

# Globaltrans Investment PLC

Russia's Leading Private  
Freight Rail Group



## 2010 Results Presentation

Sergey Maltsev, CEO and Alexander Shenets, CFO  
Investor Conference Call: 4 April 2011

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## Presentation of information

All financial information presented in this presentation is derived from the consolidated financial statements of Globaltrans Investment PLC (“the Company” or, together with its subsidiaries, “Globaltrans” or “the Group”) and has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of Cyprus Companies Law, Cap. 113 (“EU IFRS”).

The Group’s consolidated financial statements for the year ended 31 December 2010 are available at Globaltrans’ corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

The Group’s consolidated financial statements are 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, its Cyprus and Russian subsidiaries is the Rouble. The Estonian subsidiaries had the Estonian Kroon (EEK) as their functional currency and Ukrainian subsidiary of the Company has Ukrainian hryvna as its functional currency.

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

In this presentation the Group has used the 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 operational measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided on pages 26-27 of this presentation.

Rounding adjustments have been made in calculating some of the financial and operational information included in this presentation. As the result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Market share data has been calculated using the Group’s own information as the numerator and information published by the Federal State Statistics Service of the Russian Federation (“Rosstat”) as the denominator.



**Sergey Maltsev**  
*Chief Executive Officer*

- Key developments
- Market review
- Business performance

## Key developments in 2010

### Continued to outperform and gain market share

- Globaltrans' Freight Rail Turnover (in tonnes-km) **up 20%** YoY compared to overall Russian market increase of 8%<sup>1</sup>
- Total market share **up to 5.3%**<sup>2</sup> (2009: 4.8%<sup>2</sup>) with strong share gains in metallurgical cargoes<sup>3</sup> and in coal<sup>4</sup>

### Used momentum and increased Total Fleet by 36%

- Responding to strong demand, Total Fleet increased by 13,497 units or **36%** YoY to 50,714 units at year end
- Net additions to the Owned Fleet amounted to 5,789 units; all railcars contracted on favorable terms at close of 2009 were delivered and put into operation
- Significant increase of 7,708 units in the leased-in fleet

### Strong financial performance and low leverage maintained

- Adjusted Revenue **up 32%** YoY to USD 903.0\* mln
- Adjusted EBITDA **up 37%** YoY to USD 390.9\* mln
- Profit for the year **up 86%** YoY to USD 225.9 mln
- Net debt to Adjusted EBITDA ratio unchanged at the level of **1.0x\***
- BoD proposed to increase dividend by 2.4x YoY to **USD 0.37 per share**, payout ratio<sup>5</sup> of 33%

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

(1) Source: Rosstat.

(2) Company estimations based on Rosstat data; calculated as a percentage of the overall Russian freight rail transportation volumes (measured in tonnes).

(3) Metallurgical cargoes include ferrous metals, scrap metal and ores. The Group's share of overall volumes of metallurgical cargoes transported by rail in Russia up from 6.4% in 2009 to 9.1% in 2010; source: Rosstat, Company estimations.

(4) Coal includes thermal and coking coal. The Group's share of overall volumes of coal transported by rail in Russia up from 2.0% in 2009 to 2.8% in 2010; source: Rosstat, Company estimations.

(5) Payout ratio is the percentage of earnings paid to shareholders in dividends, calculated as dividends for the period divided by profit for the related period attributable to equity holders of the Company.

# Continued to outperform a recovering market

## Russian freight rail market continued its recovery

- Increase of 8%<sup>1</sup> compared to 2009, 5%<sup>1</sup> below the 2008 levels on an annual basis
- 2010 Q3 Freight Rail Turnover close to the pre-crisis peak levels of 2008 Q3

## Recovery uneven across segments<sup>2</sup>

- Oil products and oil volumes increased 11% YoY (9% above 2008 levels)
- Metallurgical cargoes<sup>3</sup> increased 10% YoY (4% below 2008 levels)
- Coal<sup>4</sup> increased 5% YoY (3% below 2008 levels)
- Construction materials<sup>5</sup> increased 12% YoY (25% below 2008 levels)

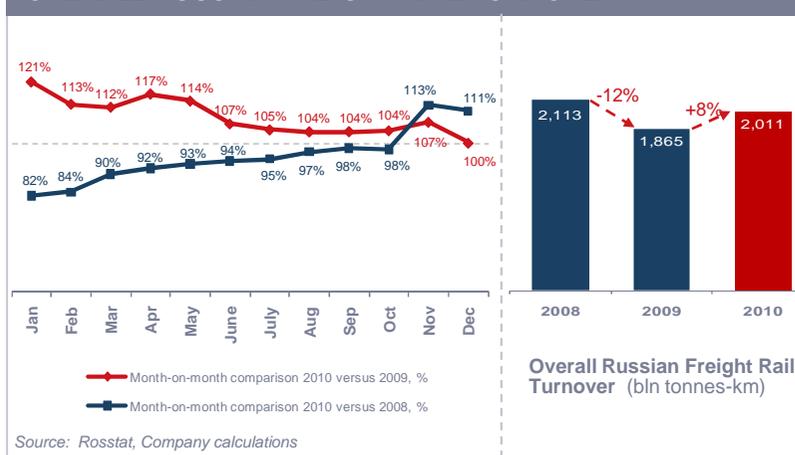
## Globaltrans again outperforms overall market as in 2009

- In 2010 Globaltrans increased its Freight Rail Turnover (in tonnes-km) by 20% whereas the overall market increased by 8%<sup>1</sup>

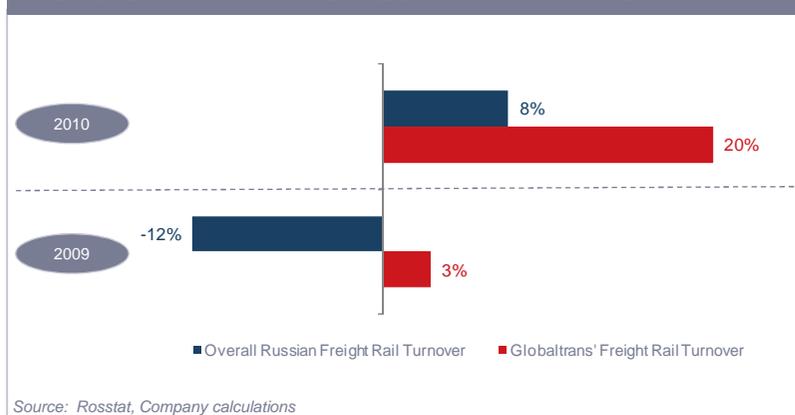
## Total market share increased to 5.3%<sup>6</sup> compared to 4.8%<sup>6</sup> in 2009

- In metallurgical cargoes<sup>3</sup> up to 9.1%<sup>6</sup> (2009: 6.4%<sup>6</sup>)
- In coal<sup>4</sup> up to 2.8%<sup>6</sup> (2009: 2.0%<sup>6</sup>)

## OVERALL RUSSIAN FREIGHT RAIL TURNOVER



## GLOBALTRANS VS. OVERALL RUSSIAN MARKET



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

(1) Measured in Freight Rail Turnover (in tonnes-km); source: Rosstat, Company calculations.

(2) Measured in Transportation Volume (in tonnes); source: Rosstat; Company calculations.

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

(4) Coal includes thermal and coking coal.

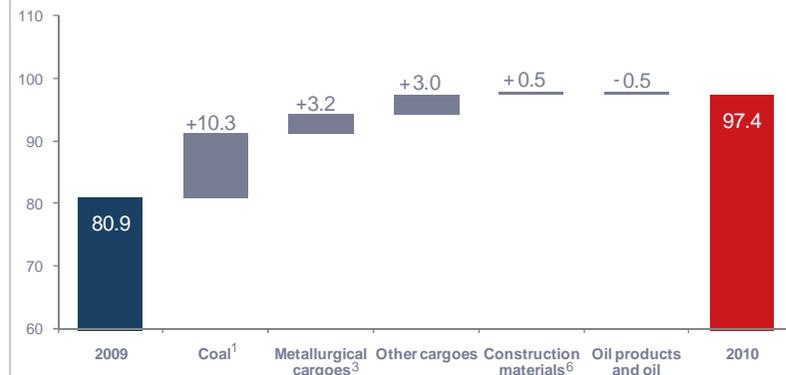
(5) Construction materials include cement, crushed stone and other construction materials.

(6) Company estimations based on Rosstat data; calculated from overall Russian freight rail volumes of respective cargoes (measured in tonnes).

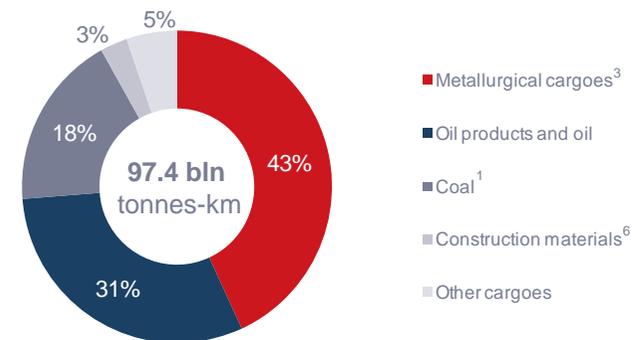
# Changed cargo mix, new logistics schemes introduced

- **Globaltrans increased coal transportation by 139%<sup>1</sup> (+10.3 bln tonnes-km) driven by:**
  - favourable market conditions
  - liberalised pricing for all railcar-operators<sup>2</sup>
- **Metallurgical cargoes increased by +8%<sup>3</sup> (+3.2 bln tonnes-km) supported by increased shipments of iron ore and scrap metal**
- **Other cargoes +146%<sup>4</sup> (+3.0 bln tonnes-km) comprising mostly of limestone and timber**
- **Efficient new logistics schemes configured for coal shipments help meet target profitability levels**
  - Block train<sup>5</sup> shipments increase average daily distance travelled by railcars reducing “downtime” i.e. coupling and decoupling operations at railyards
- **Globaltrans’ expertise in route management provides for improved efficiency of new block train<sup>5</sup> logistics schemes**
  - Reduced marshalling time of railcars
  - Quick loading and unloading operations
  - Route management so that block train is not split up or dispersed prior to end destination

FREIGHT RAIL TURNOVER BRIDGE, 2010, bln tonnes-km



FREIGHT RAIL TURNOVER BY CARGO TYPE, 2010



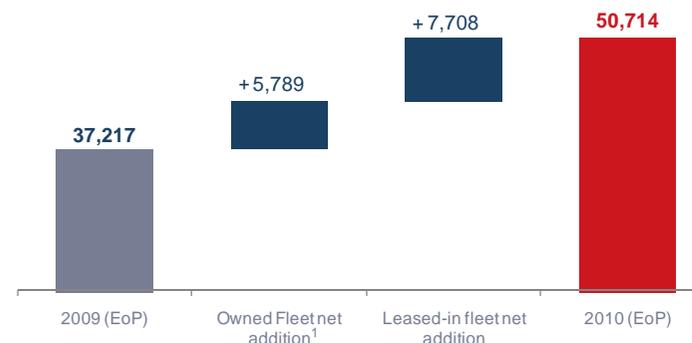
Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

- (1) Measured in Freight Rail Turnover (tonnes-km); coal includes thermal and coking coal.
- (2) Resulting from transfer of the remaining RZD commercial railcar fleet to Freight Two which is not subject to price regulation.
- (3) Measured in Freight Rail Turnover (tonnes-km); metallurgical cargoes include ferrous metals, scrap metal and iron ore.
- (4) Measured in Freight Rail Turnover (tonnes-km).
- (5) Block train consists of group-operated rolling stock bound for one destination.
- (6) Construction materials include cement, crushed stone and other construction materials.

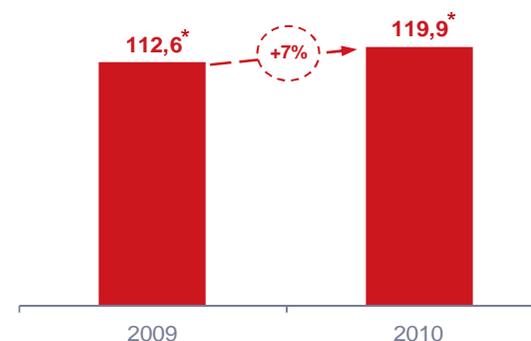
## Momentum for return-oriented expansion well used

- **Total Fleet up 36% YoY (13,497 units) to 50,714 units at the end of 2010 comprising:**
  - Owned Fleet net addition of 5,789 units<sup>1</sup> (18% YoY), benefitting largely from depressed pricing of railcars in the end of 2009
  - Leased-in fleet increased by 7,708 units (159% YoY). Majority of additional lease contracts were concluded in 2H 2010 and will expire in mid 2011
  
- **YE 2009 investment in 6,500 railcars pays off for Globaltrans in 2010**
  - All railcars ordered have been delivered and put into operation
  - On top of this, additional 800 units were delivered in 2010
  - Average cost per unit of rolling stock delivered in 2010 was c.USD 47.2<sup>2</sup> thousand versus current cost per unit of c.USD 70-75 thousand (both figures ex VAT)
  
- **BaltTransServis (“BTS”), acquired in December 2009, delivered solid financial performance**
  - BTS’ Adjusted EBITDA up 7% YoY to USD 119.9\* mln

TOTAL FLEET BRIDGE, 2010 (in units)



BTS’ ADJUSTED EBITDA (USD mln)



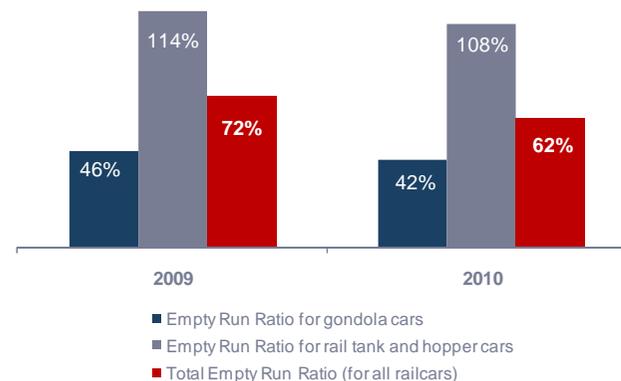
Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

- (1) Calculated as a balance between 5,797 units added (5,191 gondola cars, 605 rail tank cars and 1 locomotive) and 8 units of rolling stock disposed (6 railcars and 2 locomotives) over the reporting period.
- (2) Excluding cost of 1 locomotive acquired in 2010.

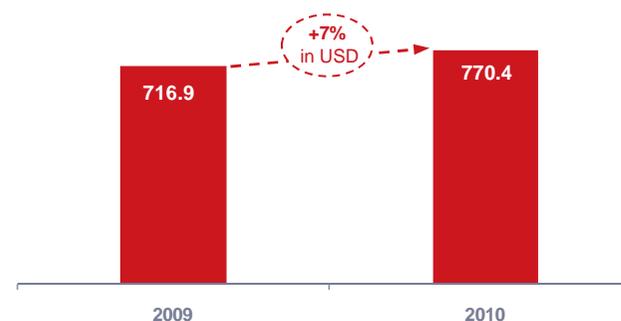
## Improved operational efficiency and firmer pricing

- **Total Empty Run Ratio improved to 62% from 72% in 2009 resulting from:**
  - Empty Run Ratio for gondola cars improving from 46% to 42% notwithstanding increased volumes of block train<sup>1</sup> coal transportation with high Empty Runs
    - more inbound traffic to metallurgical clients and rebound in construction
  - Empty Run Ratio for rail tanks and hoppers down to 108% from 114% in 2009 due to change in logistics
  
- **Average Price per Trip up 7% in USD terms, Average Distance of Loaded Trip down by 2%**
  - Strong increase in pricing for transportation in gondola along with moderate price increase in rail tank segment
  
- **Average Rolling Stock Operated up 30% to 36,793 units**
  - Average Gondola cars Operated up 54% to 22,543 units
  - Average Rail Tank cars Operated up 4% to 13,855 units

EMPTY RUN RATIO BY TYPE OF RAILCARS



AVERAGE PRICE PER TRIP (USD)



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

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



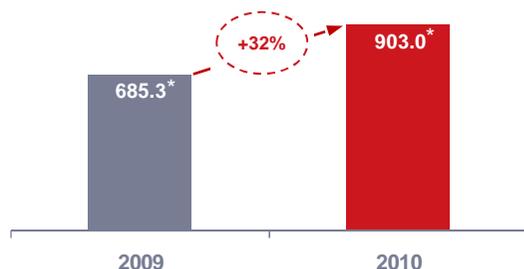
**Alexander Shenets**

*Chief Financial Officer*

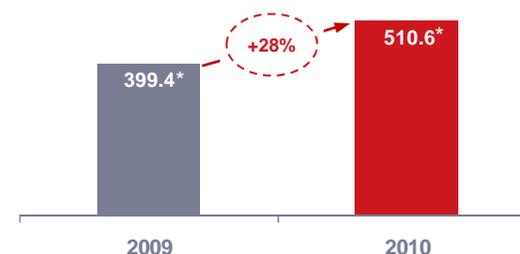
- Financial review

## Produced excellent financial performance

ADJUSTED REVENUE (USD mln)



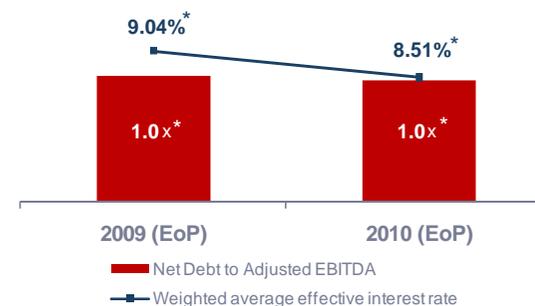
OPERATING CASH COSTS (USD mln)



ADJUSTED EBITDA (USD mln), ADJUSTED EBITDA MARGIN



NET DEBT/ADJUSTED EBITDA; AVG INTEREST RATE<sup>1</sup>



- Average Ruble vs US Dollar exchange rate appreciated by c.4% compared to 2009 impacting results presented in US Dollars
- The Group's results include BTS for both 2009 and 2010

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

(1) Weighted average effective interest rate.

## Revenue analysis

	2009 USD mln	2010 USD mln	Change USD mln	Change %
Revenue	1,163.4	1,382.7	219.3	19%
<i>Minus</i>				
Infrastructure and locomotive tariffs: loaded trips	478.2	479.7	1.5	0%
<b>Adjusted Revenue</b>	<b>685.3</b>	<b>903.0</b>	<b>217.7</b>	<b>32%</b>
<i>Including</i>				
<b>Net Revenue from Operation of Rolling Stock</b>	<b>618.5</b>	<b>830.0</b>	<b>211.6</b>	<b>34%</b>
<b>Operating leasing of rolling stock</b>	<b>65.4</b>	<b>70.5</b>	<b>5.2</b>	<b>8%</b>
Railway transportation - freight forwarding	0.3	1.9	1.6	601%
Sale of wagons and locomotives	0.2	0.0	-0.2	-100%
Other	0.9	0.6	-0.4	-40%

- **Adjusted Revenue increased by 32% YoY to USD 903.0\* mln**
- **Net Revenue from Operation of Rolling Stock, key component of Adjusted Revenue, up 34% YoY to USD 830.0\* mln**
  - Average Rolling Stock Operated up 30% YoY to 36,793 units
  - Average Price per Trip increased by 7% YoY to USD 770.4
  - Average Number of Loaded Trips per Railcar down by 4% compared to the previous year
- **Revenue from operating leasing increased by 8% YoY to USD 70.5 mln**
  - A moderate increase in lease rates along with increase of average rolling stock leased-out over the period

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

## Cost analysis

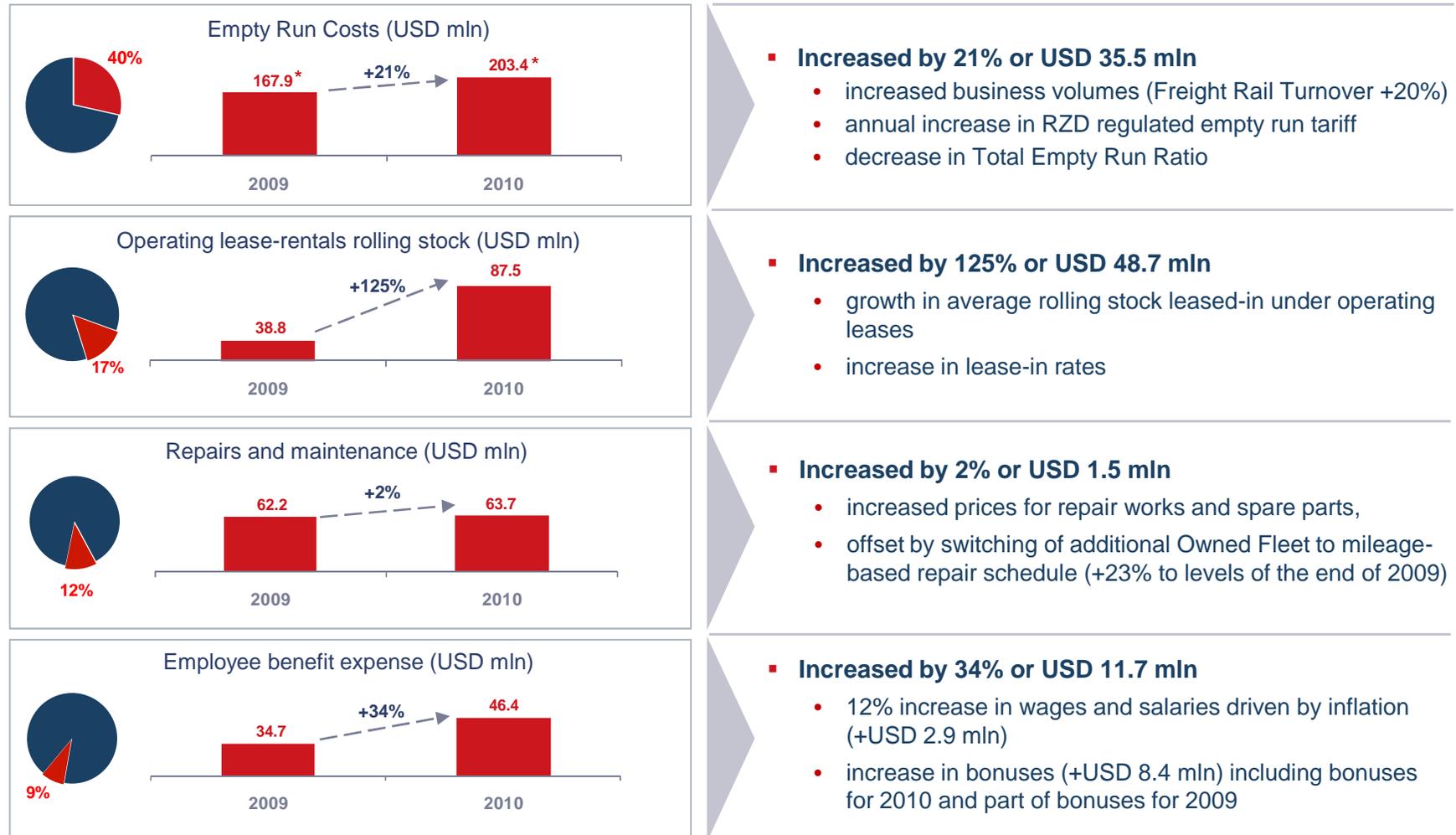
	2009 USD mln	2010 USD mln	Change USD mln	Change %
<b>Infrastructure and locomotive tariffs: loaded trips</b>	<b>478.2</b>	<b>479.7</b>	<b>1.5</b>	<b>0%</b>
<b>Operating Cash Costs</b>	<b>399.4</b>	<b>510.6</b>	<b>111.3</b>	<b>28%</b>
Empty Run Costs	167.9	203.4	35.5	21%
Operating lease rentals - rolling stock	38.8	87.5	48.7	125%
Repairs and maintenance	62.2	63.7	1.5	2%
Employee benefit expense	34.7	46.4	11.7	34%
Other Tariffs and Services provided by Other Transportation Organisations	27.3	29.2	1.9	7%
Fuel and spare parts - locomotives	17.0	21.3	4.2	25%
Engagement of locomotive crews	10.1	11.3	1.2	12%
Legal, consulting and other professional fees	6.6	3.3	-3.3	-50%
Other Operating Cash Costs	34.6	44.6	10.0	29%
<b>Operating Non-Cash Costs</b>	<b>57.6</b>	<b>66.1</b>	<b>8.4</b>	<b>15%</b>
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>935.1</b>	<b>1,056.3</b>	<b>121.2</b>	<b>13%</b>

- **Total cost of sales, selling and marketing costs and administrative expenses up 13% YoY**

- Operating Cash Costs up 28% YoY or USD 111.3 million primarily driven by:
  - increase in operating lease rentals-rolling stock and Empty Run Costs resulting from significantly increased business volumes,
  - offset by repairs and maintenance costs remained relatively flat supported by continued transfer of railcars to mileage-based repair schedule
- Infrastructure and locomotive tariffs: loaded trips (a pass through cost item for the Group) remained relatively stable
- Operating Non-Cash Costs up 15% YoY or USD 8.4 mln due to increase in depreciation charge driven by significant increase of the Owned Fleet

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

## Major Operating Cash Costs items

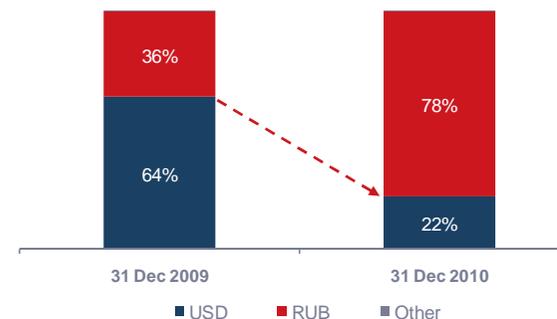


Definitions for terms marked in this presentation with capital letters provided on pages 26-27.

# Strong financial position retained, exchange rate risk mitigated

- **Share of RUB denominated debt increased to 78% at the end of 2010 vs. 36% at the end of 2009**
  - Refinancing of USD denominated debt with RUB denominated debt mitigating FX risk
- **Despite increasing share of RUB denominated debt, the weighted average effective interest rate fell by 0.54% to 8.51% at the end of 2010**
- **Net Debt to Adjusted EBITDA ratio remained stable at 1.0x\* at the end of 2010**
- **BoD is recommending an increased dividend of USD 0.37 per ordinary share**
  - Payout ratio<sup>1</sup> of 33%\*

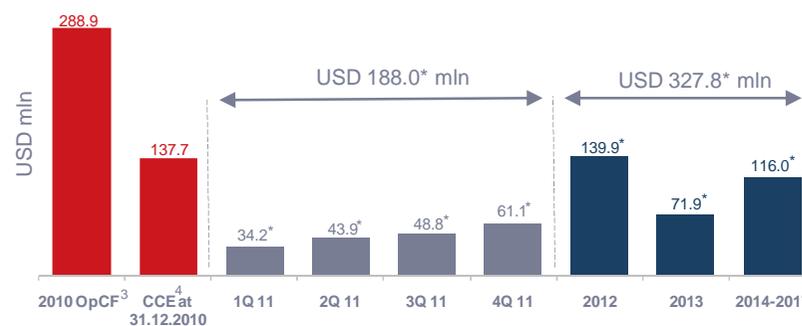
## GROSS DEBT BY CURRENCY



## GROSS DEBT / NET DEBT / NET DEBT TO ADJUSTED EBITDA



## DEBT<sup>2</sup> REPAYMENT SCHEDULE (at the end of 2010)



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

- (1) Payout ratio is the percentage of earnings paid to shareholders in dividends, calculated as dividends for the period divided by profit for the related period attributable to equity holders of the Company.
- (2) Excluding accrued interest of USD 3.2\* mln as of 31 December 2010, included within borrowings in the balance sheet.
- (3) OpCF is defined as net cash from operating activities for the year ended 31 December 2010.
- (4) CCE is defined as cash and cash equivalents as of 31 December 2010.



- Strategy update
- Key takeaways

# Strategy update

	Delivered in 2010	Priorities for 2011
<b>RETURN ORIENTED EXPANSION</b>	<ul style="list-style-type: none"> <li>36% organic growth in Total Fleet with Owned Fleet increased by 18%</li> <li>Average unit price for rolling stock delivered over 2010 substantially below current market levels</li> <li>BTS integrated and performing well</li> </ul>	<ul style="list-style-type: none"> <li>Acquire 5,000 units by the end of 2011 on an opportunistic basis (including 1,500 units<sup>1</sup> already delivered as of the end of February 2011)</li> <li>Elaborate initial CAPEX plan for locomotives</li> <li>Continue reviewing M&amp;A opportunities</li> </ul>
<b>BALANCED FLEET AND FOCUS ON FREIGHT RAIL TRANSPORTATION</b>	<ul style="list-style-type: none"> <li>Share of gondola cars increased to 58% of Total Fleet</li> <li>Freight rail transportation contributed 92% of the Group's Adjusted Revenue in 2010</li> </ul>	<ul style="list-style-type: none"> <li>Continue universal gondola cars investment programme to increase Group's presence in the growing bulk cargo market along with selective acquisitions of rail tank cars</li> </ul>
<b>EFFICIENT OPERATIONS</b>	<ul style="list-style-type: none"> <li>Adjusted EBITDA Margin up to 43%*</li> <li>Empty Run Ratio for gondola cars improved to 42%</li> <li>Additional c.5,000 units transferred to mileage based repair system</li> </ul>	<ul style="list-style-type: none"> <li>Increase block train<sup>2</sup> logistics schemes for mass bulk cargoes (coal, ores)</li> <li>Continued focus on improving Empty Runs</li> <li>Continue operational expansion into CIS markets (Ukraine, Kazakhstan, Belarus)</li> <li>Move more railcars over to mileage-based repair and maintenance system</li> </ul>

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

(1) 800 railcars delivered in 2H 2010, the remainder in January - February 2011.

(2) Block train consists of group-operated rolling stock bound for one destination. The use of block trains improves delivery times and increases railcar utilisation as it avoids the need to couple and decouple individual rolling stock at rail yards.

## Key takeaways

✓ Continued to outperform and gain market share

✓ Utilised momentum and grew fleet by more than by 1/3

✓ Strong growth in profits, low leverage maintained

✓ Organic growth on track



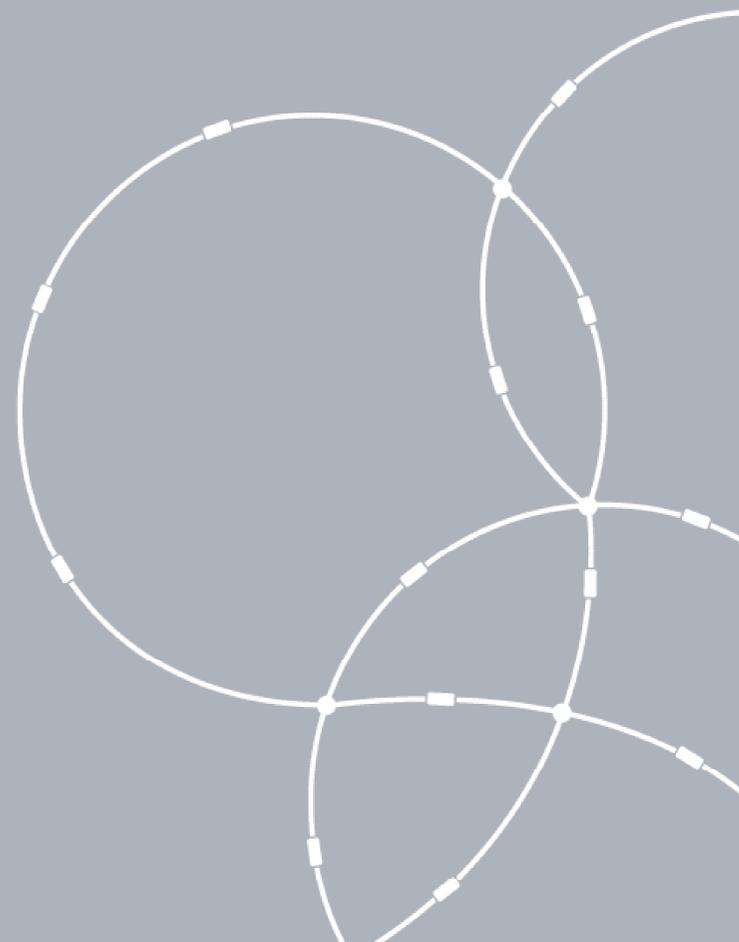
▪ Continue to purchase railcars on an opportunistic basis

▪ Discretionary investments into locomotives after details of the legal framework become clear

▪ Proceed with evaluating M&A opportunities



# QUESTIONS AND ANSWERS



# APPENDICES

## Extracts from consolidated financial statements for the year ended 31 December 2010

### Consolidated income statement for the year ended 31 December 2010

	2010 US\$'000	2009 US\$'000
Revenue	1,382,670	1,163,407
Cost of sales	(981,428)	(874,152)
<b>Gross profit</b>	<b>401,242</b>	289,255
Selling and marketing costs	(2,692)	(2,181)
Administrative expenses	(72,225)	(58,793)
Other gains – net	3,048	785
<b>Operating profit</b>	<b>329,373</b>	229,066
Finance income	7,203	5,886
Finance costs	(53,109)	(84,559)
Finance costs – net	(45,906)	(78,673)
Share of profit of associates	206	461
<b>Profit before income tax</b>	<b>283,673</b>	150,854
Income tax expense	(57,733)	(29,681)
<b>Profit for the year</b>	<b>225,940</b>	121,173
<b>Attributable to:</b>		
Equity holders of the Company	177,322	88,057
Non-controlling interests	48,618	33,116
	<b>225,940</b>	121,173
	<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 year (expressed in US\$ per share)</b>	<b>1.12</b>	0.74

# Extracts from consolidated financial statements for the year ended 31 December 2010

## Consolidated balance sheet at 31 December 2010

	2010	2009		2010	2009
	US\$'000	US\$'000		US\$'000	US\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1,112,212	905,475			
Intangible assets	331	507			
Trade and other receivables	64,365	54,534			
Investment in associate	1,494	1,386			
	<b>1,178,402</b>	<b>961,902</b>			
<b>Current assets</b>					
Inventories	6,918	5,759			
Trade and other receivables	184,358	128,758			
Current income tax assets	7,960	5,469			
Cash and cash equivalents	137,703	160,253			
	<b>336,939</b>	<b>300,239</b>			
Non-current assets held for sale	-	2,827			
<b>Total assets</b>	<b>1,515,341</b>	<b>1,264,968</b>			
<b>Equity and liabilities</b>					
<b>Equity attributable to the owners of the Company</b>					
Share capital	15,814	15,814			
Share premium	621,227	621,227			
Common control transaction reserve	(368,476)	(368,476)			
Translation reserve	(90,281)	(80,557)			
Capital contribution	90,000	90,000			
Retained earnings	485,575	332,253			
<b>Total equity attributable to the owners of the Company</b>	<b>753,859</b>	<b>610,261</b>			
Non-controlling interests	130,106	101,307			
<b>Total equity</b>	<b>883,965</b>	<b>711,568</b>			
<b>Non-current liabilities</b>					
Borrowings	327,890	295,679			
Trade and other payables	10,467	11,105			
Deferred gains	-	178			
Deferred tax liabilities	32,430	27,955			
<b>Total non-current liabilities</b>	<b>370,787</b>	<b>334,917</b>			
<b>Current liabilities</b>					
Borrowings	191,149	153,452			
Trade and other payables	67,203	64,084			
Deferred gains	150	338			
Current tax liabilities	2,087	609			
<b>Total current liabilities</b>	<b>260,589</b>	<b>218,483</b>			
<b>Total liabilities</b>	<b>631,376</b>	<b>553,400</b>			
<b>Total equity and liabilities</b>	<b>1,515,341</b>	<b>1,264,968</b>			

# Extracts from consolidated financial statements for the year ended 31 December 2010

## Consolidated cash flow statement for the year ended 31 December 2010

	2010	2009		2010	2009
	US\$'000	US\$'000		US\$'000	US\$'000
<b>Cash flows from operating activities</b>			<b>Cash flows from investing activities</b>		
Profit before tax	283,673	150,854	Acquisition of subsidiaries-net of cash acquired	(7,013)	(71,667)
Adjustments for:			Loans repayments received from third parties	17	-
Depreciation of property, plant and equipment	63,017	53,193	Purchases of property, plant and equipment	(299,822)	(106,655)
Amortisation of intangible assets	173	14	Purchases of intangible assets	-	(497)
Loss on sale of property, plant and equipment	2,041	1,679	Proceeds from disposal of property, plant and equipment	185	3,923
Amortisation of financial guarantees	(961)	(1,798)	Proceeds from sale of assets classified as held for sale	2,636	-
Write off of excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost	-	(15)	Interest received	6,558	4,102
(Reversal of)/impairment charge on property, plant and equipment	(650)	1,291	Receipts from finance lease receivable	4,472	3,335
Interest income	(6,242)	(4,088)	<b>Net cash used in investing activities</b>	<b>(292,967)</b>	<b>(167,459)</b>
Interest expense	43,656	47,506	<b>Cash flows from financing activities</b>		
Share of profit of associates	(206)	(461)	Proceeds from borrowings	437,279	309,028
Exchange losses/(gains) on financing activities	7,450	21,104	Repayments of borrowings	(246,981)	(288,288)
Recognised deferred gain	(333)	(904)	Finance lease principal payments	(119,218)	(94,280)
Distribution to non-controlling participants in redeemable shares	-	7,451	Interest paid	(43,576)	(49,682)
Loss on exchange of financial liabilities	-	8,498	Contribution by non-controlling interests	28	-
Finance cost on liability for minimum dividend distribution	2,003	-	Proceeds from sale and finance leaseback transactions	-	20,788
Other	-	(216)	Proceeds from issue of shares - net	-	96,209
	393,621	284,108	Dividends paid to shareholders of BTS prior to common control transaction	-	(67,069)
Changes in working capital:			Distribution to non-controlling participants in redeemable shares	-	(7,451)
Inventories	(1,101)	7	Dividends paid to Company's shareholders	(24,000)	-
Trade and other receivables	(79,319)	12,830	Dividends paid to non-controlling shareholders	(21,157)	-
Trade and other payables	10,054	(6,744)	<b>Net cash used in financing activities</b>	<b>(17,625)</b>	<b>(80,745)</b>
<b>Cash generated from operations</b>	<b>323,255</b>	<b>290,201</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(21,643)</b>	<b>23,994</b>
Tax paid	(34,306)	(18,003)	Exchange losses on cash and cash equivalents	(492)	(1,815)
<b>Net cash from operating activities</b>	<b>288,949</b>	<b>272,198</b>	<b>Cash, cash equivalents and bank overdrafts at beginning of year</b>	<b>159,093</b>	<b>136,914</b>
			<b>Cash, cash equivalents and bank overdrafts at end of year</b>	<b>136,958</b>	<b>159,093</b>

# Selected operational information

## Rolling stock fleet

	As at 31 December 2010	As at 31 December 2009	Change	Change, %
<b>Owned Fleet</b>				
Gondola cars	20,650	15,464	5,186	34%
Rail tank cars	16,976	16,372	604	4%
Hopper cars	370	370	0	0%
Locomotives	57	58	-1	-2%
Flat cars	120	120	0	0%
<b>Total</b>	<b>38,173</b>	<b>32,384</b>	<b>5,789</b>	<b>18%</b>
<b>Rolling stock leased-in under operating leases</b>				
Gondola cars	8,918	2,357	6,561	278%
Rail tank cars	3,622	2,474	1,148	46%
Hopper cars	0	0	0	-
Locomotives	1	2	-1	-50%
Flat cars	0	0	0	-
Other cars	0	0	0	-
<b>Total</b>	<b>12,541</b>	<b>4,833</b>	<b>7,708</b>	<b>159%</b>
<b>Total Fleet</b>	<b>50,714</b>	<b>37,217</b>	<b>13,497</b>	<b>36%</b>
<b>Rolling stock leased-out under operating leases</b>				
Gondola cars	780	775	5	1%
Rail tank cars	4,887	5,101	-214	-4%
Hopper cars	125	125	0	-
Locomotives	4	6	-2	-33%
Flat cars	20	0	20	-
Other cars	0	0	0	-
<b>Total</b>	<b>5,816</b>	<b>6,007</b>	<b>-191</b>	<b>-3%</b>
<b>Average age of Owned Fleet</b>				
Gondola cars	4.7	4.6	-	-
Rail tank cars	8.4	7.8	-	-
Hopper cars	4.1	3.1	-	-
Locomotives	5.8	5.0	-	-
Flat cars	1.7	0.7	-	-
Other cars	0.0	0.0	-	-
<b>Total</b>	<b>6.3</b>	<b>6.2</b>	<b>-</b>	<b>-</b>

## Operation of rolling stock

	2010	2009	Change	Change, %
<b>Freight Rail Turnover, billion tonnes-km</b>				
<b>Metallurgical cargoes</b>	<b>42.0</b>	<b>38.8</b>	<b>3.2</b>	<b>8%</b>
Ferrous metals	29.3	33.0	-3.7	-11%
Scrap metal	2.8	1.2	1.6	130%
Iron ore	9.8	4.5	5.3	118%
<b>Oil products and oil</b>	<b>29.8</b>	<b>30.4</b>	<b>-0.5</b>	<b>-2%</b>
<b>Construction materials</b>	<b>2.8</b>	<b>2.2</b>	<b>0.5</b>	<b>24%</b>
Construction materials - crushed stone	1.4	0.8	0.6	80%
Construction materials - cement	0.3	0.6	-0.3	-43%
Construction materials - other	1.1	0.9	0.2	21%
<b>Coal (thermal and coking)</b>	<b>17.7</b>	<b>7.4</b>	<b>10.3</b>	<b>139%</b>
<b>Other</b>	<b>5.1</b>	<b>2.1</b>	<b>3.0</b>	<b>146%</b>
<b>Total</b>	<b>97.4</b>	<b>80.9</b>	<b>16.6</b>	<b>20%</b>
<b>Transportation Volume, million tones</b>				
<b>Metallurgical cargoes</b>	<b>20.0</b>	<b>12.8</b>	<b>7.2</b>	<b>57%</b>
Ferrous metals	11.3	9.3	2.0	22%
Scrap metal	3.1	1.3	1.9	144%
Iron ore	5.6	2.2	3.4	154%
<b>Oil products and oil</b>	<b>28.4</b>	<b>29.7</b>	<b>-1.3</b>	<b>-4%</b>
<b>Construction materials</b>	<b>3.0</b>	<b>2.2</b>	<b>0.9</b>	<b>40%</b>
Construction materials - crushed stone	1.6	0.9	0.8	91%
Construction materials - cement	0.4	0.6	-0.2	-32%
Construction materials - other	1.0	0.7	0.3	37%
<b>Coal (thermal and coking)</b>	<b>8.3</b>	<b>5.8</b>	<b>2.5</b>	<b>43%</b>
<b>Other</b>	<b>4.0</b>	<b>2.3</b>	<b>1.7</b>	<b>74%</b>
<b>Total</b>	<b>63.8</b>	<b>52.8</b>	<b>11.0</b>	<b>21%</b>
<b>Transportation Volume by cargo class</b>				
Class 1	32%	24%	8%	-
Class 2	42%	53%	-11%	-
Class 3	26%	23%	3%	-

- All information presented herein is derived from the management accounts.
- Selected operational information is available for downloading at [www.globaltrans.com](http://www.globaltrans.com).

## Selected operational information (continued)

	2010	2009	Change	Change, %
<b>Average Rolling Stock Operated</b>				
Gondola (open top) cars	22,543	14,600	7,943	54%
Rail tank cars	13,855	13,298	557	4%
Hopper cars	244	401	-157	-39%
Locomotives	40	40	0	0%
Other cars	110	66	44	67%
<b>Total</b>	<b>36,793</b>	<b>28,406</b>	<b>8,387</b>	<b>30%</b>
<b>Average Number of Loaded Trips per Railcar</b>				
Gondola (open top) cars	24.8	24.3	0.6	2%
Rail tank cars	36.8	37.5	-0.7	-2%
Hopper cars	20.8	19.5	1.3	7%
<b>Total</b>	<b>29.3</b>	<b>30.4</b>	<b>-1.1</b>	<b>-4%</b>
<b>Average Distance of Loaded Trip, km</b>				
Gondola (open top) cars	1,974.1	2,280.4	-306.3	-13%
Rail tank cars	988.7	1,015.5	-26.9	-3%
Hopper cars	859.0	950.2	-91.2	-10%
<b>Total</b>	<b>1,504.0</b>	<b>1,537.8</b>	<b>-33.8</b>	<b>-2%</b>
<b>Average Price per Trip</b>				
Average Price per Trip in USD	770.4	716.9	54	7%
Average Price per Trip in RUB	23,403	22,773	630	3%
<b>Net Revenue from Operation of Rolling Stock by cargo type, USD million</b>				
Metallurgical cargoes	276.7	178.6	98.1	55%
Ferrous metals	217.5	160.6	56.9	35%
Scrap metal	24.6	7.6	17.0	224%
Iron ore	34.6	10.4	24.2	231%
Oil products and oil	419.0	381.7	37.3	10%
Coal (thermal and coking)	76.8	23.3	53.5	230%
Construction materials, incl. cement	15.2	8.0	7.2	89%
Other	42.4	26.8	15.5	58%
<b>Total</b>	<b>830.0</b>	<b>618.5</b>	<b>211.6</b>	<b>34%</b>
<b>Net Revenue from Operation of Rolling Stock by cargo class</b>				
Class 1	21%	10%	10%	-
Class 2	46%	56%	-10%	-
Class 3	33%	34%	-1%	-

	2010	2009	Change	Change, %
<b>Net Revenue from Operation of Rolling Stock by largest clients</b>				
TNK-BP	23%	25%	-	-
MMK	11%	10%	-	-
Euras	9%	10%	-	-
Lukoil	9%	10%	-	-
Gazpromneft	6%	8%	-	-
Rosneft	4%	4%	-	-
Severstal	4%	3%	-	-
Ural steel	3%	1%	-	-
Mechel	1%	1%	-	-
RITEK	1%	1%	-	-
Other (inc. small and medium enterprises)	29%	27%	-	-
<b>Empty Run Ratio</b>				
Gondola (open top) cars	42%	46%	-5%	-
Rail tank cars and hopper cars	108%	114%	-6%	-
<b>Total Empty Run Ratio</b>	<b>62%</b>	<b>72%</b>	<b>-10%</b>	<b>-</b>
<b>Empty Run Costs, USD million</b>				
	203.4	167.9	35.5	21%
<b>Share of Empty Run Kilometres Paid by</b>				
	82%	83%	-1%	-
<b>Employees</b>				
	As at 31 December 2010	As at 31 December 2009	Change	Change, %
<b>Employees by departments (simplified)</b>				
Operations	642	591	51.0	9%
Administrative	317	359	-42.5	-12%
<b>Total</b>	<b>958</b>	<b>950</b>	<b>8.5</b>	<b>1%</b>

- All information presented herein is derived from the management accounts.
- Selected operational information is available for downloading at [www.globaltrans.com](http://www.globaltrans.com).

\* Largest clients defined as clients, as well as their affiliates and suppliers.

## Definitions (in alphabetical order)

**Adjusted EBITDA** (a non-GAAP financial measure) represents EBITDA excluding “net foreign exchange transaction (losses)/gains on financing activities”, “share of profit of associates”, “other gains – net”, “loss/(gain) on sale of property, plant and equipment” and “(reversal of)/impairment charge on 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 Distance of Loaded Trip** is calculated as the sum of distances of all loaded trips for a period divided by the number of loaded trips for the same period.

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

**Average Price per Trip** is calculated as Net Revenue from Operation of Rolling Stock divided by total number of loaded trips during the relevant period in the 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 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 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** is defined as the currency of the primary economic environment in which the entity operates, for Globaltrans Investment PLC this is the Russian Rouble.

## Definitions (in alphabetical order, continued)

**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 “infrastructure and locomotive tariffs: loaded trips”, “depreciation of property, plant and equipment”, “amortisation of intangible assets”, “(reversal of)/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”, “(reversal of)/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”.

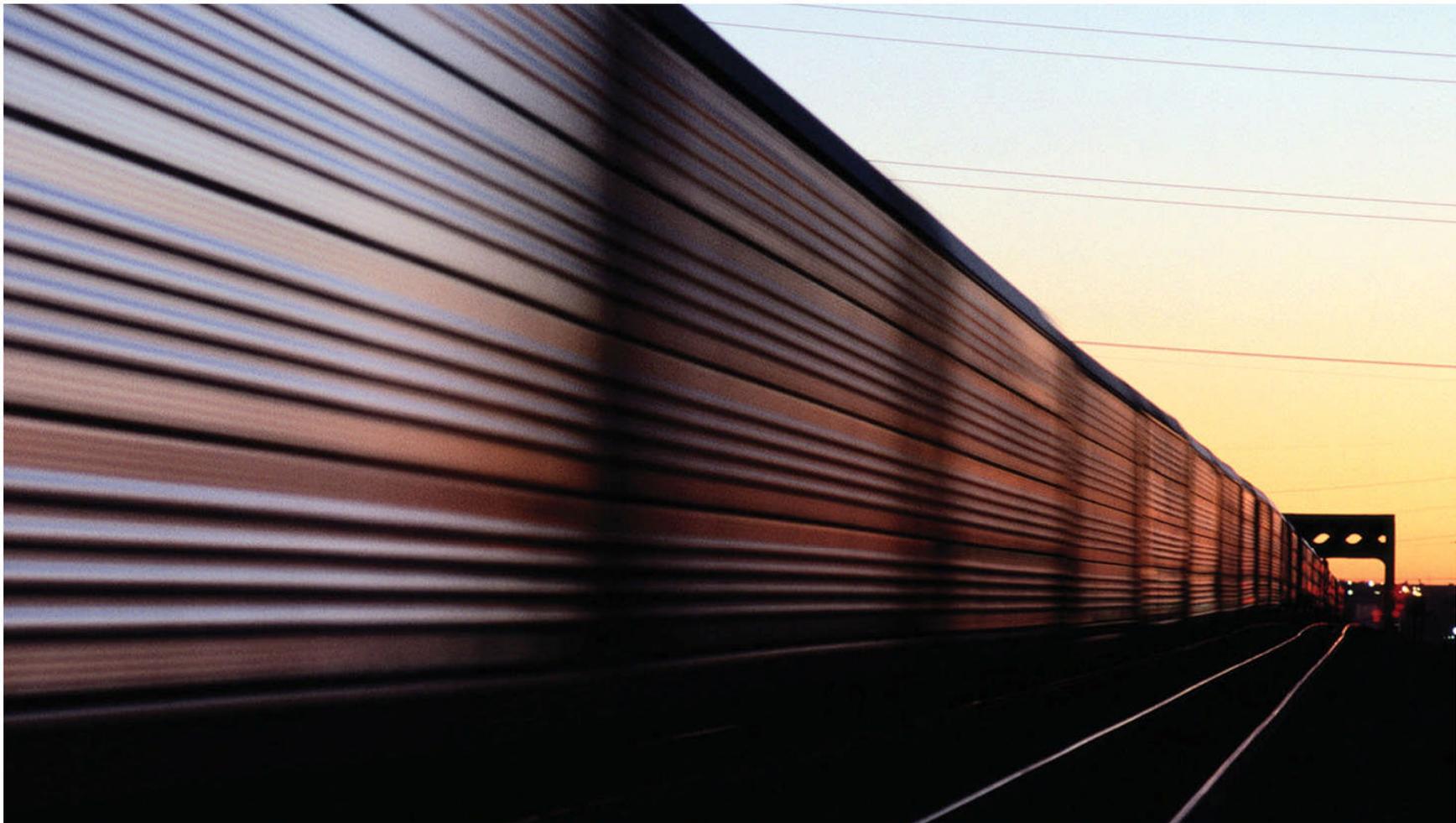
**Other Tariffs and Services Provided by Other Transportation Organisations** (a non-GAAP financial measure) is presented as part of the “empty run trips, other tariffs and services provided by other transportation organisations” component of “cost of sales” reported under EU IFRS.

**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 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.

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

**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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