compared to 30 June 2013

### Operating lease – rolling stock (6% of OCC)

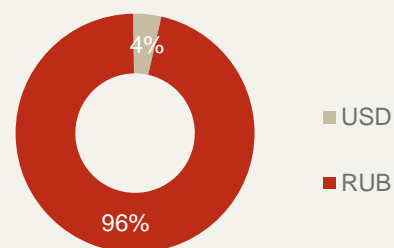


- Increase in average number of railcars leased-in to meet additional demand for Globaltrans’ services
- Partially offset by decline in leasing rates

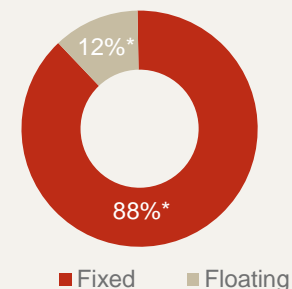
## Comfortable debt level, largely RUB-denominated with fixed rates

- Net Debt of USD 875.7 mln\* with Net Debt to LTM Adjusted EBITDA at comfortable level of 1.5x\*
- Low FX exposure with share of RUB-denominated debt at 96%
- Low interest rate risk, share of debt with a fixed interest rate at 88%\*
- Weighted average effective interest rate of 9.5%\*
- Comfortable maturity profile supported by solid cash flow generation, cash balances and undrawn committed credit facilities

**Total debt as at 30 June 2014 by currency (%)**



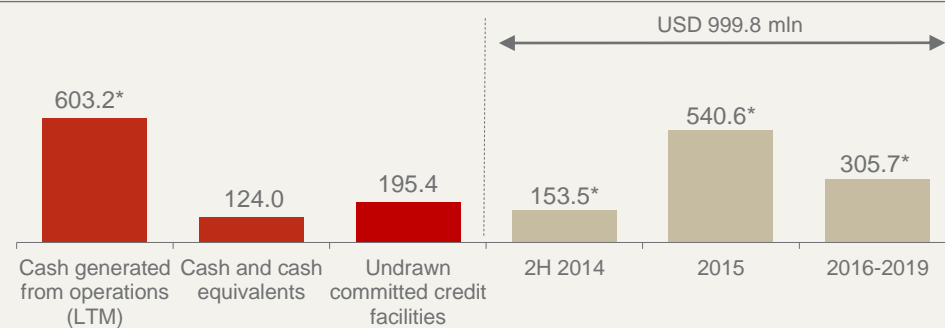
**Total debt as at 30 June 2014 by interest rate type (%)**



### Comfortable debt level



### Debt repayment schedule as at 30 June 2014 (USD mln)<sup>2</sup>



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) Net Debt to LTM Adjusted EBITDA.  
 2) Including accrued interest of USD 11.6 mln\*.

## Strong Free Cash Flow generation and prudent capital allocation

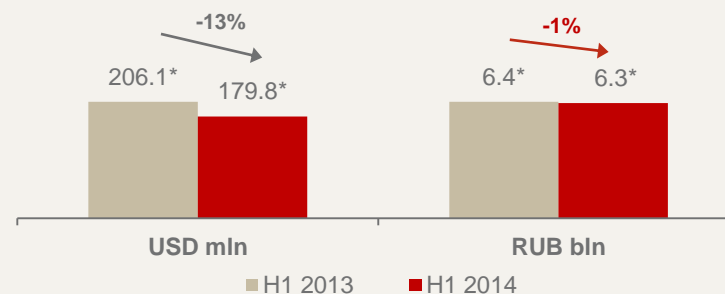
- Strong Free Cash Flow generation**

- Free Cash Flow remained broadly flat in RUB terms reflecting efficient working capital management and suspension of expansion CAPEX

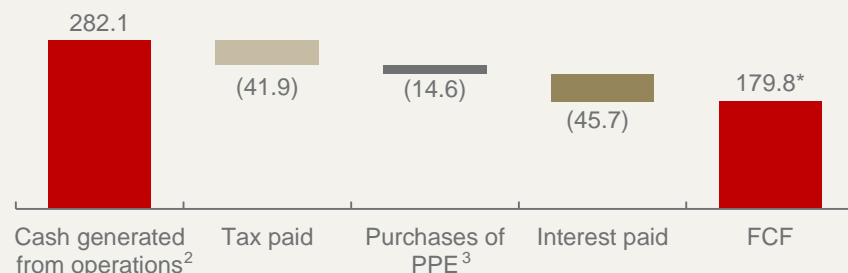
- Prudent capital allocation**

- Expansion CAPEX halted due to market conditions
- Focus on further deleveraging and distributions to shareholders - minimum 50%<sup>1</sup> Dividend Pay-out Ratio in periods of sustained low investment activity and comfortable leverage

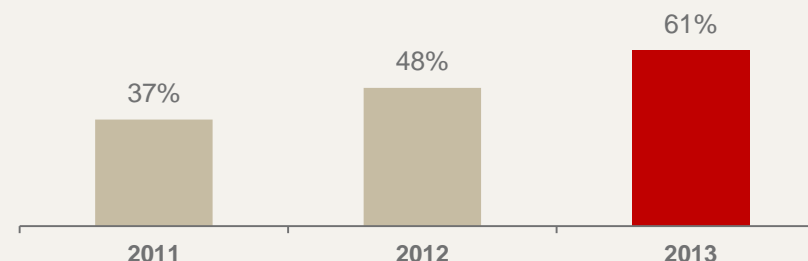
### Free Cash Flow



### Free Cash Flow Analysis (H1 2014, USD mln)



### Attractive Dividend Pay-out (in respect of related year)



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.

- Of Imputed Consolidated Net Profit.
- After changes in working capital.
- Including maintenance CAPEX.



**Sergey Maltsev**  
Chief Executive Officer

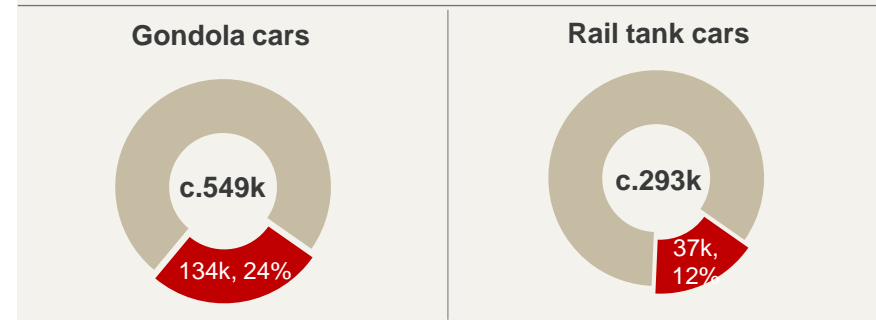
- New industry regulation
- Priorities for H2 2014
- Key takeaways



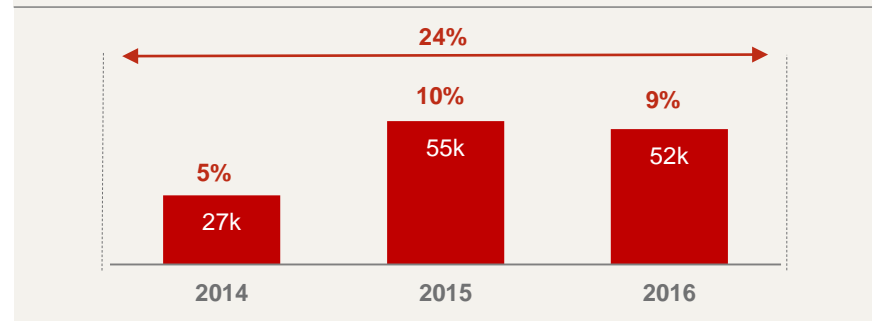
## New regulation benefits players with modern fleets like Globaltrans

- Mandatory modernisation and certification requirement introduced for extending useful life of railcars**
  - Gondolas after 22 years and rail tanks after 32 years
  - Certification procedures are to be developed but their cost is likely to be high and could drive an accelerated retirement of old railcars
- c.20% or c.240 thousand railcars in Russia will reach the end of useful life between 2014-2016<sup>1</sup> including:**
  - c.24% or 134k units of gondola cars
  - c.12% or 37k units of rail tank cars
- Globaltrans owns one of the most modern sizeable fleets with an average age of 8.4 years<sup>2</sup>.**
  - Only 1,400 units or c.2% of Globaltrans' fleet are expected to end their useful life by the end of 2016
- Accelerated retirement of old fleet will likely drive improvement in market conditions**
  - High leverage in the industry and weak market environment could limit investment in new rolling stock to substitute retired fleets

### Estimated number of railcars in Russia ending useful life in 2014-2016<sup>1</sup>



### Estimated number of gondolas ending useful life; % of total gondola fleet in Russia as of end 2013<sup>1</sup>



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) Estimated by Globaltrans. May differ from estimations or information available from the other sources. Estimated as a percentage of the total fleet of railcars in Russia as of the end of 2013.

2) Average age of the Group's Owned Fleet as of 30 June 2014.

## Priorities for H2 2014

### OPERATIONAL

- Further expansion of long-term client partnerships
- Maintain high operational efficiency and low Empty Run Ratios
- Continue to secure benefits from single gondola dispatching centre (c.40k gondola under operation)
- Complete the full merger of Ferrotrans with Sevtechnotrans (both are 100% subsidiaries)

### FINANCIAL

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

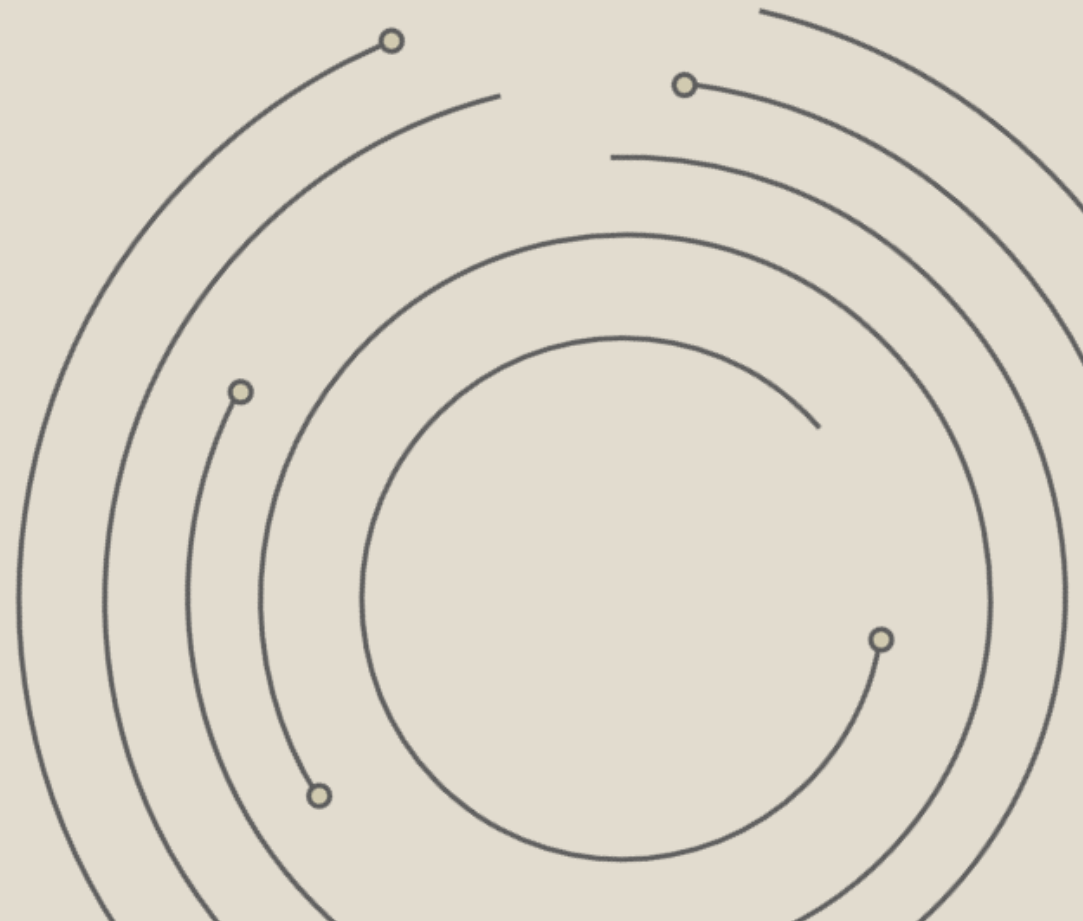
### INVESTMENTS

- Keep expansion CAPEX on hold until market conditions support further investments
- Monitor arising M&A opportunities - transactions unlikely to be pursued in 2014 as market pressure on weaker players means time works in our favour

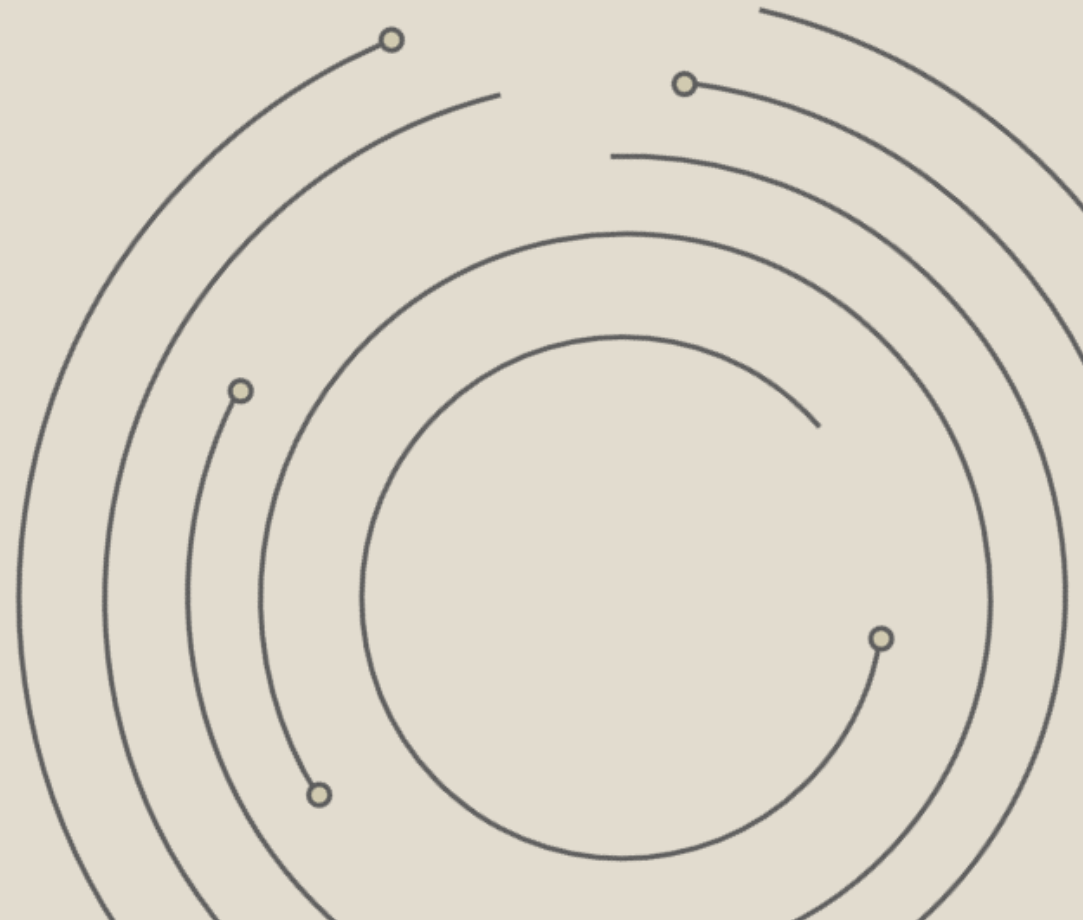
## Globaltrans: Strong, well-capitalised player best positioned to capture growth opportunities

- ✓ Modern fleet
- ✓ More than 60% of Net Revenue from Operation of Rolling Stock now covered by long-term service contracts
- ✓ Robust Free Cash Flow generation driven by high profitability, low maintenance CAPEX and halted expansion CAPEX
- ✓ Comfortable leverage and prudent capital allocation
  - Focus on further deleveraging and dividend distribution
- ✓ Industry supply/demand balance is poised for change due to new regulation
- ✓ Continued market weakness may create interesting M&A opportunities for well-capitalised players

- Questions and answers



- Appendices



## Globaltrans: key facts

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

- Unique combination of sizable and modern fleet of c.65k railcars, 93% in ownership, average age of 8.4 years<sup>1</sup>
- Large scale operations covering all major regions of Russia
- Market capitalisation of USD 1.7 bln<sup>2</sup>, free float of c.54.5%, high standards of corporate governance

### Efficient and resilient business profile

- Advanced logistics providing for high fleet utilisation and low empty runs
- More than 60% of the Group's Net Revenue from Operation of Rolling Stock is now covered by long-term contracts with key clients<sup>3</sup>

### Profitable, cash generative with comfortable leverage

- Adjusted EBITDA Margin of 44%\*<sup>4</sup>, Free Cash Flow of USD 396.9 mln\*<sup>5</sup>
- Comfortable debt level, largely RUB-denominated; Net Debt to LTM Adjusted EBITDA of 1.5x\*<sup>6</sup>

### Prudent capital allocation, attractive dividends

- Organic expansion CAPEX on hold while retaining focus on selective M&A
- The Board supports an annual Dividend Pay-out Ratio of not less than 50%<sup>7</sup> in periods of sustained low investment activity and comfortable leverage
- Dividends of USD 110.8 mln were paid in respect of 2013, Dividend Pay-out Ratio of 61%

Source: Globaltrans, LSE. 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 30 June 2014; Owned fleet includes fleet in ownership and leased-in under finance leases; Average age of Owned Fleet of Globaltrans as of 30 June 2014.

2) As of 27 August 2014.

3) Including Rosneft, Metalloinvest and MMK.

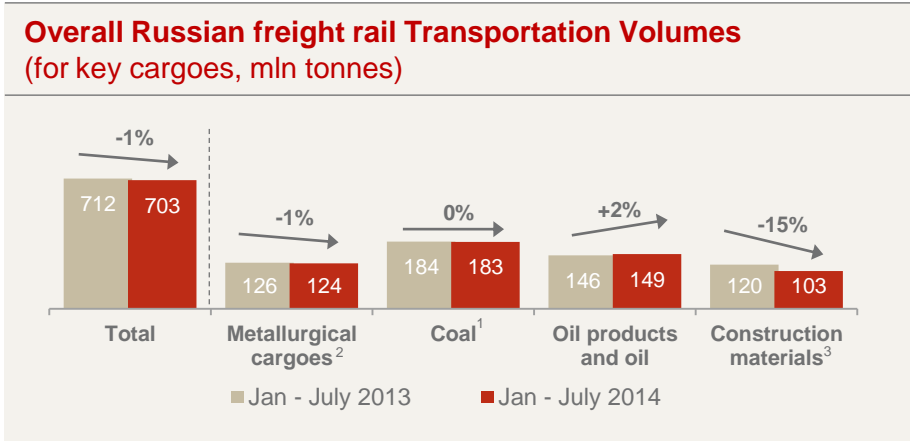
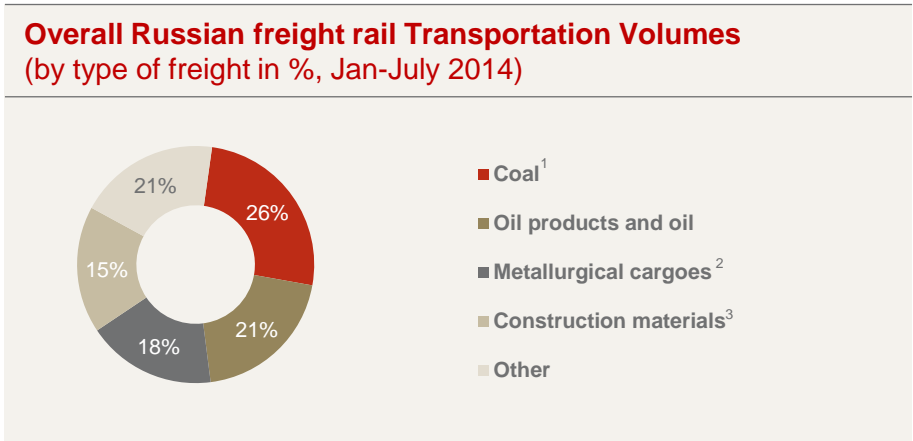
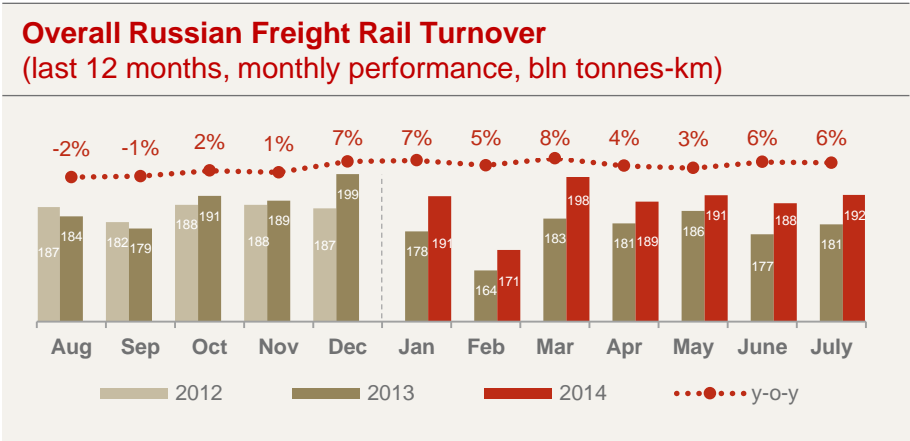
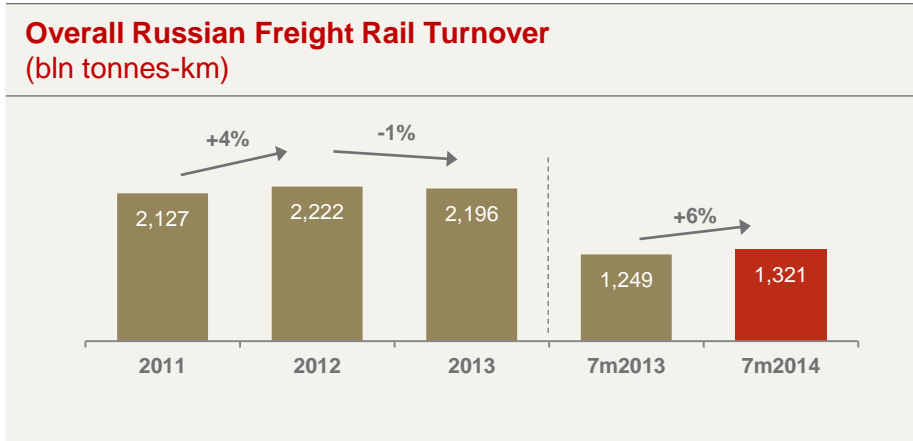
4) In H1 2014.

5) In the twelve months ending 30 June 2014; 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".

6) As of 30 June 2014.

7) Of Imputed Consolidated Net Profit.

# Market watch (January – July 2014)

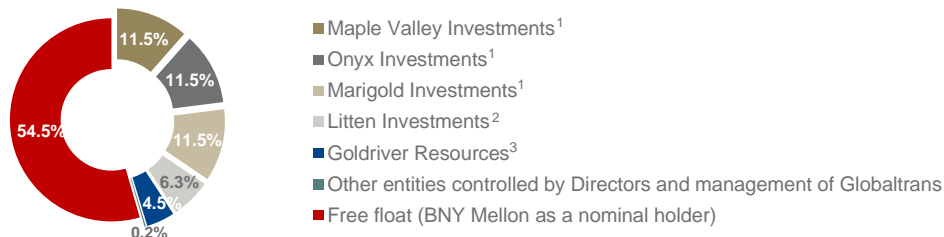


Source: Rosstat, RZD. Note: Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.
















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

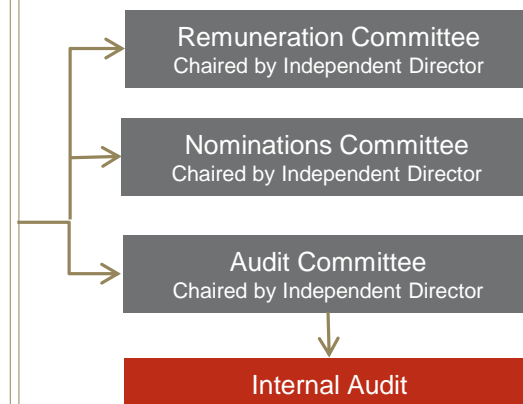
# Corporate governance structure

## 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>Elia Nicolaou</b> Non-Executive Director
	<b>Hans Durrer</b> Senior Independent Non-Executive Director		<b>Konstantin Shirokov</b> Executive Director		<b>Melina Pyrgou</b> Non-Executive Director
	<b>George Papaioannou</b> Independent Non-Executive Director		<b>Alexander Storozhev</b> Executive Director		<b>Michael Thomaidis</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. 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 condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2014

## Consolidated interim income statement for the six months ended 30 June 2014

	Six months ended 30 June 2014 USD'000	Six months ended 30 June 2013 USD'000
<b>Revenue</b>	<b>999,378</b>	1,213,182
Cost of sales	(755,557)	(892,807)
<b>Gross profit</b>	<b>243,821</b>	320,375
Selling and marketing costs	(2,230)	(2,795)
Administrative expenses	(58,936)	(70,568)
Other gains – net	1,338	388
<b>Operating profit</b>	<b>183,993</b>	247,400
Finance income	2,869	11,002
Finance costs	(49,555)	(63,471)
Finance costs – net	(46,686)	(52,469)
Share of loss of associate	(72)	(6)
<b>Profit before income tax</b>	<b>137,235</b>	194,925
Income tax expense	(31,910)	(46,670)
<b>Profit for the period</b>	<b>105,325</b>	148,255
<b>Attributable to:</b>		
Owners of the Company	77,977	109,529
Non-controlling interests	27,348	38,726
	<b>105,325</b>	148,255
	<b>USD per share</b>	<b>USD per share</b>
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period</b>	<b>0.44</b>	<b>0.61</b>

# Extracts from the Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2014

## Consolidated interim balance sheet at 30 June 2014

	30 June 2014	31 Dec 2013
	USD'000	USD'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	2,047,594	2,180,425
Intangible assets	321,428	346,755
Income tax assets	1,428	2,481
Investment in associate	2,456	2,552
Trade and other receivables	1,107	4,897
<b>Total non-current assets</b>	<b>2,374,013</b>	<b>2,537,110</b>
<i>Current assets</i>		
Inventories	18,237	17,994
Trade and other receivables	150,402	192,597
Current income tax assets	8,128	4,773
Cash and cash equivalents	124,033	104,103
<b>Total current assets</b>	<b>300,800</b>	<b>319,467</b>
<b>TOTAL ASSETS</b>	<b>2,674,813</b>	<b>2,856,577</b>

	30 June 2014	31 Dec 2013
	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	(195,482)	(145,221)
Capital contribution	90,000	90,000
Retained earnings	829,450	862,850
<b>Total equity attributable to the owners of the Company</b>	<b>1,322,838</b>	<b>1,406,499</b>
<b>Non-controlling interests</b>	<b>133,286</b>	<b>175,371</b>
<b>TOTAL EQUITY</b>	<b>1,456,124</b>	<b>1,581,870</b>
<i>Non-current liabilities</i>		
Borrowings	426,363	737,129
Deferred tax liabilities	132,053	143,889
<b>Total non-current liabilities</b>	<b>558,416</b>	<b>881,018</b>
<i>Current liabilities</i>		
Borrowings	573,419	276,971
Trade and other payables	86,613	116,273
Current tax liabilities	241	445
<b>Total current liabilities</b>	<b>660,273</b>	<b>393,689</b>
<b>TOTAL LIABILITIES</b>	<b>1,218,689</b>	<b>1,274,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,674,813</b>	<b>2,856,577</b>

# Extracts from the Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2014

## Consolidated interim cash flow statement for the six months ended 30 June 2014

	Six months ended 30 June 2014	Six months ended 30 June 2013
	USD'000	USD'000
<b>Cash flows from operating activities</b>		
Profit before tax	137,235	194,925
Adjustments for:		
Depreciation of property, plant and equipment	73,048	84,419
Amortisation of intangible assets	15,374	15,477
Gain on sale of property, plant and equipment	(838)	(186)
Interest income	(2,292)	(1,979)
Interest expense	43,991	62,786
Share of loss of associates	72	6
Exchange (gains)/losses on financing activities	4,987	(8,338)
	<b>271,577</b>	<b>347,110</b>
<i>Changes in working capital:</i>		
Inventories	(635)	(3,509)
Trade and other receivables	42,756	72,079
Trade and other payables	(31,645)	(79,173)
<b>Cash generated from operations</b>	<b>282,053</b>	<b>336,507</b>
Tax paid	(41,910)	(50,563)
<b>Net cash from operating activities</b>	<b>240,143</b>	<b>285,944</b>

	Six months ended 30 June 2014	Six months ended 30 June 2013
	USD'000	USD'000
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries-net of cash acquired	-	(201,903)
Purchases of property, plant and equipment	(14,558)	(21,122)
Proceeds from disposal of property, plant and equipment	3,461	4,246
Loan repayments received from third parties	19	19
Interest received	2,329	3,608
<b>Net cash used in investing activities</b>	<b>(8,749)</b>	<b>(215,152)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	174,477	397,768
Repayments of borrowings	(144,933)	(232,213)
Finance lease principal payments	(17,550)	(26,943)
Interest paid	(45,746)	(58,744)
Acquisition of non-controlling interest	(66)	-
Dividends paid to non-controlling interests in subsidiaries	(64,016)	(24,028)
Dividends paid to owners of the Company	(110,819)	(125,119)
<b>Net cash used in financing activities</b>	<b>(208,653)</b>	<b>(69,279)</b>
<b>Net increase in cash and cash equivalents</b>	<b>22,741</b>	<b>1,513</b>
Exchange losses on cash and cash equivalents	(2,811)	(7,229)
Cash, cash equivalents and bank overdrafts at beginning of period	104,103	178,190
<b>Cash, cash equivalents and bank overdrafts at end of period</b>	<b>124,033</b>	<b>172,474</b>

# Selected operational information for the six months of 2014

## Rolling stock fleet

	As at 30 June 2014	As at 30 June 2013	Change	Change, %	As at 31 Dec 2013
<b>Owned Fleet</b>					
Gondola cars	39,844	40,357	-513	-1%	40,095
Rail tank cars	19,030	19,074	-44	0%	19,061
Hopper cars	707	707	0	0%	707
Locomotives	75	75	0	0%	75
Flat cars	1,186	1,186	0	0%	1,186
<b>Total</b>	<b>60,842</b>	<b>61,399</b>	<b>-557</b>	<b>-1%</b>	<b>61,124</b>
<i>Owned Fleet as % of Total Fleet</i>	93%	95%	-	-	93%
<b>Leased-in Fleet</b>					
Gondola cars	913	0	913	-	533
Rail tank cars	3,693	3,546	147	4%	4,151
Hopper cars	0	0	0	-	0
Locomotives	0	0	0	-	0
Flat cars	0	0	0	-	0
<b>Total</b>	<b>4,606</b>	<b>3,546</b>	<b>1,060</b>	<b>30%</b>	<b>4,684</b>
<i>Leased-in Fleet as % of Total Fleet</i>	7%	5%	-	-	7%
<b>Total Fleet (Owned Fleet + Leased-in Fleet)</b>	<b>65,448</b>	<b>64,945</b>	<b>503</b>	<b>1%</b>	<b>65,808</b>
<b>Total Fleet by type of rolling stock, %</b>					
Gondola cars	62%	62%	-	-	62%
Rail tank cars	35%	35%	-	-	35%
Hopper cars	1%	1%	-	-	1%
Locomotives	0%	0%	-	-	0%
Flat cars	2%	2%	-	-	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Leased-out Fleet</b>					
Gondola cars	679	701	-22	-3%	600
Rail tank cars	9,014	8,660	354	4%	8,887
Hopper cars	475	601	-126	-21%	601
Locomotives	3	0	3	0%	3
Flat cars	67	292	-225	-77%	292
<b>Total</b>	<b>10,238</b>	<b>10,254</b>	<b>-16</b>	<b>0%</b>	<b>10,383</b>
<i>Leased-out Fleet as % of Total Fleet</i>	16%	16%	-	-	16%
<b>Average age of Owned Fleet</b>					
Gondola cars	6.7	6.1	-	-	6.4
Rail tank cars	11.0	10.0	-	-	10.5
Hopper cars	7.9	7.0	-	-	7.4
Locomotives	12.3	11.3	-	-	11.8
Flat cars	25.7	24.7	-	-	25.2
<b>Total</b>	<b>8.4</b>	<b>7.7</b>	<b>-</b>	<b>-</b>	<b>8.0</b>

## Operation of rolling stock (incl. Engaged Fleet)

	H1 2014	H1 2013	Change	Change, %	2013
<b>Freight Rail Turnover, billion tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>47.7</b>	<b>44.1</b>	<b>3.6</b>	<b>8%</b>	<b>87.6</b>
Ferrous metals	17.9	16.5	1.4	8%	32.2
Scrap metal	1.6	2.0	-0.4	-20%	3.7
Iron ore	28.2	25.6	2.6	10%	51.6
<b>Oil products and oil</b>	<b>13.4</b>	<b>13.1</b>	<b>0.2</b>	<b>2%</b>	<b>25.7</b>
<b>Coal (incl. coke)</b>	<b>10.4</b>	<b>12.2</b>	<b>-1.8</b>	<b>-15%</b>	<b>23.2</b>
<b>Construction materials</b>	<b>5.4</b>	<b>5.6</b>	<b>-0.1</b>	<b>-2%</b>	<b>11.2</b>
Crushed stone	4.9	5.0	-0.2	-3%	10.1
Cement	0.2	0.2	0.1	39%	0.3
Other construction materials	0.3	0.4	0.0	-6%	0.8
<b>Other</b>	<b>3.7</b>	<b>3.7</b>	<b>0.0</b>	<b>1%</b>	<b>7.8</b>
<b>Total</b>	<b>80.6</b>	<b>78.7</b>	<b>1.9</b>	<b>2%</b>	<b>155.5</b>
<b>Freight Rail Turnover by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	59%	56%	-	-	56%
Oil products and oil	17%	17%	-	-	17%
Coal (incl. coke)	13%	16%	-	-	15%
Construction materials (incl. cement)	7%	7%	-	-	7%
Other	5%	5%	-	-	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Transportation Volume, million tonnes</b>					
<b>Metallurgical cargoes</b>	<b>25.0</b>	<b>25.2</b>	<b>-0.1</b>	<b>0%</b>	<b>50.0</b>
Ferrous metals	9.4	9.2	0.2	2%	18.2
Scrap metal	1.5	1.9	-0.5	-24%	3.6
Iron ore	14.2	14.1	0.1	1%	28.2
<b>Oil products and oil</b>	<b>11.5</b>	<b>11.8</b>	<b>-0.3</b>	<b>-2%</b>	<b>23.9</b>
<b>Coal (incl. coke)</b>	<b>5.0</b>	<b>5.9</b>	<b>-0.9</b>	<b>-15%</b>	<b>10.8</b>
<b>Construction materials</b>	<b>5.7</b>	<b>5.3</b>	<b>0.4</b>	<b>7%</b>	<b>11.0</b>
Crushed stone	5.1	4.8	0.3	7%	9.7
Cement	0.2	0.1	0.1	52%	0.2
Other construction materials	0.4	0.4	0.0	-3%	1.1
<b>Other</b>	<b>3.3</b>	<b>3.1</b>	<b>0.2</b>	<b>8%</b>	<b>6.7</b>
<b>Total</b>	<b>50.6</b>	<b>51.2</b>	<b>-0.7</b>	<b>-1%</b>	<b>102.4</b>

## Employees

	As at 30 June 2014	As at 30 June 2013	Change	Change, %	As at 31 Dec 2013
<b>Employees by departments (simplified)</b>					
Operations	1,086	1,156	-70	-6%	1,102
Administrative	504	532	-28	-5%	518
<b>Total</b>	<b>1,590</b>	<b>1,688</b>	<b>-98</b>	<b>-6%</b>	<b>1,620</b>

# Selected operational information for the six months of 2014 (continued)

## Operation of rolling stock (excl. Engaged Fleet)

	H1 2014	H1 2013	Change	Change, %	2013
<b>Freight Rail Turnover, billion tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>38.8</b>	<b>33.5</b>	<b>5.3</b>	<b>16%</b>	<b>65.9</b>
Ferrous metals	15.6	12.9	2.7	21%	25.5
Scrap metal	1.4	0.9	0.5	62%	2.1
Iron ore	21.8	19.8	2.1	10%	38.3
<b>Oil products and oil</b>	<b>12.8</b>	<b>13.1</b>	<b>-0.2</b>	<b>-2%</b>	<b>25.1</b>
<b>Coal (incl. coke)</b>	<b>9.1</b>	<b>10.9</b>	<b>-1.8</b>	<b>-16%</b>	<b>21.2</b>
<b>Construction materials</b>	<b>5.2</b>	<b>5.5</b>	<b>-0.3</b>	<b>-6%</b>	<b>11.0</b>
Crushed stone	4.6	5.0	-0.4	-7%	9.9
Cement	0.2	0.2	0.1	39%	0.3
Other construction materials	0.3	0.4	0.0	-10%	0.8
<b>Other</b>	<b>3.6</b>	<b>3.7</b>	<b>0.0</b>	<b>-1%</b>	<b>7.8</b>
<b>Total</b>	<b>69.6</b>	<b>66.7</b>	<b>2.9</b>	<b>4%</b>	<b>131.0</b>

Transportation Volume, million tones					
	H1 2014	H1 2013	Change	Change, %	2013
<b>Metallurgical cargoes</b>	<b>19.8</b>	<b>18.3</b>	<b>1.5</b>	<b>8%</b>	<b>35.7</b>
Ferrous metals	7.9	6.7	1.2	18%	13.4
Scrap metal	1.3	1.1	0.2	23%	2.3
Iron ore	10.6	10.5	0.0	0%	20.0
<b>Oil products and oil</b>	<b>11.0</b>	<b>11.7</b>	<b>-0.7</b>	<b>-6%</b>	<b>23.0</b>
<b>Coal (incl. coke)</b>	<b>4.3</b>	<b>5.2</b>	<b>-0.9</b>	<b>-16%</b>	<b>9.8</b>
<b>Construction materials</b>	<b>5.3</b>	<b>5.2</b>	<b>0.1</b>	<b>3%</b>	<b>10.8</b>
Crushed stone	4.8	4.7	0.2	3%	9.5
Cement	0.2	0.1	0.1	50%	0.2
Other construction materials	0.4	0.4	-0.1	-18%	1.0
<b>Other</b>	<b>3.2</b>	<b>3.0</b>	<b>0.2</b>	<b>5%</b>	<b>6.6</b>
<b>Total</b>	<b>43.6</b>	<b>43.4</b>	<b>0.2</b>	<b>1%</b>	<b>86.0</b>

Average Rolling Stock Operated, units					
	H1 2014	H1 2013	Change	Change, %	2013
Gondola cars	39,406	38,483	923	2%	38,920
Rail tank cars	13,832	13,523	309	2%	13,535
Hopper cars	105	160	-55	-35%	127
Locomotives	45	38	7	18%	38
Flat cars	815	764	51	7%	826
<b>Total</b>	<b>54,203</b>	<b>52,968</b>	<b>1,235</b>	<b>2%</b>	<b>53,445</b>

Average Number of Loaded Trips per Railcar					
	H1 2014	H1 2013	Change	Change, %	2013
Gondola cars	12.3	12.2	-	1%	23.9
Rail tank cars	13.0	14.3	-	-9%	28.3
Hopper cars	10.5	13.6	-	-23%	29.8
Flat cars	16.9	16.2	-	5%	32.4
<b>Total</b>	<b>12.5</b>	<b>12.8</b>	<b>-</b>	<b>-2%</b>	<b>25.1</b>

Average Distance of Loaded Trip, km					
	H1 2014	H1 2013	Change	Change, %	2013
Gondola cars	1,753	1,715	-	2%	1,706
Rail tank cars	1,159	1,109	-	5%	1,076
Hopper cars	548	378	-	45%	396
Flat cars	1,686	1,673	-	1%	1,636
<b>Total</b>	<b>1,592</b>	<b>1,536</b>	<b>-</b>	<b>4%</b>	<b>1,521</b>

	H1 2014	H1 2013	Change	Change, %	2013
<b>Average Price per Trip</b>					
Average Price per Trip, USD	797	941	-	-15%	907
Average Price per Trip, RUB	27,974	29,220	-	-4%	28,947

Net Revenue from Operation of Rolling Stock by cargo type, USD million					
	H1 2014	H1 2013	Change	Change, %	2013
<b>Metallurgical cargoes</b>	<b>183.5</b>	<b>210.5</b>	<b>-27.0</b>	<b>-13%</b>	<b>390.8</b>
Ferrous metals	104.6	117.2	-12.6	-11%	218.9
Scrap metal	8.9	6.7	2.2	33%	18.0
Iron ore	70.0	86.6	-16.6	-19%	154.0
<b>Oil products and oil</b>	<b>273.6</b>	<b>313.4</b>	<b>-39.7</b>	<b>-13%</b>	<b>601.8</b>
<b>Coal (incl. coke)</b>	<b>40.2</b>	<b>57.6</b>	<b>-17.5</b>	<b>-30%</b>	<b>105.6</b>
<b>Construction materials (incl. cement)</b>	<b>23.1</b>	<b>28.9</b>	<b>-5.8</b>	<b>-20%</b>	<b>65.6</b>
<b>Other</b>	<b>21.2</b>	<b>26.6</b>	<b>-5.3</b>	<b>-20%</b>	<b>53.9</b>
<b>Total, USD million</b>	<b>541.6</b>	<b>636.9</b>	<b>-95.3</b>	<b>-15%</b>	<b>1,217.8</b>
<b>Total, RUR bin</b>	<b>19.0</b>	<b>19.8</b>	<b>-0.8</b>	<b>-4%</b>	<b>38.9</b>

Net Revenue from Operation of Rolling Stock by cargo type, %					
	H1 2014	H1 2013	Change	Change, %	2013
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	34%	33%	-	-	32%
Oil products and oil	51%	49%	-	-	49%
Coal (incl. coke)	7%	9%	-	-	9%
Construction materials (incl. cement)	4%	5%	-	-	5%
Other	4%	4%	-	-	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>

Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %					
	H1 2014	H1 2013	Change	Change, %	2013
Rosneft (incl. RN Holding)	31%	30%	-	-	31%
MMK	19%	15%	-	-	17%
Metalloinvest	12%	13%	-	-	13%
Gazpromneft	10%	8%	-	-	8%
Evraz	4%	3%	-	-	3%
Sovfracht	4%	1%	-	-	2%
TMK	1%	1%	-	-	1%
Severstal	1%	2%	-	-	2%
Lukoil	0.4%	3%	-	-	2%
Mechel	0.2%	2%	-	-	1%
Other (incl. small and medium enterprises)	17%	23%	-	-	20%

Empty Run Ratio					
	H1 2014	H1 2013	Change	Change, %	2013
Gondola cars	38%	37%	-	-	38%
Rail tank cars, hopper cars and flat cars	102%	110%	-	-	109%
<b>Total Empty Run Ratio</b>	<b>51%</b>	<b>53%</b>	<b>-</b>	<b>-</b>	<b>53%</b>

Empty Run Costs, USD million					
	H1 2014	H1 2013	Change	Change, %	2013
	150.5	162.4	-11.9	-7%	309.8

Share of Empty Run Kilometres Paid by Globaltrans					
	H1 2014	H1 2013	Change	Change, %	2013
	88%	88%	-	-	89%

## Engaged Fleet

	H1 2014	H1 2013	Change	Change, %	2013
<b>Net Revenue from Engaged Fleet, USD million</b>	<b>24.9</b>	<b>27.0</b>	<b>-2.1</b>	<b>-8%</b>	<b>58.6</b>

## 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)/gains on cash and cash equivalents and other monetary assets”, “Share of profit/(loss) 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”, “Amortisation of intangible assets”, “Impairment of property, plant and equipment” and “Impairment of intangible assets”.

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

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

**Empty Run Costs** (a non-GAAP financial measure meaning costs payable to RZD for forwarding empty railcars) is derived from management accounts and presented as part of the “Infrastructure and locomotive tariffs: empty run trips and other tariffs” component of “Cost of sales” reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial 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: “ $NP = NPcons - Adjcons$ ”, where “ $NP$ ” is the imputed consolidated net profit; “ $NPcons$ ” 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; “ $Adjcons$ ” 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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