

Globaltrans to acquire 100% of Metalloinvesttrans for USD 540 million from Metalloinvest

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First large scale M&A transaction between an independent private freight rail group and a large natural resources company in Russia

Globaltrans Investment PLC (“Globaltrans” or the “Company”, and together with its consolidated subsidiaries, the “Group”; LSE ticker: GLTR) today announces that it has agreed to acquire 100% of LLC Metalloinvesttrans (“MIT”), the captive freight rail transportation operator of Metalloinvest, a leading global iron ore and HBI producer based in Russia, for USD 540 million on a cash and debt free basis.

MIT is a captive freight rail operator of Metalloinvest which as at 31 December 2011 operated 9,202 railcars of which 8,256 were owned and had an average age of approximately 8.7 years. MIT manages rail logistics of Metalloinvest cargo volumes, having handled 44.2 million tonnes in 2011, primarily of metallurgical cargoes, using its owned and leased-in railcar fleet as well as engaged fleet from third-party operators.

As a part of the transaction Globaltrans and Metalloinvest have agreed a three-year service contract. In accordance with this contract, Globaltrans will provide rail freight transportation and logistics services to Metalloinvest, handling 100% of all its rail transportation cargo volumes in year one based on agreed pricing terms and 60% in the following two years based on a “right of first refusal” principle.

MIT will be acquired through OJSC New Forwarding Company, a 100% subsidiary of Globaltrans. The transaction will be financed through the use of the Group’s own funds and from secured credit facilities. The transaction is expected to be closed at the end of May 2012, subject to regulatory approvals.

This transaction will enable Globaltrans to increase its total fleet to about 60 thousand units by mid-2012, thus further enhancing its position as a leading independent private freight rail group in Russia.

Sergey Maltsev, Chief Executive Officer of Globaltrans, commented: “The freight rail industry has undergone significant changes in the past few years and this acquisition marks a further step-change for the sector. It is increasingly important to have the scale and resources to maximize efficiency and profitability, and be able to meet the needs of large cargo owners.

We have made it clear that we are looking to capitalize on market opportunities such as MIT which is a high-quality business that, combined with the service contract with Metalloinvest, provides a low risk path to grow our business and consolidate our position in the market.

Our extensive expertise in the operation of railcars and detailed understanding of transportation requirements of metals and mining companies is expected to enable operational efficiencies benefitting both Globaltrans and Metalloinvest. The transaction brings Globaltrans' market share in metallurgical cargoes[1], on a pro-forma basis for 2011, to an estimated 15%.”

Eduard Potapov, Chief Executive Officer of Metalloinvest, said: “The sale of MIT will enable Metalloinvest to free up capital. As a result of the deal, Metalloinvest's subsidiaries will be provided with the integrated solution allowing them to use the railcar fleet of one of Russia's largest and most efficient railway operators.”

Information materials

The transaction related slide presentation is available for viewing [here](#).

Analyst and investor conference call

An analyst and investor conference call hosted by Sergey Maltsev, Chief Executive Officer and Alexander Shenets, Chief Financial Officer will be held on Friday, 27 April 2012 at 09.00 New York time (EDT) / 14.00 London time / 17.00 Moscow time. To participate in the conference call, please dial one of the following numbers and ask to be put through to the “Globaltrans” call:

UK toll free: 0808 109 0700

International: +44 (0) 203 003 2666

As there will be simultaneous translation for the first part of the call (slide presentation), you should state whether you prefer to listen in English or Russian. During the Q&A session, all participants will hear both languages.

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

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About LLC Metalloinvesttrans

MIT operated 9,202 railcars of which 8,256 were owned as at 31 December 2011. The owned fleet included 7,851 gondola cars and had an average age of approximately 8.7 years. MIT manages rail logistics of Metalloinvest cargo volumes using its owned and leased-in railcar fleet as well as engaged fleet from third-party operators. MIT, including the engaged third-party fleet, handled 44.2 million tonnes in 2011 with a focus on metallurgical cargoes (83%) as well as coal (10%) and other cargoes (7%).

In 2011, MIT had Adjusted Revenue^[2]^[3] of USD 344 million, Adjusted EBITDA²^[4] of USD 140 million (up 13% year on year) and an Adjusted EBITDA Margin of 41%^[5].

MIT, which was established by Metalloinvest in 2005, is headquartered in Moscow and has four branches throughout Russia.

About Globaltrans Investment PLC

Globaltrans is a leading private freight rail transportation group in Russia and the first such group to have an international listing.

Globaltrans Investment PLC is incorporated in Cyprus with major operating subsidiaries located in Russia, Ukraine and Estonia. The Group provides freight rail transportation, railcar leasing, and certain ancillary services to clients in Russia, the CIS countries and the Baltics.

The Group's fleet of rolling stock owned and leased under finance and operating leases amounted to 47,580 units at 31 December 2011, including 26,607 gondola cars, 20,427 rail tank cars, 56 locomotives and 490 other railcars.

The Group's Freight Rail Turnover^[6] in 2011 was 110.6 billion tonnes-km with 69.6 million tonnes of freight transported. In 2011, the Group's Adjusted Revenue^[7] was USD 1,177 million with Adjusted EBITDA^[8] reaching USD 505 million.

Globaltrans' global depositary receipts (ticker symbol: GLTR) have been listed on the Main Market of the London Stock Exchange since May 2008.

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

About Metalloinvest

Metalloinvest is a leading global iron ore and HBI producer based in Russia.

Metalloinvest owns 14.9 billion tonnes of iron ore reserve base, which is the second largest in the world. Metalloinvest is mostly focused on production of high value-added iron ore products – pellets and HBI/DRI, in which the company is among the global leaders in terms of market share and cost efficiency.

Metalloinvest production facilities are primarily located in the European part of Russia, at Lebedinsky GOK (LGOK), Mikhailovsky GOK (MGOK) and OEMK.

Metalloinvest also holds the Udokan project, which is expected to provide the company with the opportunity to become one of the largest copper producers globally.

In July 2011 Metalloinvest placed its debut Eurobonds issue of \$750 mn with a maturity of 5 years and coupon rate of 6.5%.

To learn more about Metalloinvest, please visit www.metalloinvest.com

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Some of the information in this announcement may contain projections or other forward-looking statements regarding future events or the future financial performance of Globaltrans or MIT. You can identify forward-looking statements by terms such as 'expect', 'believe', 'anticipate', 'estimate', 'intend', 'will', 'could', 'may' or 'might', the negative of such terms or other similar expressions. Globaltrans wishes to caution you that these statements are only predictions and that actual events or results may differ materially. Globaltrans does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of Globaltrans or MIT, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia, rapid technological and market change in the industries Globaltrans or MIT operates in, as well as many other risks specifically related to Globaltrans or MIT and its respective operations.

This announcement contains certain operational and financial information concerning MIT, obtained by the Group in connection with a limited due diligence process carried out prior to the acquisition of MIT. Accordingly, the Group has had only a limited opportunity to collect and review this information, and has not been able to confirm its completeness, accuracy or fairness. The financial information in this announcement concerning MIT is based on the financial statements of MIT prepared in accordance with International Financial Reporting Standards and presented in Russian roubles. Financial information for MIT shown in US dollars in this presentation has been converted from Russian roubles at the exchange rates indicated, unless otherwise stated.

[1] Rail transportation volume in Russia.

[2] Converted into USD at USD/RUB exchange rate of USD1:RUB29.3948.

[3] Adjusted Revenue for MIT (a non-GAAP financial measure) is calculated as “Revenue” less “Infrastructure and locomotive tariffs: loaded trips” (derived from management accounts) and “Infrastructure and locomotive tariffs: engaged fleet” (derived from management accounts).

[4] Adjusted EBITDA for MIT (a non-GAAP financial measure) represents EBITDA for MIT excluding “Foreign exchange gain/(loss) on operating activities, net”, “Gain/(loss) on disposal of property, plant and equipment”, “Social costs” and “Other (expenses)/income”.

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

[6] 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.

[7] Adjusted Revenue (a non-GAAP financial measure) is calculated as “Total revenue” less “Infrastructure and locomotive tariffs: loaded trips”.

[8] Adjusted EBITDA (a non-GAAP financial measure) represents EBITDA excluding “Net foreign exchange transaction losses on financing activities”, “Share of profit of associates”, “Other gains-net”, “Loss on sale of property, plant and equipment” and “Reversal of impairment charge for property, plant and equipment”.