

**Innovation**

**Partnerships**

**Independence**

**Performance**

## **Full-Year 2017 Results**

 **Globaltrans**  
Russia's leading freight rail group

Valery Shpakov, CEO and Alexander Shenets, CFO  
Investor Conference Call: 26 March 2018

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The Group’ consolidated management report and consolidated financial statements, selected operational information as at and for the year ended 31 December 2017 and 2016 along with historical financial and operational information are available at Globaltrans’ corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

The presentational currency of the Group’s financial results is Russian rouble (“RUB”), which is the functional currency of the Company as well as its Cypriot and Russian subsidiaries.

In this presentation the Group has used certain non-GAAP financial information (not recognised by EU IFRS or IFRS) as supplemental measures of the Group’s operating performance. The management believes that these non-GAAP measures provide valuable information to readers, because they enable them to focus more directly on the underlying day-to-day performance of the Group’s business. The Company also reports certain operational information to illustrate the changes in the Group’s operational and financial performance during the reporting periods.

Certain financial information which is derived from management accounts is marked in this presentation with an asterisk (\*). Information (non-GAAP and operating measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided at the end of this presentation.

Rounding adjustments have been made in calculating some of the financial and operational information included in this presentation. 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 included in this presentation on such topics as the Russian freight rail transportation market and related subjects from the following third-party sources: Federal State Statistics Service of Russian Federation (“Rosstat”); JSC Russian Railways (“RZD”) and Federal Antimonopoly Service (“FAS”). 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.

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## The team presenting today



**Valery Shpakov**  
Chief Executive Officer

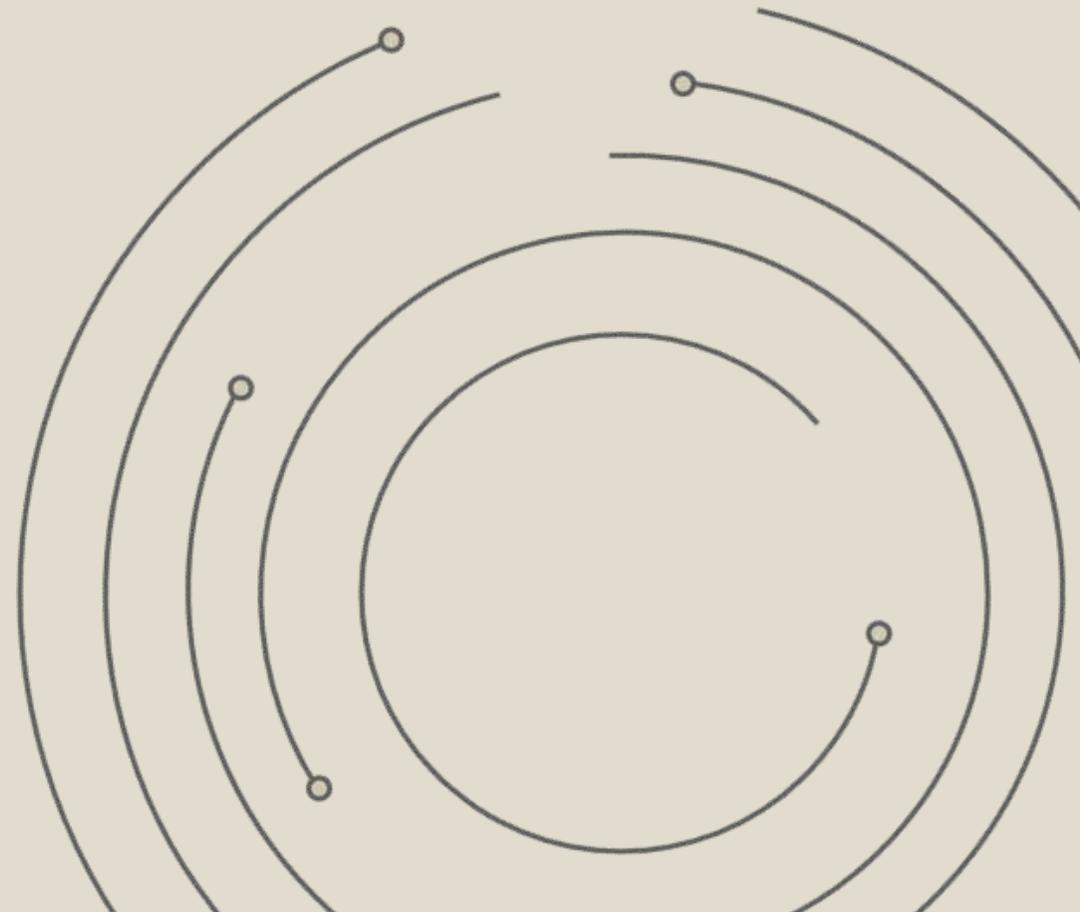
Mr Shpakov became CEO in March 2016, having served as Interim CEO since November 2015. He joined New Forwarding Company, a subsidiary of Globaltrans, in 2003 and served as its CEO from 2007. Mr Shpakov has a track record of working in the rail industry for over 30 years and is a recipient of the “Honoured Railwayman of Russia” Award, a title awarded by the sector in recognition of those making significant contributions to the rail industry.



**Alexander Shenets**  
Chief Financial Officer

Mr Shenets has been the CFO of Globaltrans since the Group's establishment in 2004. He has more than 15 years of experience in senior finance positions, mostly in the rail sector.

- **Highlights**



## Strong financial performance, final and special final dividends proposed

<b>Ongoing operational excellence</b>	<ul style="list-style-type: none"> <li>Freight Rail Turnover stable y-o-y<sup>1</sup></li> <li>Continued increase in pricing with Average Price per Trip up 20% y-o-y</li> <li>Empty Run Ratio for gondola cars improved to 37%</li> <li>MMK long-term partnership extended for a further 18 months until the end of September 2020<sup>2</sup></li> </ul>
<b>Strong financial performance, continued margin improvement</b>	<ul style="list-style-type: none"> <li>18% y-o-y increase in Adjusted Revenue to RUB 52.1 bln</li> <li>Strong cost control with Total Operating Cash Costs down 1% y-o-y to RUB 26.3 bln</li> <li>Adjusted EBITDA Margin expansion to 50%</li> <li>46% y-o-y rise in Adjusted EBITDA to RUB 25.8 bln</li> </ul>
<b>Strong rise in Free Cash Flow with further reduced leverage</b>	<ul style="list-style-type: none"> <li>92% y-o-y rise in Free Cash Flow to RUB 17.0 bln driven by strong cash generation</li> <li>CAPEX (incl. maintenance) broadly unchanged at RUB 4.9 bln<sup>3</sup></li> <li>Balance sheet strengthened further - Net Debt to Adjusted EBITDA down to 0.4x</li> </ul>
<b>Final and special final dividends proposed</b>	<ul style="list-style-type: none"> <li>Final dividend of RUB 4.2 bln total or RUB 23.25 per share/GDR<sup>4</sup>; in line with dividend policy and equal to 50% of Attributable Free Cash Flow for H2 2017</li> <li>Special final dividend of RUB 3.9 bln total or RUB 21.60 per share/GDR<sup>4</sup> to maintain efficient capital structure</li> <li>Total proposed final payment to shareholders therefore RUB 8.0 bln or RUB 44.85 per share/GDR<sup>4</sup></li> </ul>

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

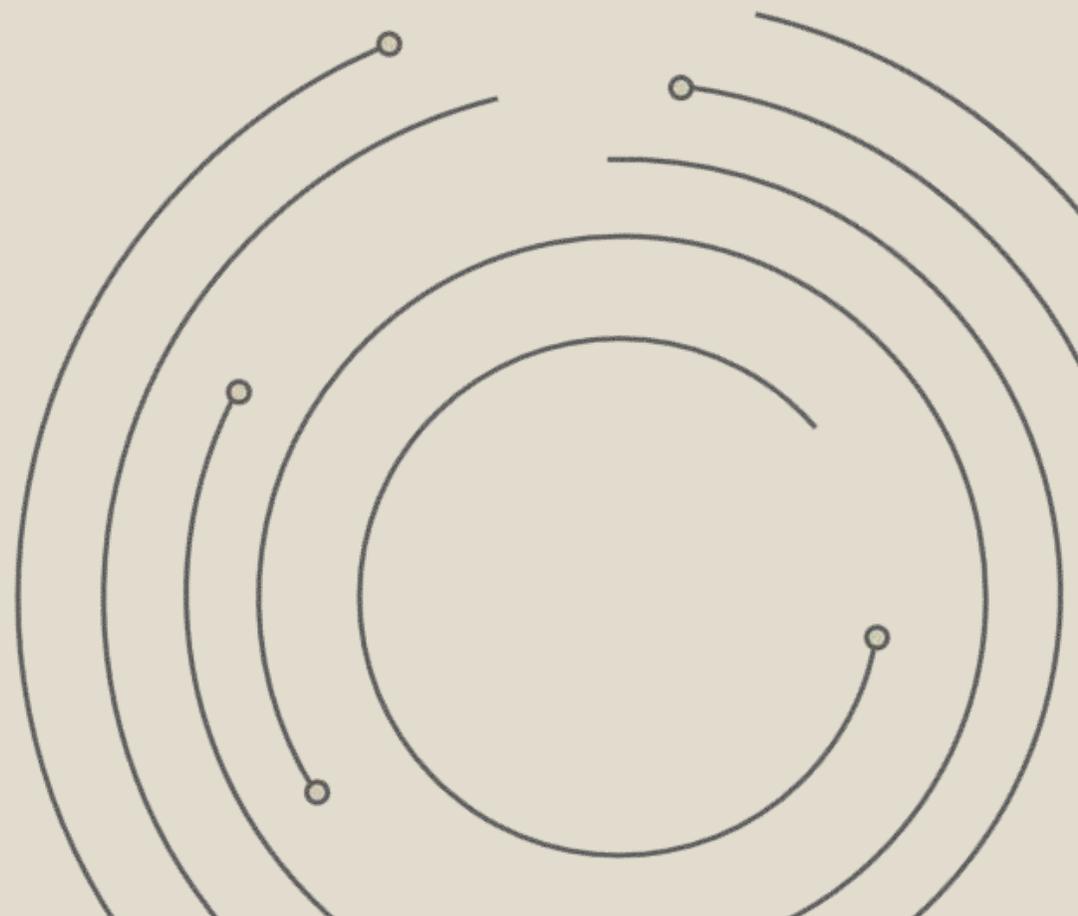
1) The Group's Freight Rail Turnover (excl. Engaged Fleet) stood broadly unchanged y-o-y at 160.1 bln tonnes-km in 2017; Transportation Volumes (excl. Engaged Fleet) declined 1% y-o-y to 91.9 mln tonnes in 2017.

2) Partnership with MMK was extended at the beginning of 2018.

3) On a cash basis; calculated as the sum of "Purchases of property, plant and equipment" (which includes maintenance CAPEX), "Purchases of intangible assets" and "Acquisition of subsidiary undertakings – net of cash acquired".

4) Subject to shareholders' approval, final and special final dividends will be paid in USD with conversion from RUB to be executed at the official exchange rate for RUB of the Central Bank of Russia as of the date of the Annual General Meeting, which was called for 23 April 2018. The shareholder dividend record date is set as 23 April 2018. The GDRs will be marked as ex-dividend on 20 April 2018.

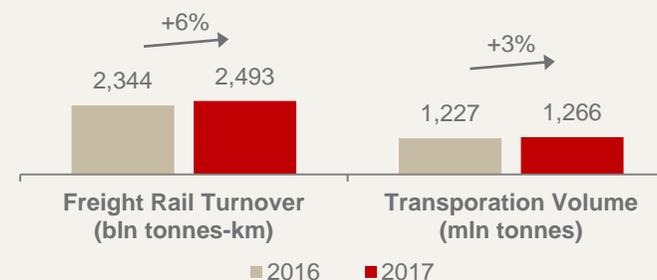
- Market update



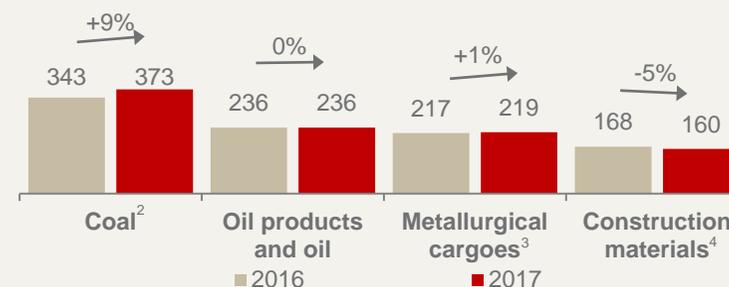
## Market environment in gondola segment remains robust

- **Continued robust overall demand**
  - 6% y-o-y increase in overall Russian freight rail turnover with transportation volumes up 3% y-o-y
- **Gondola segment performing strongly**
  - Non-oil cargo volumes rose 4% y-o-y
  - Further recovery in pricing conditions
  - Balanced supply-demand profile – combination of scrapping of old gondolas and prudent approach to new railcar acquisition
  - Net increase in gondola capacity (c.18k units or c.3.8%)<sup>1</sup> digested by the strong demand
- **Oil products and oil segment stabilised**
  - Volumes in oil products and oil segment unchanged at low levels of 2016
  - Pricing environment remained relatively stable
  - Ongoing scrapping of old rail tanks combined with very low new additions (net capacity decline of c.8k units or c.2.9%)<sup>1</sup>

### Overall Russian freight rail market performance



### Overall Russian freight rail Transportation Volumes (by key freight, mln tonnes)



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

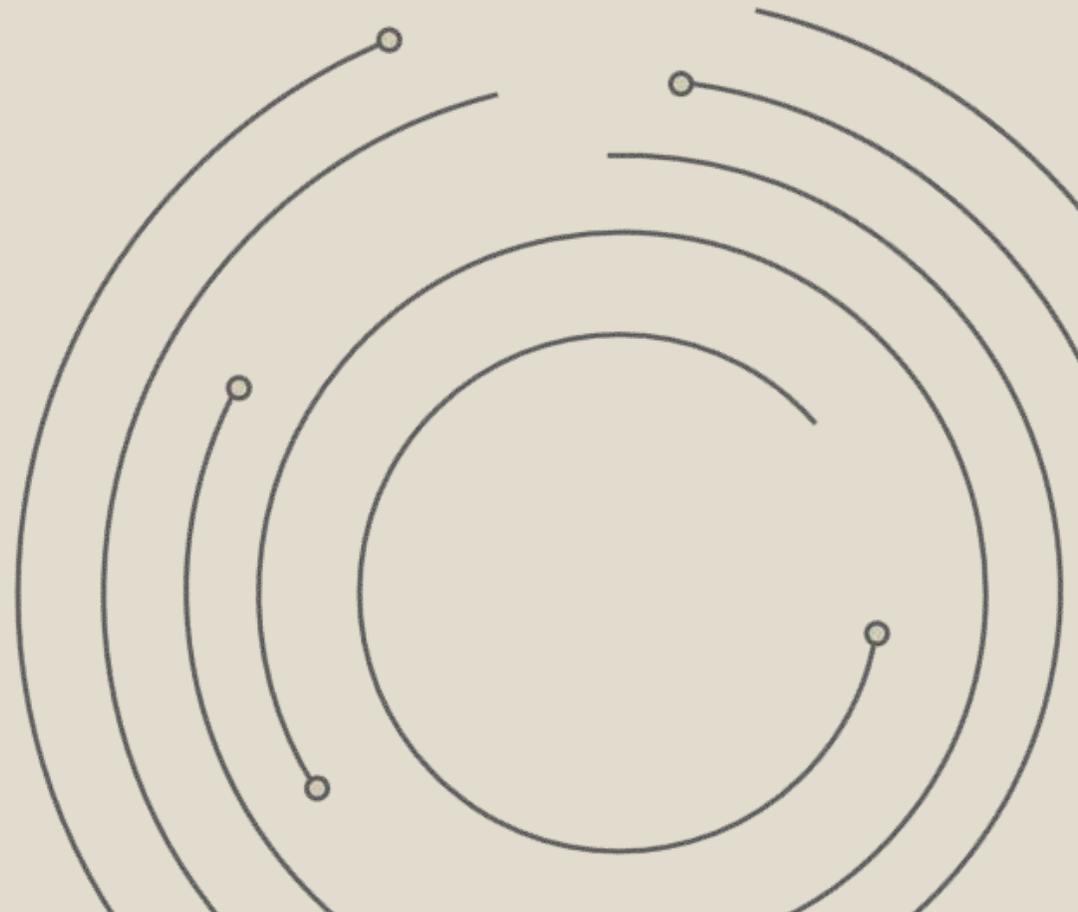
1) Estimated by the Company.

2) Coal including coke.

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

4) Construction materials including cement.

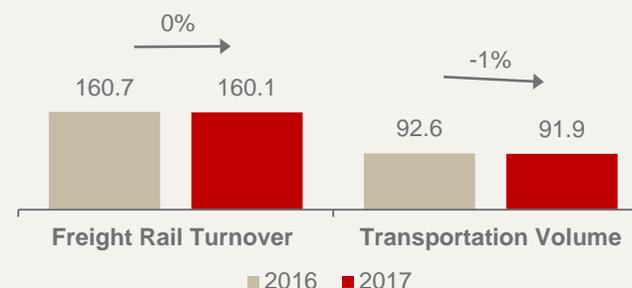
- Operational performance



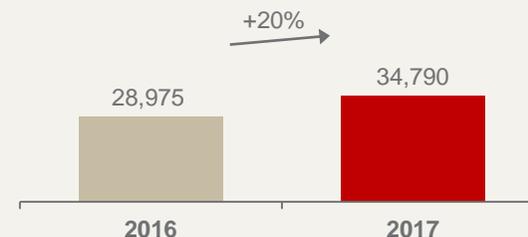
## Robust operational performance and stronger pricing realised

- Stable Freight Rail Turnover despite lower operated fleet**
  - Freight Rail Turnover and Transportation Volumes broadly flat y-o-y
  - Average Rolling Stock Operated reduced 3% y-o-y reflecting intentional decrease in the number of leased-in rail tanks
  - Average Number of Loaded Trips per Railcar up 2% y-o-y with Average Distance of Loaded Trip stable y-o-y
- Focus on most profitable routes and cargoes**
  - Strong volume growth in priority bulk cargoes segments – metallurgical cargoes (+6% y-o-y) and coal (+4% y-o-y)<sup>1</sup>
  - Oil products and oil segment volumes down 3% y-o-y due to decline in average number of rail tank cars in operation (-13% y-o-y)
- Sustained increase in pricing: Average Price per Trip up 20% y-o-y**
  - Steady pricing recovery in gondola segment
  - Relatively stable pricing in rail tank segment supported by unique locomotive expertise and long-term relationships with key clients

### Key operational metrics (excl. Engaged Fleet)



### Average Price per Trip (RUB)



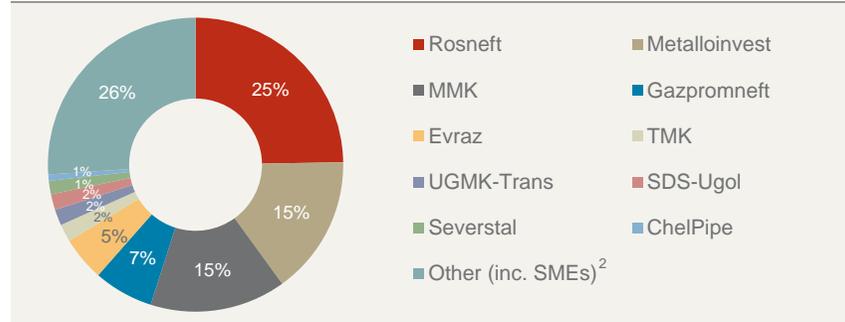
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) Transportation Volumes of respective cargoes excl. Engaged Fleet. Metallurgical cargoes including ferrous metals, scrap metal and ores. Coal including coke.

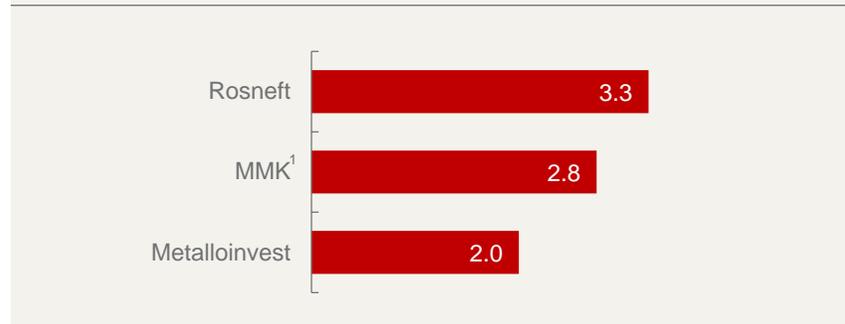
# Strong presence in bulk cargo segment, key MMK long-term partnership successfully extended

- **Leading presence in bulk cargo segment**
  - One of the largest gondola fleets in the industry
  - Strong market positions in key priority bulk cargo segments
  - Non-oil cargoes accounted for more than 65% of Net Revenue from Operation of Rolling Stock
- **Strong key client relationships**
  - Top-10 clients (including affiliated companies and suppliers) contributed 74% of Net Revenue from Operation of Rolling Stock
  - Loyal blue-chip client base
- **Long-term partnership with MMK extended for a further 18 months until the end of September 2020<sup>1</sup>**
  - Two other major long-term contracts (Metalloinvest and Rosneft) successfully renewed in 2016
  - Long-term contracts contributed in total 55% of Net Revenue from Operation of Rolling Stock

**Net Revenue from Operation of Rolling Stock by key clients (2017)**



**Remaining period of major long-term contracts (years; as of 31 December 2017)**



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.

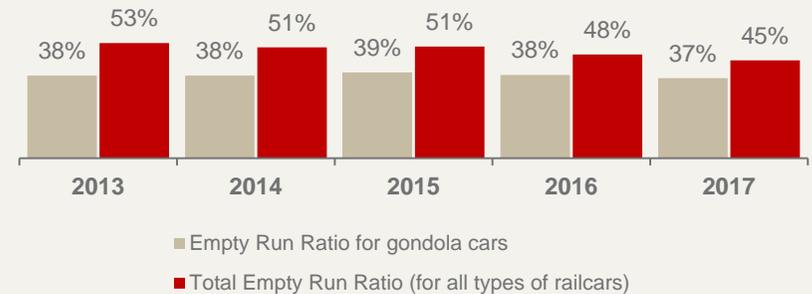
1) Partnership with MMK was extended at the beginning of 2018.

2) Small and medium enterprises.

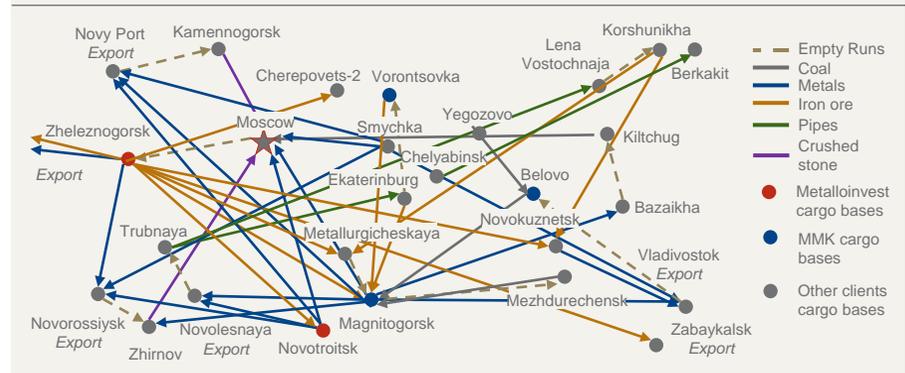
# Operational excellence delivered 2% cut in Empty Run Costs y-o-y

- **Empty Run Ratio further improved**
  - Empty Run Ratio for gondola cars improved to 37%
  - Total Empty Run Ratio (for all types of railcars) down to 45%
  - Share of Empty Run Kilometers paid by Globaltrans declined to 86% (2016: 88%)
- **Reducing Empty Runs critical to curbing costs**
  - Empty Run Costs remain the single largest cost item (46% of Total Operating Cash Costs in 2017)
  - Empty Run Costs down 2% y-o-y in 2017 fully absorbing the impact from 6% y-o-y annual rise in regulated RZD tariff for traction of empty railcars
- **Efficient fleet management is key to operational excellence**
  - Efficient matching of inbound and outbound traffic of interconnected plants helps sustain high operational efficiency
  - 24/7 dispatching centre seamlessly operates more than 43k gondolas
  - Representative offices spread across Russia enable efficient use of small and medium size clients for optimisation of Empty Runs

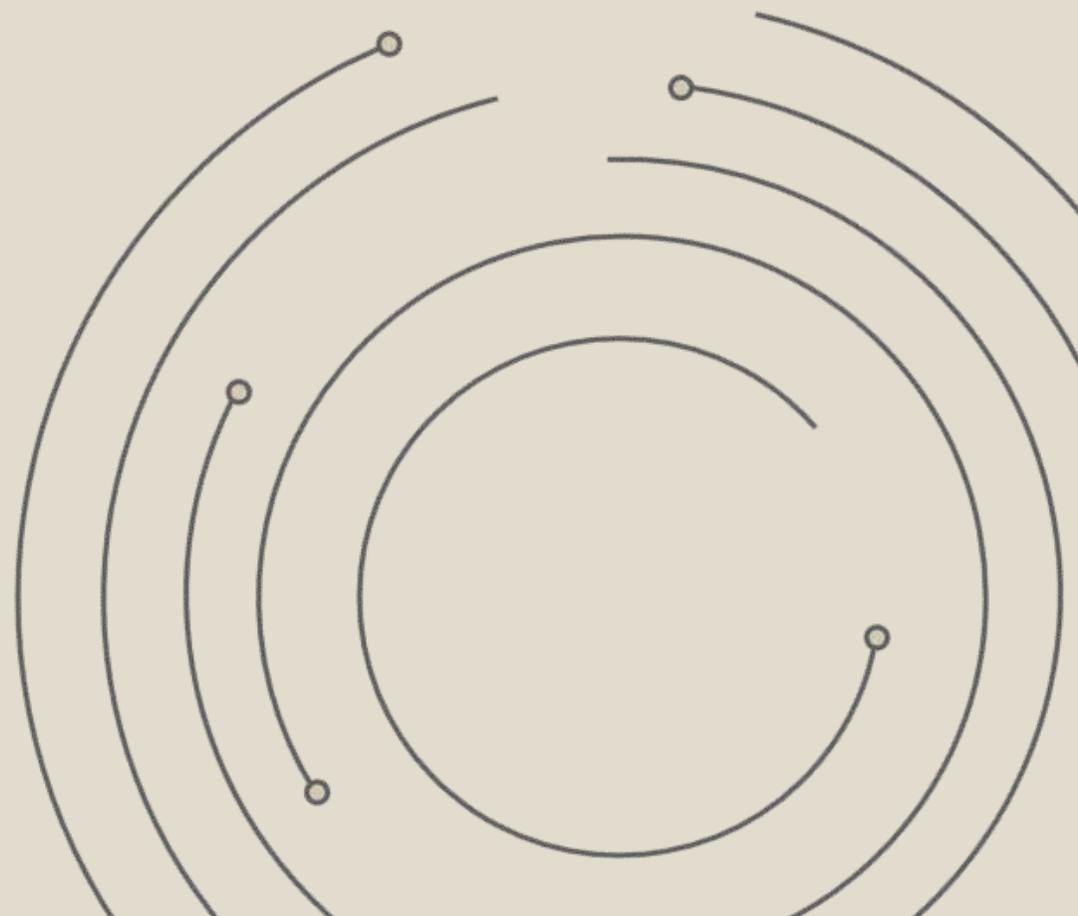
## Empty Run Ratio



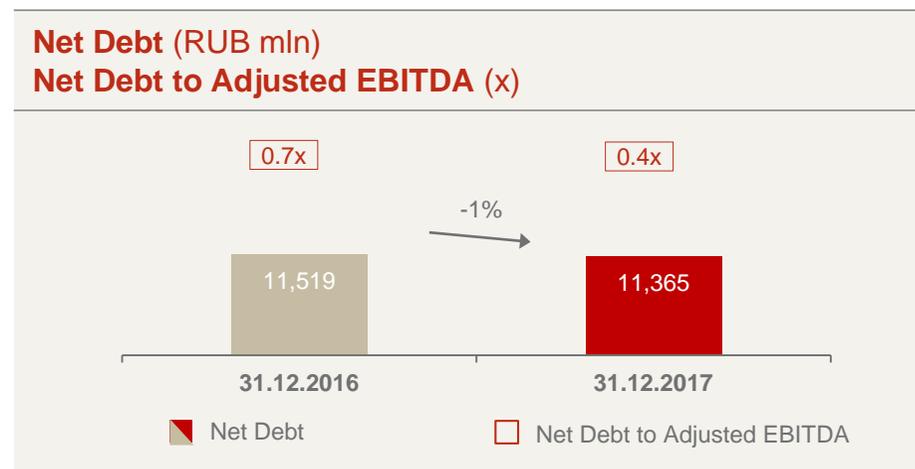
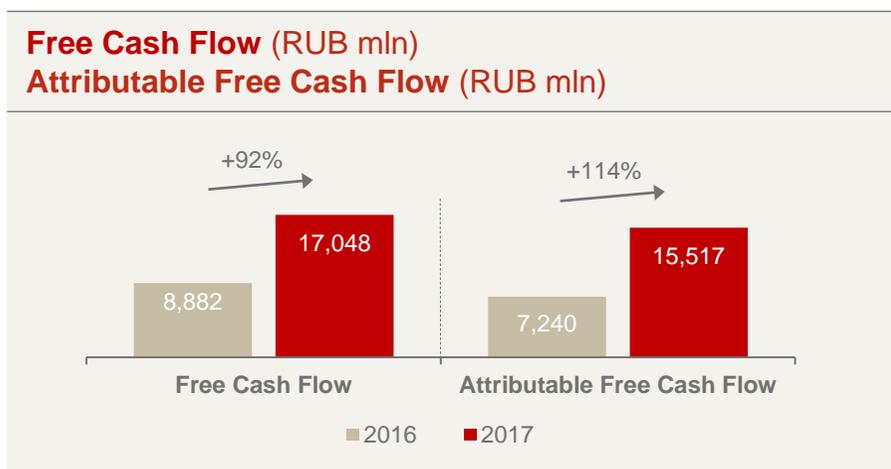
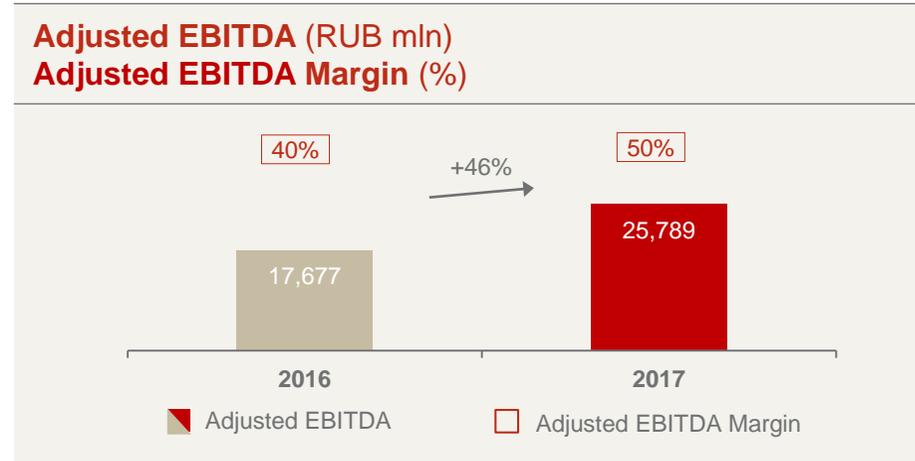
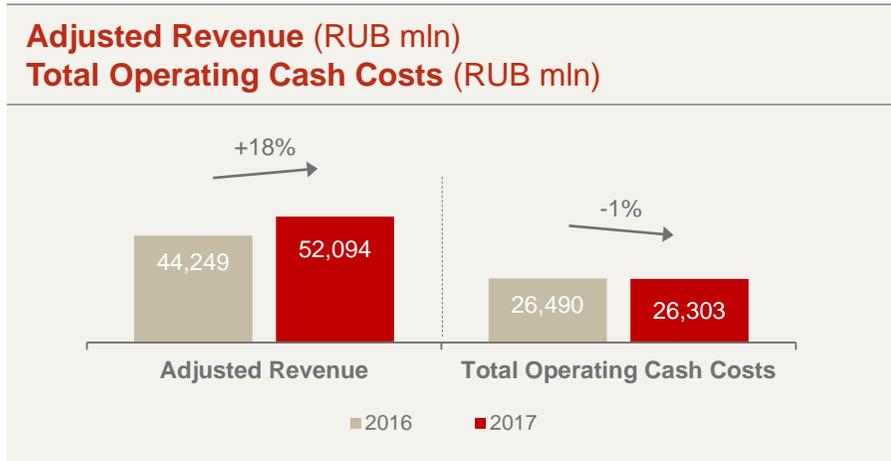
## Gondola logistics – key illustrative routes



- Financial results



## Strong financials, continued margin improvement



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.

## 18% y-o-y rise in Adjusted Revenue boosted by strong performance of gondola operations

	2016 (RUB mln)	2017 (RUB mln)	Change y-o-y, %
<b>Adjusted Revenue</b>	<b>44,249</b>	<b>52,094</b>	<b>18%</b>
<i>Including</i>			
<b>Net Revenue from Operation of Rolling Stock</b>	<b>41,757*</b>	<b>49,709*</b>	<b>19%</b>
Operating leasing of rolling stock	1,473	1,212	-18%
Net Revenue from Engaged Fleet	199*	173*	-13%
Other revenue	820	1,000	22%

- **Net Revenue from Operation of Rolling Stock (95% of Adjusted Revenue) up 19% y-o-y**
  - Average Price per Trip up 20% y-o-y with Average Number of Loaded Trips per Railcar up 2% y-o-y
  - Average Rolling Stock Operated down 3% y-o-y reflecting intentional decrease in the number of leased-in rail tank cars
- **Revenue from Operating leasing of rolling stock (2% of Adjusted Revenue) decreased 18% y-o-y**
  - Decline in leasing rates in rail tank car segment as well as sale of non-core specialised railcars
- **Net Revenue from Engaged Fleet (0.3% of Adjusted Revenue) decreased 13% y-o-y**
  - Largely due to decline in volume and profitability of Engaged Fleet operations on the back of the gondola segment recovery
- **Other revenue (2% of Adjusted Revenue) increased 22% y-o-y**
  - Primarily reflecting gradual commissioning into operation of petrochemical tank containers purchased over 2017

## Excellent fleet efficiency and thorough cost management reduced Total Operating Cash Costs by 1% y-o-y

	2016 (RUB mln)	2017 (RUB mln)	Change %
<b>Total Operating Cash Costs</b>	<b>26,490</b>	<b>26,303</b>	<b>-1%</b>
Empty Run Costs	12,428*	12,154*	-2%
Repairs and maintenance	3,605	3,769	5%
Employee benefit expense	2,946	3,426	16%
Operating lease rentals - rolling stock	1,557	1,634	5%
Fuel and spare parts - locomotives	1,494	1,519	2%
Infrastructure and Locomotive Tariffs - Other Tariffs	1,438*	949*	-34%
Engagement of locomotive crews	576	662	15%
Other Operating Cash Costs <sup>1</sup>	2,447	2,189	-11%
<b>Total Operating Non-Cash Costs</b>	<b>7,051</b>	<b>6,409</b>	<b>-9%</b>
Depreciation of property, plant and equipment	4,958	4,962	0%
Amortisation of intangible assets	836	718	-14%
Loss on derecognition arising on capital repairs <sup>2</sup>	887	528	-40%
Impairment of property, plant and equipment	228	111	-51%
Impairment charge for receivables	82	61	-26%
Net loss on sale of property, plant and equipment	59	29	-52%

- **Total Operating Cash Costs down 1% y-o-y**
  - Excellent fleet efficiency and thorough cost management helped to offset continued cost pressures
- **Total Operating Non-Cash Costs down 9% y-o-y**
  - Decline in Loss on derecognition arising on capital repairs reflecting lower number of scheduled capital repairs in addition to decrease in Amortisation of intangible assets due to full amortisation of contract with Metalloinvest

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) Other Operating Cash Costs (a non-GAAP financial measure) include cost items such as "Advertising and promotion", "Auditors' remuneration", "Communication costs", "Information services", "Legal, consulting and other professional fees", "Rental of tank containers", "Operating lease rentals - office", "Taxes (other than income tax and value added taxes)" and "Other expenses".
- 2) The cost of each major periodic capital repair (including the replacement of significant components) is recognised in the carrying amount of the relevant item of rolling stock repaired and separately depreciated. Simultaneously, the carrying amount of the repaired rolling stock that is attributable to the previous periodic capital repair and/or significant component replacement, if any, is derecognised and debited in "Cost of sales" in the income statement as "Loss on derecognition arising on capital repairs" for the period during which the repair was carried out.

## Major Operating Cash Cost items

### Empty Run Costs (46%)<sup>1</sup>



- Further improvement in Total Empty Run Ratio to 45% (2016: 48%) and Share of Empty Run Kilometres paid by Globaltrans to 86% (2016: 88%)
- More than offset 6% y-o-y rise in regulated RZD tariff for traction of empty railcars

### Repairs and maintenance (14%)<sup>1</sup>



- Inflationary driven growth in cost of spare parts along with increase in number of depot repairs were partially mitigated by decline in number of current repairs and increase in proceeds from sale of second hand spare parts

### Employee benefit expense (13%)<sup>1</sup>



- 3% y-o-y increase in average headcount
- Inflationary driven growth in wages and salaries
- Rise in bonuses and related social insurance costs

### Operating lease rentals – rolling stock (6%)<sup>1</sup>



- Rise in leasing rates in gondola car segment was partially offset by an intentional reduction in leased-in fleet, primarily rail tank cars

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.

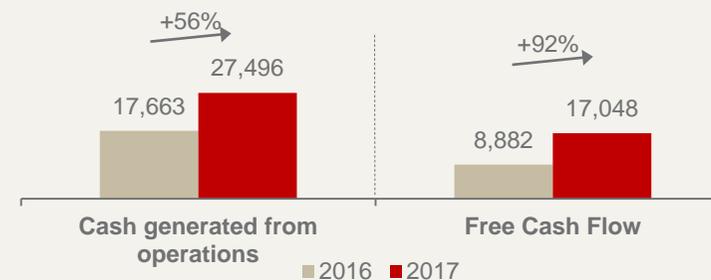
1) The proportion of Total Operating Cash Costs in 2017.

## Free Cash Flow nearly doubled y-o-y driven by strong cash generation

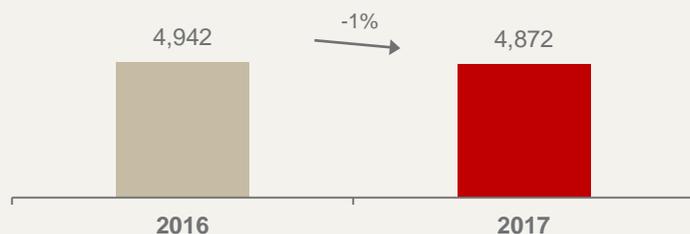
- **Cash generated from operations<sup>1</sup> up 56% y-o-y (or RUB 9,832 mln)**
  - Strength of operating model, long-term contracts and service quality delivered strong business volumes and improved pricing
- **CAPEX (incl. maintenance) broadly unchanged at moderate level of RUB 4,872 mln<sup>2</sup>**
  - Higher expansion CAPEX (1,332 units acquired in 2017)<sup>3</sup>
  - Reduced maintenance CAPEX due to lower number of capital repairs
- **Free Cash Flow increased 92% y-o-y (or RUB 8,166 mln)**

### Cash generated from operations (RUB mln)

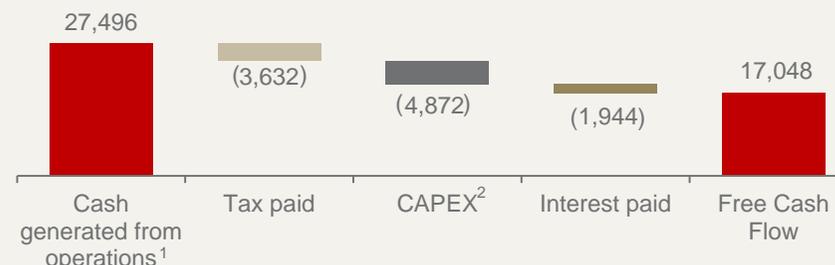
### Free Cash Flow (RUB mln)



### CAPEX<sup>2</sup> (incl. maintenance; RUB mln)



### Free Cash Flow reconciliation (2017; RUB mln)



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) After "Changes in working capital".

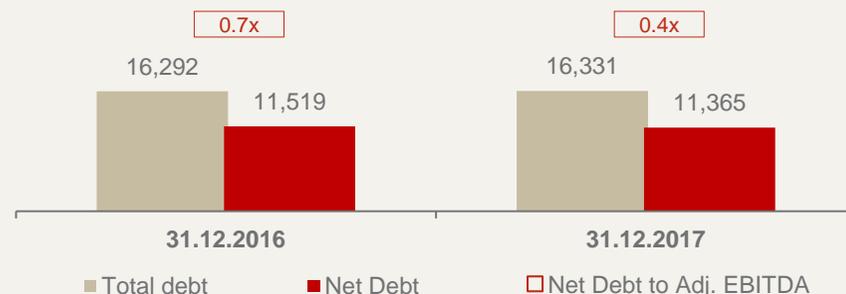
2) On a cash basis; calculated as the sum of "Purchases of property, plant and equipment" (which includes maintenance CAPEX), "Purchases of intangible assets" and "Acquisition of subsidiary undertakings – net of cash acquired".

3) In 2017 the Group acquired 1,332 units, including 706 second hand gondola cars, 556 petrochemical tank containers and 70 flat cars (2016: 1,211 units).

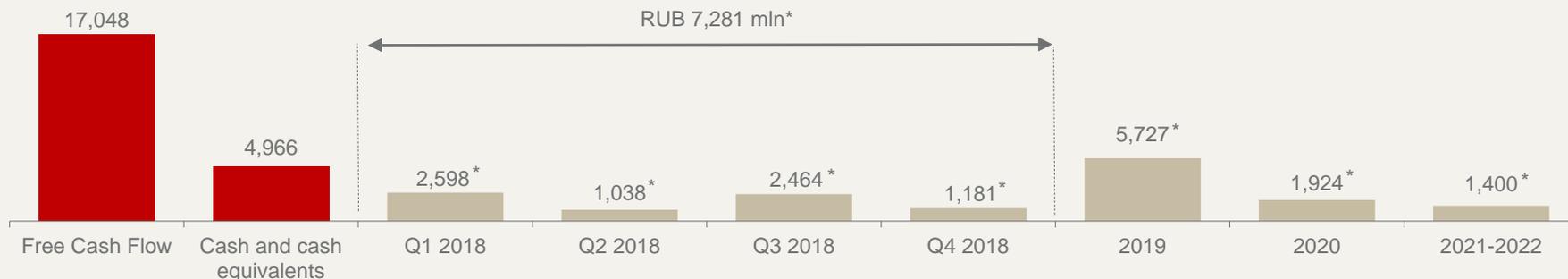
# Balance sheet strengthened further with Net Debt to Adjusted EBITDA at 0.4x

- **Strong financial profile at the end of 2017**
  - Net Debt held steady at RUB 11,365 mln (-1% vs. the end of 2016)
  - Net Debt to Adjusted EBITDA further reduced to 0.4x (2016: 0.7x) driven by increased Adjusted EBITDA
  - 100% of debt denominated in RUB reflecting the functional currency of the Company
  - Further reduction in the weighted average effective interest rate to 9.4% (11.0% at the end of 2016)
- **RUB 5 bln bond at 7.25% rate successfully placed in Feb 2018 to refinance debt and for general corporate purposes**

**Total debt and Net Debt (RUB mln)**  
**Net Debt to Adjusted EBITDA (x)**



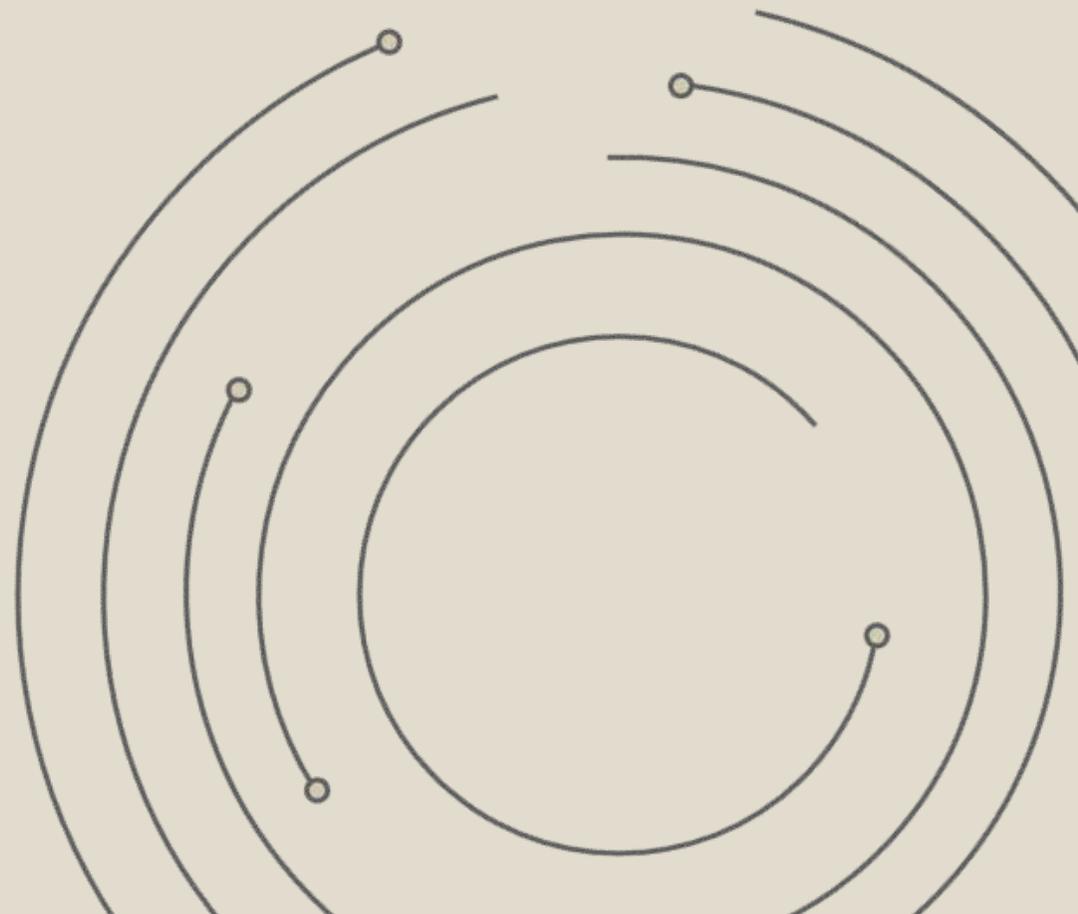
## Balanced and comfortable maturity profile (as of 31 December 2017, RUB mln)<sup>1</sup>



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) Including accrued interest of RUB 82 mln\*.

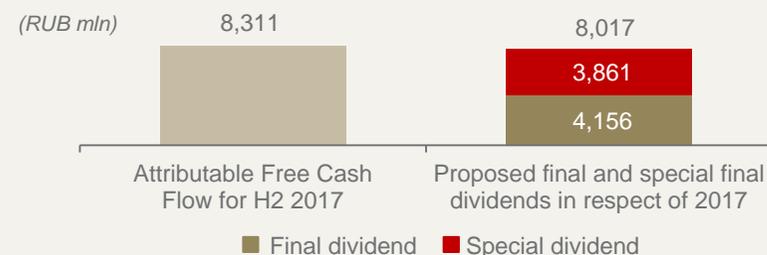
- Dividends



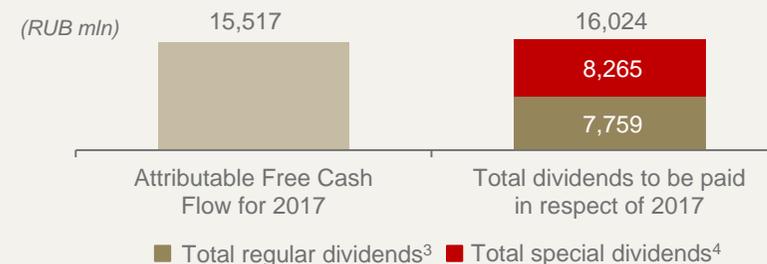
## Final and special final dividends proposed in respect of 2017

- Strong Attributable Free Cash Flow and low leverage**
  - Attributable Free Cash Flow up 114% y-o-y to RUB 15,517 mln
  - Leverage Ratio at 0.4x at 31 December 2017
- Final and special final dividends proposed totaling RUB 8,017 mln<sup>1</sup>**
  - Final dividend of RUB 4,156 mln total or RUB 23.25 per share/GDR, in line with dividend policy, equal to 50% of Attributable Free Cash Flow for H2 2017
  - Special final dividend of RUB 3,861 mln total or RUB 21.60 per share/GDR to maintain efficient capital structure
  - Subject to shareholder approval at AGM called for 23 April 2018
  - GDR ex-dividend date – 20 April 2018
- 103% of Attributable Free Cash Flow to be paid out as total dividends in respect of 2017 during a low investment cycle**
  - Total payment to shareholders in respect of 2017 will therefore be RUB 16,024 mln total or RUB 89.65 per share/GDR<sup>2</sup>

### RUB 8,017 mln final and special final dividends proposed<sup>1</sup>



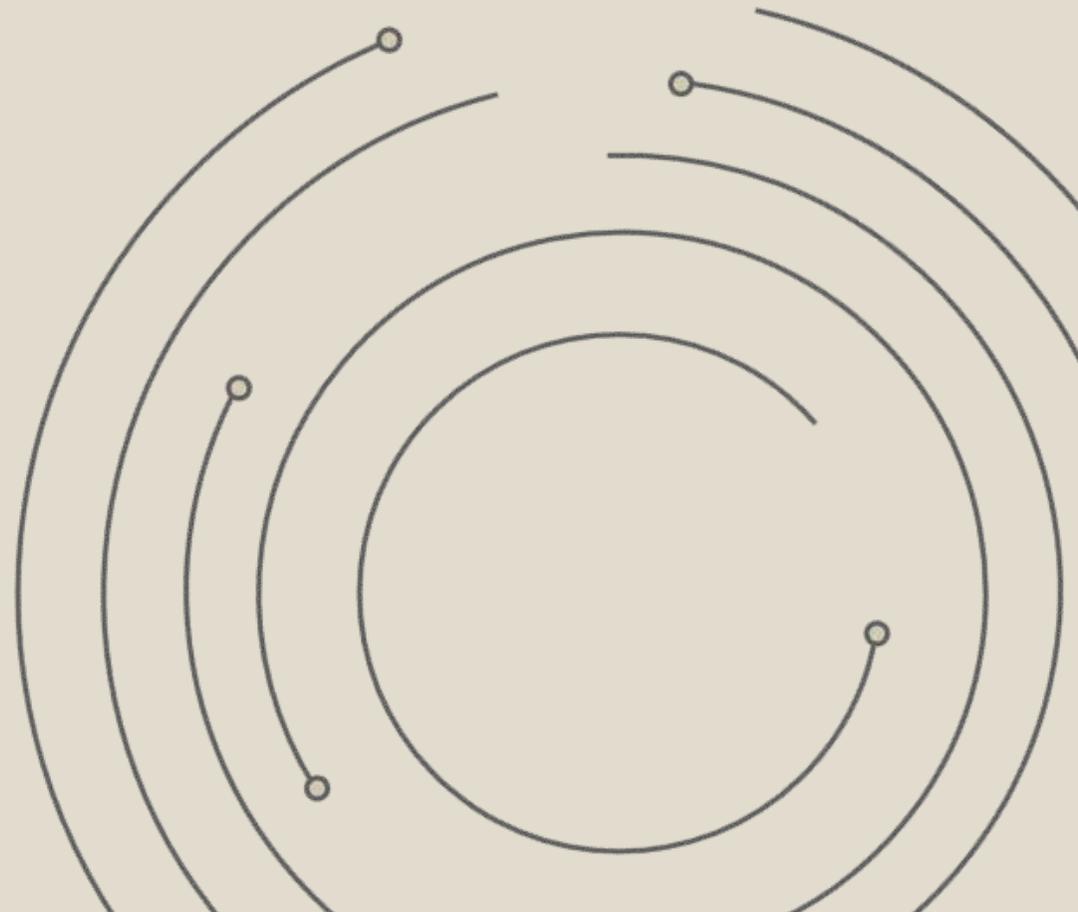
### RUB 16,024 mln total dividends to be paid in respect of 2017<sup>2</sup>



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.

- In respect of 2017. Subject to shareholders' approval, final and special final dividends will be paid in USD with conversion from RUB to be executed at the official exchange rate for RUB of the Central Bank of Russia as of the date of the Annual General Meeting, which was called for 23 April 2018. The shareholder dividend record date is set as 23 April 2018. The GDRs will be marked as ex-dividend on 20 April 2018.
- Subject to shareholders' approval of proposed final and special final dividends. Including interim and special interim dividends of RUB 8,008 mln total or RUB 44.80 per share/GDR paid in September 2017, as well as final and special final dividends of RUB 8,017 mln total or RUB 44.85 per share/GDR proposed in respect of 2017.
- Including interim dividend paid in September 2017 and proposed final dividend.
- Including special interim dividend paid in September 2017 and proposed special final dividend.

- Key takeaways



## Current industry outlook and management objectives

**Pricing environment remains favorable in gondola segment; cost pressures expected to continue**

- Pricing environment in gondola segment remains favorable subject to economic conditions and supply-demand balance
- Weak market environment in oil products and oil segment is likely to continue
- Group expects ongoing overall cost pressures, specifically for Empty Runs, reflecting the 5.3% rise in regulated RZD tariff for traction of empty railcars, and for repair and maintenance

**Focus on operational efficiencies and cost discipline**

- Continued focus on maintaining industry-leading logistics and operational efficiencies
- Maintain strong cost discipline in face of ongoing inflationary pressures
- Further develop long-term client relationships

**Continued prudent approach to capital allocation**

- Expand business opportunistically in line with strict return criteria
  - Continue selective, demand-based investments - acquisition of up to 1,500 units<sup>1</sup> targeted for 2018 (c.2.5% of Owned Fleet)
  - Investigate accretive consolidation opportunities and attractive niche projects
- Continue to return excess capital not required by the business to shareholders in the form of special dividends whilst maintaining a strong balance sheet

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 various types of rolling stock and tank containers.

## Key takeaways

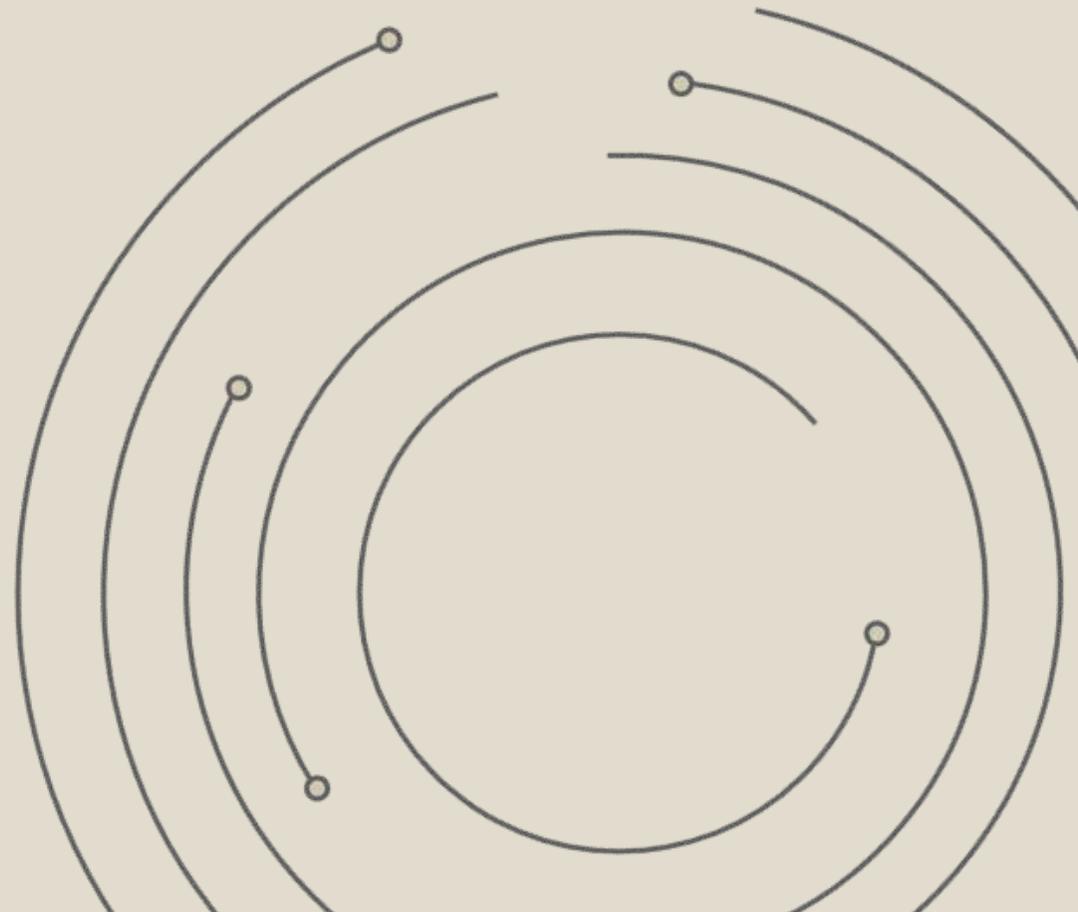
- **Robust market backdrop**
  - Russian freight rail turnover up 6% y-o-y in 2017 and 5% y-o-y in January - February 2018
- **Globaltrans performed strongly in 2017**
  - Adjusted EBITDA up 46% y-o-y with Adjusted EBITDA Margin expansion to 50%
  - Free Cash Flow nearly doubled y-o-y
  - Balance sheet strengthened further - Net Debt to Adjusted EBITDA reduced to 0.4x
- **Attractive capital returns to shareholders in respect of 2017**
  - Interim and special interim dividends paid of RUB 44.80 per share/GDR<sup>1</sup> in September 2017
  - Proposed final and special final dividends of RUB 44.85 per share/GDR<sup>2</sup>
- **Continued prudent approach to capital allocation**
  - Acquisition of up to 1,500 units (c.2.5% of Owned fleet) targeted for 2018
  - Review of options for inorganic growth in line with strict investment criteria
  - Continue to return excess capital not required by the business to shareholders in the form of special dividends whilst maintaining a strong balance sheet

Source: Globaltrans; Rosstat; RZD. 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) Combined amount of interim and special interim dividends.

2) Subject to shareholders' approval, final and special final dividends will be paid in USD with conversion from RUB to be executed at the official exchange rate for RUB of the Central Bank of Russia as of the date of the Annual General Meeting, which was called for 23 April 2018. The shareholder dividend record date is set as 23 April 2018. The GDRs will be marked as ex-dividend on 20 April 2018.

- Q&A Session



## Globaltrans: At a glance<sup>1</sup>

### A leading player servicing businesses across the world's largest country

- Focused exclusively on freight rail transportation in Russia and CIS
- Operates in key industrial segments including metals (55%), coal (21%), oil products and oil (13%) and construction materials (5%)<sup>2</sup>

### A large modern fleet and an effective operational platform

- Total Fleet of c.67k units with 92% in ownership, average age 11 years
- The core of the fleet consists of universal gondola cars (65%) and rail tank cars (30%)
- Rail tank car business enhanced by unique locomotive competences
- High operational efficiency and low Empty Runs

### Established blue-chip client base

- Trusted long-term partner to leading industrial groups in Russia and CIS
- 55% of Net Revenue from Operation of Rolling Stock covered by long-term service contracts<sup>3</sup>

### A publicly listed company committed to international governance standards

- Listed on the London Stock Exchange since 2008 with free-float >50%
- Experienced and well-balanced Board with 4 independent directors, including Chairman
- Prudent capital allocation and conservative financial policies
- Clear and transparent dividend policy linked to Attributable Free Cash Flow and Leverage

Source: Globaltrans; Rosstat. 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) All information on this page is at 31 December 2017 or for 2017 unless otherwise stated.

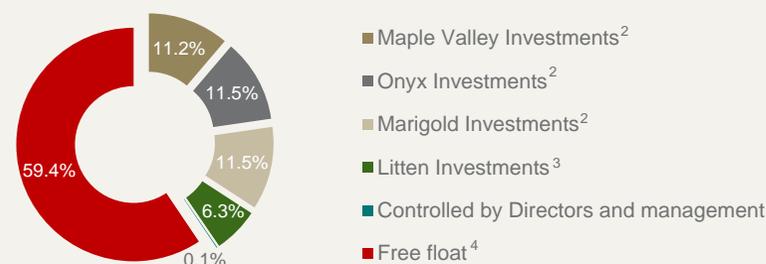
2) The share of respective segment in the Group's Freight Rail Turnover (excl. Engaged Fleet) in 2017. Metallurgical cargoes including ferrous metals, scrap metal and ores; coal including coke; construction materials including cement.

3) In 2017; Including long-term service contracts with Rosneft, MMK and Metalloinvest.

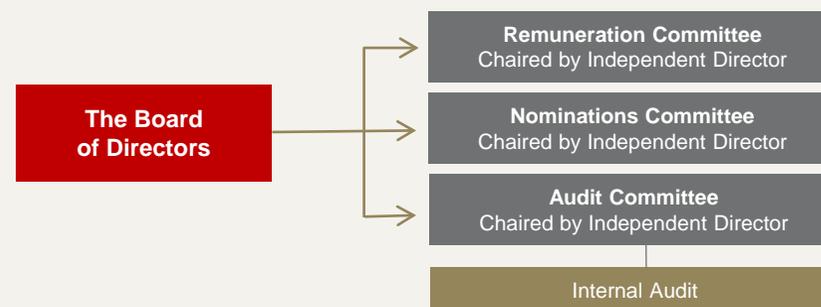
# Globaltrans: Publicly listed company committed to international governance standards

- **The first and only internationally listed freight rail transportation group with operations in Russia**
  - Listed on London Stock Exchange (“LSE”) since 2008 with free float exceeding 50%
  - Track record of several successful secondary offerings to finance business expansion
  - Transparency at par with best international peers and LSE requirements
  - Audited IFRS financial statements with all required disclosures since 2004
- **Experienced and well-balanced Board**
  - 14 members combining a wide range of experiences in transportation, finance, law, risk management and international trade
  - 4 independent directors including Chairman
  - 3 committees chaired by independent directors
- **Consistent strategy, prudent capital allocation and conservative financial policies**
  - Clear strategy to drive shareholder value
  - Opportunistic return-oriented investment approach
  - Transparent dividend policy linked to Attributable Free Cash Flow and Leverage

## Shareholder structure<sup>1</sup>



## The Board and its Committees



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) Based upon notifications and other information received by the Company with respect to beneficial ownership as of 31.12.2017.  
 2) Konstantin Nikolaev, Nikita Mishin and Andrey Filatov are co-founders of Globaltrans and are beneficiaries with regard to 11.2%, 11.5% and 11.5% respectively of Globaltrans' ordinary share capital each through their respective SPVs (Maple Valley Investments, Onyx Investments and Marigold Investments).  
 3) Beneficially owned by Alexander Eliseev, Executive Director and co-founder of Globaltrans.  
 4) For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.

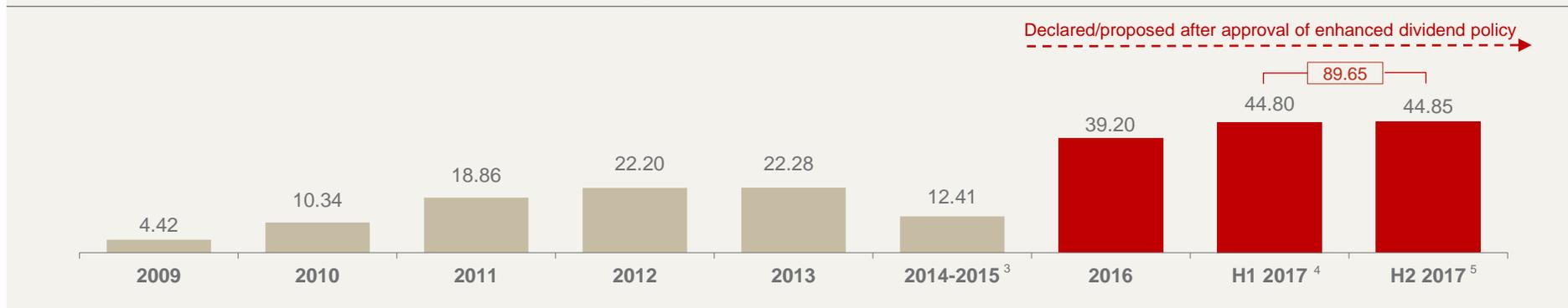
## Enhanced dividend policy approved in March 2017

- **Enhanced dividend policy strikes a balance between investing in business expansion and delivering returns to shareholders**
  - Focusing on maximising shareholder value, policy boosts payouts during low investment cycle and limits them in periods when sizable acquisitions meeting Globaltrans' strict return criteria are identified
  - Clear formula<sup>1</sup> linking dividends to Attributable Free Cash Flow and Leverage Ratio provides flexibility and transparency in capital allocation

Leverage Ratio	Dividends, % of Attributable Free Cash Flow
Less than 1.0x	Not less than 50%
From 1.0x to 2.0x	Not less than 30%
2.0x or higher	0% or more

### Dividend history

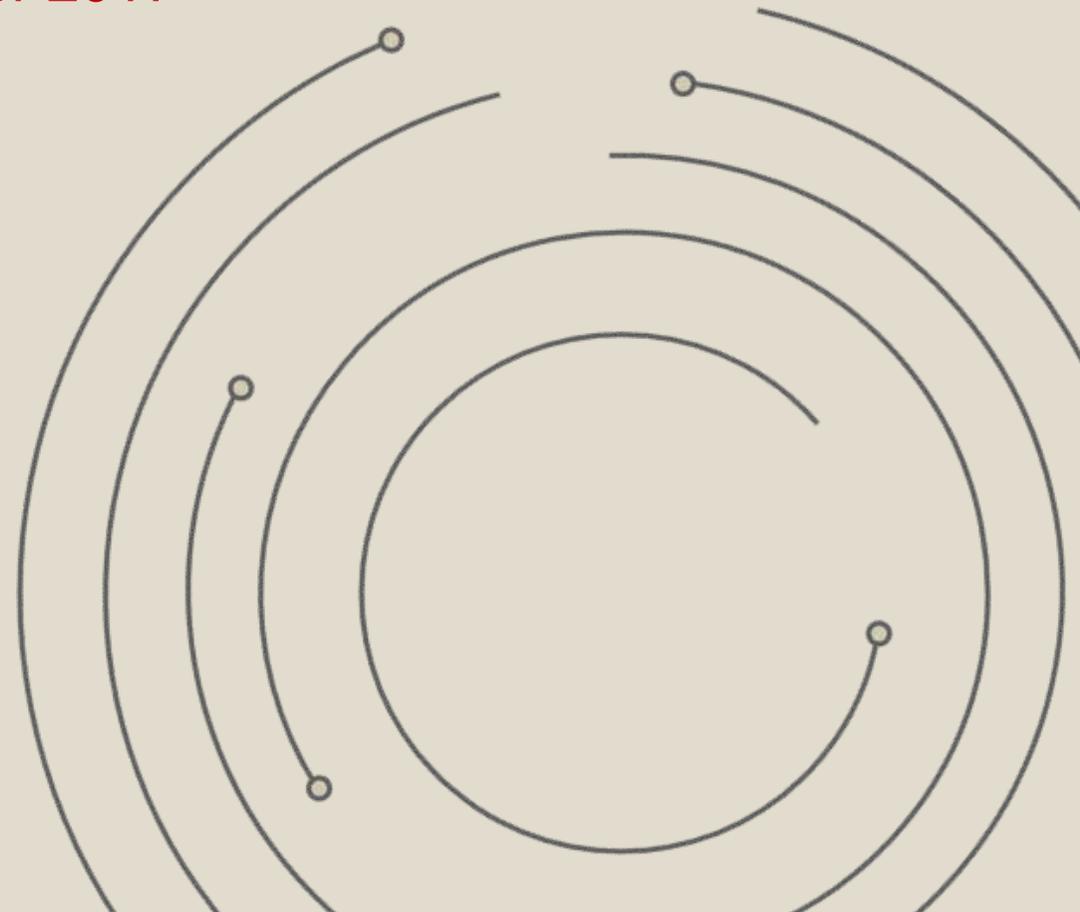
(RUB per share/GDR<sup>2</sup>, in respect of related financial year/period)



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 Board of Directors of Globaltrans reserves the right to recommend to the general meeting the dividend in the amount calculated on a reasonable basis other than described in this presentation in its sole discretion. For more details please see the Dividend policy as adopted by the Board on 31 March 2017 which is available at [www.globaltrans.com](http://www.globaltrans.com).
- 2) Prior to 2016 dividends on Globaltrans shares/GDRs were declared and paid in US Dollars, thus the amounts in Russian Roubles are presented for informational purposes only and calculated at the Central Bank of Russia's official exchange rate for the Russian rouble as of the date of Annual General Meeting that approved the respective dividend. From 2016 dividends on Globaltrans shares/GDRs are declared in Russian Roubles and paid in US Dollars.
- 3) The dividend declared in 2016 related to both the 2014 and 2015 financial years.
- 4) Including interim and special interim dividends.
- 5) Proposed final and special final dividends; subject to shareholders' approval.

- Extracts from the Group's consolidated management report and consolidated financial statements for the year ended 31 December 2017



## Consolidated income statement for the year ended 31 December 2017

	2017	2016
	RUB'000	RUB'000
<b>Revenue</b>	<b>78,080,532</b>	<b>69,487,991</b>
Cost of sales	(54,608,847)	(54,905,940)
<b>Gross profit</b>	<b>23,471,685</b>	<b>14,582,051</b>
Selling and marketing costs	(237,640)	(234,773)
Administrative expenses	(3,851,492)	(3,639,328)
Reversal of impairment of intangible assets	630,223	-
Other income	57,967	-
Other gains – net	85,392	116,328
<b>Operating profit</b>	<b>20,156,135</b>	<b>10,824,278</b>
Finance income	480,585	258,803
Finance costs	(2,046,403)	(2,280,202)
Net foreign exchange transaction losses on financing activities	(236,540)	(291,068)
Finance costs – net	(1,802,358)	(2,312,467)
Share of loss of associate	-	(60,831)
Profit before income tax	18,353,777	8,450,980
Income tax expense	(4,533,903)	(2,336,068)
<b>Profit for the year</b>	<b>13,819,874</b>	<b>6,114,912</b>
<b>Profit attributable to:</b>		
Owners of the Company	12,288,777	4,472,817
Non-controlling interests	1,531,097	1,642,095
	<b>13,819,874</b>	<b>6,114,912</b>
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (expressed in RUB per share)</b>	<b>68.75</b>	<b>25.02</b>

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. The Group's consolidated management report and consolidated financial statements for the year ended 31 December 2017 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

## Consolidated balance sheet as at 31 December 2017

	31 Dec 2017	31 Dec 2016
	RUB'000	RUB'000
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	64,770,907	65,653,581
Intangible assets	1,453,801	1,541,564
Income tax assets	-	21,899
Trade and other receivables	637,228	472,360
<b>Total non-current assets</b>	<b>66,861,936</b>	<b>67,689,404</b>
<i>Current assets</i>		
Inventories	776,341	565,200
Current income tax assets	18,273	81,953
Trade and other receivables	4,798,835	5,320,518
Cash and cash equivalents	4,966,171	4,773,414
<b>Total current assets</b>	<b>10,559,620</b>	<b>10,741,085</b>
<b>TOTAL ASSETS</b>	<b>77,421,556</b>	<b>78,430,489</b>

	31 Dec 2017	31 Dec 2016
	RUB'000	RUB'000
<b>EQUITY AND LIABILITIES</b>		
<i>Equity attributable to the owners of the Company</i>		
Share capital	516,957	516,957
Share premium	27,929,478	27,929,478
Common control transaction reserve	(10,429,876)	(10,429,876)
Translation reserve	3,035,126	2,530,486
Capital contribution	2,694,851	2,694,851
Retained earnings	21,146,195	23,871,655
<b>Total equity attributable to the owners of the Company</b>	<b>44,892,731</b>	<b>47,113,551</b>
<b>Non-controlling interest</b>	<b>5,724,899</b>	<b>6,094,707</b>
<b>TOTAL EQUITY</b>	<b>50,617,630</b>	<b>53,208,258</b>
<i>Non-current liabilities</i>		
Borrowings	9,050,768	9,694,243
Trade and other payables	-	117,890
Deferred tax liabilities	5,908,319	5,245,331
<b>Total non-current liabilities</b>	<b>14,959,087</b>	<b>15,057,464</b>
<i>Current liabilities</i>		
Borrowings	7,280,588	6,598,226
Trade and other payables	4,413,656	3,419,461
Current tax liabilities	150,595	147,080
<b>Total current liabilities</b>	<b>11,844,839</b>	<b>10,164,767</b>
<b>TOTAL LIABILITIES</b>	<b>26,803,926</b>	<b>25,222,231</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77,421,556</b>	<b>78,430,489</b>

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.

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## Consolidated cash flow statement for the year ended 31 December 2017

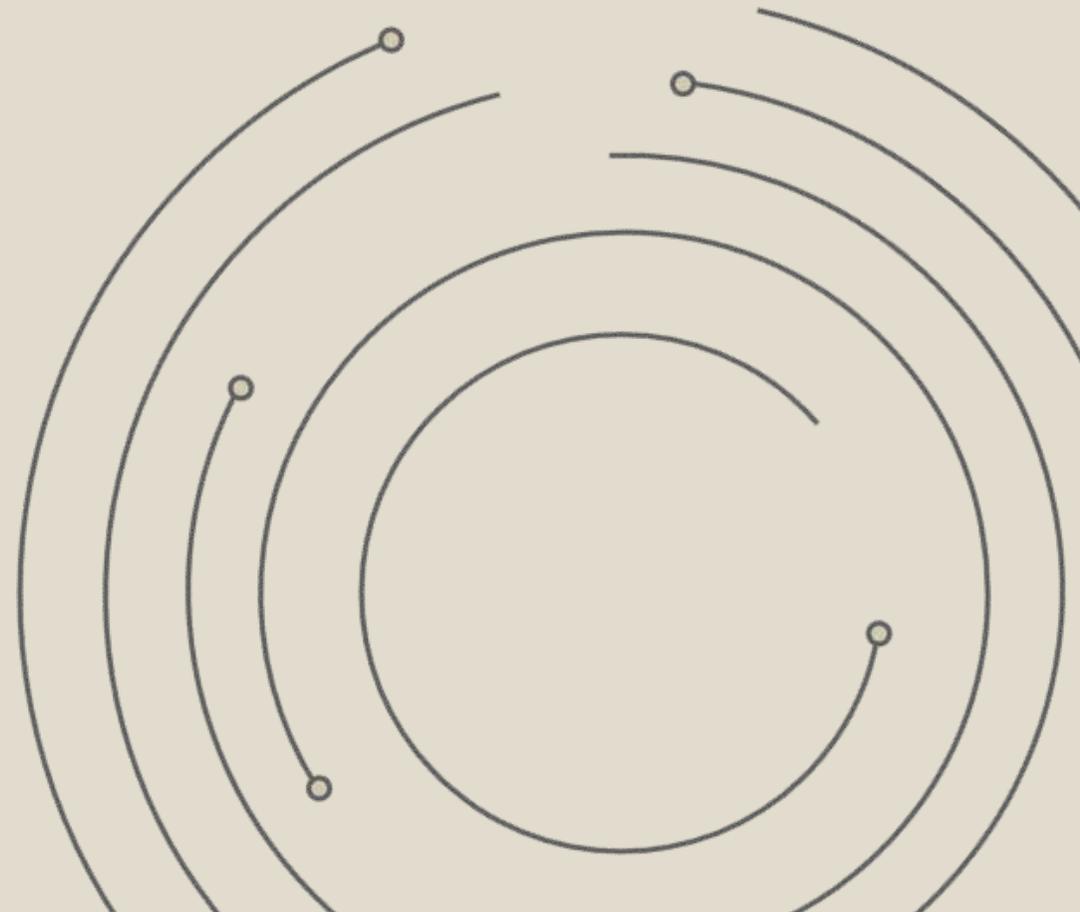
	2017	2016
	RUB'000	RUB'000
<b>Cash flows from operating activities</b>		
Profit before tax	18,353,777	8,450,980
Adjustments for:		
Depreciation of property, plant and equipment	4,962,459	4,958,173
Amortisation of intangible assets	717,986	835,677
Loss on sale of property, plant and equipment	28,507	58,938
Loss on derecognition arising on capital repairs	528,039	887,454
Impairment of property, plant and equipment	111,172	228,408
Profit on sale of associates	(60,888)	-
Impairment of receivables	60,755	82,194
Interest income	(480,585)	(258,803)
Finance costs	2,046,403	2,280,202
Other income	3,505	-
Share of loss of associate	-	60,831
Net foreign exchange losses from financing activities	236,540	291,068
Reversal of impairment of intangible assets	(630,223)	-
	<b>25,877,447</b>	<b>17,875,122</b>
<b>Changes in working capital:</b>		
Inventories	106,437	202,228
Trade and other receivables	763,480	(267,570)
Trade and other payables	748,209	(146,460)
<b>Cash generated from operations</b>	<b>27,495,573</b>	<b>17,663,320</b>
Tax paid	(3,631,769)	(1,587,792)
<b>Net cash from operating activities</b>	<b>23,863,804</b>	<b>16,075,528</b>

	2017	2016
	RUB'000	RUB'000
<b>Cash flows from investing activities</b>		
Loan repayments received from third parties	11,485	15,961
Purchases of property, plant and equipment	(4,872,076)	(4,932,019)
Purchases of intangible assets	-	(9,500)
Proceeds from disposal of property, plant and equipment	267,526	177,384
Proceeds from sale of associates	60,888	-
Interest received	480,585	261,564
Receipts from finance lease receivable	23,830	4,461
<b>Net cash used in investing activities</b>	<b>(4,027,762)</b>	<b>(4,482,149)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	15,710,000	9,855,265
Repayments of borrowings	(15,722,698)	(13,943,584)
Interest paid	(1,943,746)	(2,251,804)
Contribution from non-controlling interests	-	8,310
Dividends paid to Company's shareholders	(15,014,237)	(2,218,175)
Dividends paid to non-controlling interests	(2,200,000)	(2,065,107)
<b>Net cash used in financing activities</b>	<b>(19,170,681)</b>	<b>(10,615,095)</b>
<b>Net increase in cash and cash equivalents</b>	<b>665,361</b>	<b>978,284</b>
Exchange losses on cash and cash equivalents	(472,604)	(308,949)
Cash and cash equivalents at beginning of year	4,773,414	4,104,079
<b>Cash and cash equivalents at end of year</b>	<b>4,966,171</b>	<b>4,773,414</b>

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.

The Group's consolidated management report and consolidated financial statements for the year ended 31 December 2017 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

- Selected operational information for the year ended 31 December 2017



## Fleet (including rolling stock and tank containers)

	31/12/2017	31/12/2016	Change	Change, %
<b>Owned Fleet</b>				
Gondola cars	41,282	40,702	580	1%
Rail tank cars	18,133	18,387	-254	-1%
Locomotives	69	75	-6	-8%
Other railcars (incl. flat, hopper cars, etc)	510	982	-472	-48%
Petrochemical tank containers	1,256	700	556	79%
<b>Total</b>	<b>61,250</b>	<b>60,846</b>	<b>404</b>	<b>1%</b>
<i>Owned Fleet as % of Total Fleet</i>	<i>92%</i>	<i>89%</i>	<i>-</i>	<i>-</i>

	31/12/2017	31/12/2016	Change	Change, %
<b>Leased-in Fleet</b>				
Gondola cars	2,321	2,574	-253	-10%
Rail tank cars	1,989	4,088	-2,099	-51%
Locomotives	0	0	0	n/a
Other railcars	752	623	129	21%
Petrochemical tank containers	380	380	0	0%
<b>Total</b>	<b>5,442</b>	<b>7,665</b>	<b>-2,223</b>	<b>-29%</b>
<i>Leased-in Fleet as % of Total Fleet</i>	<i>8%</i>	<i>11%</i>	<i>-</i>	<i>-</i>

	31/12/2017	31/12/2016	Change	Change, %
<b>Total Fleet (Owned Fleet and Leased-in Fleet)</b>				
Gondola cars	43,603	43,276	327	1%
Rail tank cars	20,122	22,475	-2,353	-10%
Locomotives	69	75	-6	-8%
Other railcars (incl. flat, hopper cars, etc)	1,262	1,605	-343	-21%
Petrochemical tank containers	1,636	1,080	556	51%
<b>Total</b>	<b>66,692</b>	<b>68,511</b>	<b>-1,819</b>	<b>-3%</b>

	31/12/2017	31/12/2016	Change	Change, %
<b>Total Fleet by type, %</b>				
Gondola cars	65%	63%	-	-
Rail tank cars	30%	33%	-	-
Locomotives	0%	0%	-	-
Other railcars (incl. flat, hopper cars, etc)	2%	2%	-	-
Petrochemical tank containers	2%	2%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

	31/12/2017	31/12/2016	Change	Change, %
<b>Average age of Owned Fleet</b>				
Gondola cars	9.9	8.9	-	-
Rail tank cars	14.3	13.3	-	-
Locomotives	13.7	14.8	-	-
Other railcars	24.1	18.7	-	-
Petrochemical tank containers	1.2	1.0	-	-
<b>Total</b>	<b>11.1</b>	<b>10.3</b>	<b>-</b>	<b>-</b>

## Operation of rolling stock (excluding Engaged Fleet)<sup>1</sup>

	2017	2016	Change	Change, %
<b>Freight Rail Turnover, billion tonnes-km</b>				
<b>Metallurgical cargoes</b>	<b>87.8</b>	<b>91.4</b>	<b>-3.6</b>	<b>-4%</b>
Ferrous metals	33.4	36.5	-3.1	-8%
Scrap metal	4.1	4.5	-0.4	-8%
Iron ore	50.2	50.4	-0.2	0%
<b>Oil products and oil</b>	<b>20.5</b>	<b>22.6</b>	<b>-2.1</b>	<b>-9%</b>
<b>Coal (incl. coke)</b>	<b>34.3</b>	<b>27.5</b>	<b>6.9</b>	<b>25%</b>
<b>Construction materials</b>	<b>8.0</b>	<b>10.4</b>	<b>-2.4</b>	<b>-23%</b>
Crushed stone	6.6	9.1	-2.5	-27%
Cement	0.3	0.5	-0.2	-35%
Other construction materials	1.1	0.8	0.2	27%
<b>Other</b>	<b>9.4</b>	<b>8.8</b>	<b>0.6</b>	<b>6%</b>
<b>Total</b>	<b>160.1</b>	<b>160.7</b>	<b>-0.7</b>	<b>0%</b>

<b>Freight Rail Turnover by cargo type, %</b>				
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	55%	57%	-	-
Oil products and oil	13%	14%	-	-
Coal (incl. coke)	21%	17%	-	-
Construction materials (incl. cement)	5%	6%	-	-
Other	6%	5%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

<b>Transportation Volume, million tonnes</b>				
<b>Metallurgical cargoes</b>	<b>45.5</b>	<b>42.8</b>	<b>2.7</b>	<b>6%</b>
Ferrous metals	16.1	16.2	-0.1	0%
Scrap metal	3.5	3.8	-0.4	-9%
Iron ore	25.9	22.8	3.1	14%
<b>Oil products and oil</b>	<b>20.2</b>	<b>20.8</b>	<b>-0.6</b>	<b>-3%</b>
<b>Coal (incl. coke)</b>	<b>10.4</b>	<b>10.0</b>	<b>0.4</b>	<b>4%</b>
<b>Construction materials</b>	<b>9.1</b>	<b>12.0</b>	<b>-2.9</b>	<b>-24%</b>
Crushed stone	8.2	10.9	-2.7	-25%
Cement	0.2	0.5	-0.2	-46%
Other construction materials	0.7	0.7	0.0	-1%
<b>Other</b>	<b>6.6</b>	<b>6.9</b>	<b>-0.3</b>	<b>-4%</b>
<b>Total</b>	<b>91.9</b>	<b>92.6</b>	<b>-0.7</b>	<b>-1%</b>

	2017	2016	Change	Change, %
<b>Average Rolling Stock Operated, units</b>				
Gondola cars	42,052	41,824	228	1%
Rail tank cars	10,961	12,593	-1,631	-13%
Locomotives	48	46	2	4%
Other railcars	523	715	-192	-27%
<b>Total</b>	<b>53,584</b>	<b>55,178</b>	<b>-1,594</b>	<b>-3%</b>

<b>Average Number of Loaded Trips per Railcar</b>				
Gondola cars	25.1	25.2	-0.1	-1%
Rail tank cars	30.9	27.5	3.3	12%
Other railcars	69.0	55.1	13.9	25%
<b>Total</b>	<b>26.7</b>	<b>26.1</b>	<b>0.5</b>	<b>2%</b>

<b>Average Distance of Loaded Trip, km</b>				
Gondola cars	1,985	1,970	15	1%
Rail tank cars	997	1,069	-72	-7%
Other railcars	808	914	-106	-12%
<b>Total</b>	<b>1,720</b>	<b>1,723</b>	<b>-3</b>	<b>0%</b>

<b>Average Price per Trip, RUB</b>	34,790	28,975	5,815	20%
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<b>Net Revenue from Operation of Rolling Stock by cargo type, Rub million</b>				
<b>Metallurgical cargoes</b>	<b>18,753*</b>	<b>13,787*</b>	<b>4,966</b>	<b>36%</b>
Ferrous metals	8,789*	7,451*	1,338	18%
Scrap metal	1,503*	1,068*	435	41%
Iron ore	8,460*	5,268*	3,192	61%
<b>Oil products and oil</b>	<b>17,124*</b>	<b>18,684*</b>	<b>-1,561</b>	<b>-8%</b>
<b>Coal (incl. coke)</b>	<b>7,551*</b>	<b>4,061*</b>	<b>3,490</b>	<b>86%</b>
<b>Construction materials (incl. cement)</b>	<b>3,176*</b>	<b>2,951*</b>	<b>225</b>	<b>8%</b>
<b>Other</b>	<b>3,105*</b>	<b>2,274*</b>	<b>831</b>	<b>37%</b>
<b>Total</b>	<b>49,709*</b>	<b>41,757*</b>	<b>7,952</b>	<b>19%</b>

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.

Selected operational information for the year ended 31 December 2017 and prior periods are available in xls format at the corporate website ([www.globaltrans.com](http://www.globaltrans.com))

1) Excluding operational and financial information of petrochemical tank container business segment. The revenue from this segment is included in "Other" revenue in EU IFRS statements.

## Operation of rolling stock (excluding Engaged Fleet)<sup>1</sup>

	2017	2016	Change	Change, %
<b>Net Revenue from Operation of Rolling Stock by cargo type, %</b>				
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	38%	33%	-	-
Oil products and oil	34%	45%	-	-
Coal (incl. coke)	15%	10%	-	-
Construction materials (incl. cement)	6%	7%	-	-
Other	6%	5%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	-	-

<b>Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %</b>				
Rosneft	25%	34%	-	-
Metalloinvest	15%	13%	-	-
MMK	15%	14%	-	-
Gazpromneft	7%	8%	-	-
Evrz	5%	5%	-	-
TMK	2%	1%	-	-
UGMK-Trans	2%	2%	-	-
Severstal	1%	1%	-	-
SDS-Ugol	2%	0%	-	-
ChelPipe	1%	1%	-	-
Other (incl. small and medium enterprises)	26%	21%	-	-

	2017	2016	Change	Change, %
<b>Empty Run Ratio, %</b>				
Gondola cars	37%	38%	-	-
Rail tank cars and other railcars	95%	99%	-	-
<b>Total Empty Run Ratio, %</b>	<b>45%</b>	<b>48%</b>	-	-
<b>Empty Run Costs, Rub million</b>	<b>12,154*</b>	<b>12,428*</b>	<b>-274</b>	<b>-2%</b>
<b>Share of Empty Run Kilometres Paid by Globaltrans, %</b>	<b>86%</b>	<b>88%</b>	-	-

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1) Excluding operational and financial information of petrochemical tank container business segment. The revenue from this segment is included in "Other" revenue in EU IFRS statements.

## Other operational metrics<sup>1</sup>

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

	2017	2016	Change	Change, %
<b>Freight Rail Turnover, billion tonnes-km</b>				
<b>Metallurgical cargoes</b>	<b>103.6</b>	<b>109.8</b>	<b>-6.2</b>	<b>-6%</b>
Ferrous metals	36.8	41.4	-4.7	-11%
Scrap metal	4.1	4.7	-0.5	-11%
Iron ore	62.7	63.7	-1.0	-2%
<b>Oil products and oil</b>	<b>20.7</b>	<b>22.8</b>	<b>-2.1</b>	<b>-9%</b>
<b>Coal (incl. coke)</b>	<b>36.4</b>	<b>29.7</b>	<b>6.6</b>	<b>22%</b>
<b>Construction materials</b>	<b>8.0</b>	<b>10.7</b>	<b>-2.6</b>	<b>-25%</b>
Crushed stone	6.6	9.3	-2.7	-29%
Cement	0.3	0.5	-0.2	-36%
Other construction materials	1.1	0.8	0.2	26%
<b>Other</b>	<b>9.5</b>	<b>9.0</b>	<b>0.4</b>	<b>5%</b>
<b>Total</b>	<b>178.2</b>	<b>182.0</b>	<b>-3.8</b>	<b>-2%</b>

<b>Transportation Volume, million tones</b>				
	2017	2016	Change	Change, %
<b>Metallurgical cargoes</b>	<b>53.2</b>	<b>51.8</b>	<b>1.5</b>	<b>3%</b>
Ferrous metals	17.9	18.8	-0.9	-5%
Scrap metal	3.5	4.0	-0.4	-11%
Iron ore	31.8	29.1	2.8	10%
<b>Oil products and oil</b>	<b>20.5</b>	<b>21.1</b>	<b>-0.6</b>	<b>-3%</b>
<b>Coal (incl. coke)</b>	<b>11.4</b>	<b>11.0</b>	<b>0.4</b>	<b>4%</b>
<b>Construction materials</b>	<b>9.2</b>	<b>12.3</b>	<b>-3.1</b>	<b>-25%</b>
Crushed stone	8.3	11.1	-2.8	-26%
Cement	0.2	0.5	-0.2	-47%
Other construction materials	0.7	0.7	0.0	-2%
<b>Other</b>	<b>6.8</b>	<b>7.2</b>	<b>-0.4</b>	<b>-6%</b>
<b>Total</b>	<b>101.1</b>	<b>103.3</b>	<b>-2.2</b>	<b>-2%</b>

### Engaged Fleet

	2017	2016	Change	Change, %
<b>Net Revenue from Engaged Fleet, Rub million</b>	<b>173*</b>	<b>199*</b>	<b>-26</b>	<b>-13%</b>

### Operating leasing of rolling stock

	31/12/2017	31/12/2016	Change	Change, %
<b>Leased-out Fleet</b>				
Gondola cars	353	298	55	18%
Rail tank cars	8,631	9,447	-816	-9%
Locomotives	0	4	-4	-100%
Other railcars (incl. flat, hopper cars, etc)	96	473	-377	-80%
<b>Total</b>	<b>9,080</b>	<b>10,222</b>	<b>-1,142</b>	<b>-11%</b>
<i>Leased-out Fleet as % of Total Fleet</i>	<i>14%</i>	<i>15%</i>	<i>-</i>	<i>-</i>

### Employees

	31/12/2017	31/12/2016	Change	Change, %
<b>Total</b>	<b>1,594</b>	<b>1,552</b>	<b>42</b>	<b>3%</b>

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. Selected operational information for the year ended 31 December 2017 and prior periods are available in xls format at the corporate website ([www.globaltrans.com](http://www.globaltrans.com))

1) Excluding operational and financial information of petrochemical tank container business segment. The revenue from this segment is included in "Other" revenue in EU IFRS statements.

## Definitions (in alphabetical order)

**Adjusted EBITDA** (a non-GAAP financial measure) represents EBITDA excluding “Net foreign exchange transaction gains/(losses) on borrowings, dividend payable and other liabilities”, “Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets”, “Share of profit/(loss) of associate”, “Other gains - net”, “Net (gain)/loss on sale of property, plant and equipment”, “Impairment of property, plant and equipment”, “Impairment of intangible assets”, “Loss on derecognition arising on capital repairs” and “Reversal of impairment of intangible assets”.

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

**Adjusted Profit Attributable to Non-controlling Interests** (a non-GAAP financial measure) is calculated as “Profit attributable to non-controlling interests” less share of “Impairment of property, plant and equipment” and “Impairment of intangible assets” attributable to non-controlling interests.

**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”.

**Attributable Free Cash Flow** (a non-GAAP financial measure) means Free Cash Flow less Adjusted Profit Attributable to Non-controlling Interests.

**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, Engaged Fleet, platforms and tank containers used in petrochemical business).

**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, dividend payable and other liabilities” and “Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets”), “Depreciation of property, plant and equipment” and “Amortisation of intangible assets”.

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

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

**Empty Run Costs** (a non-GAAP financial measure meaning costs payable to RZD for forwarding empty railcars) is derived from management accounts and presented as part of the “Infrastructure and locomotive tariffs: empty run trips and other tariffs” component of “Cost of sales” reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased in or leased out, Engaged Fleet, platforms and tank containers used in petrochemical business.

**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, Engaged Fleet, platforms and tank containers used in petrochemical business).

**Free Cash Flow** (a non-GAAP financial measure) is calculated as “Cash generated from operations” (after “Changes in working capital”) less “Tax paid”, “Interest paid”, “Purchases of property, plant and equipment” (which includes maintenance CAPEX), “Purchases of intangible assets” and “Acquisition of subsidiary undertakings - net of cash acquired”.

**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 excludes volumes transported by Engaged Fleet and performance of petrochemical tank container segment, unless otherwise stated.

## Definitions (in alphabetical order, continued)

**Infrastructure and Locomotive Tariffs - Other Tariffs** (a non-GAAP financial measure, derived from management accounts) 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. This cost item includes the costs of relocation of rolling stock to and from maintenance, transition of purchased rolling stock to its first place of commercial utilisation, and relocation of rolling stock in and from lease operations as well as other expenses including the empty run costs attributable to the petrochemical tank container business.

**Leased-in Fleet** is defined as fleet leased-in under operating leases, including railcars, locomotives and petrochemical tank containers.

**Leased-out Fleet** is defined as fleet leased out to third parties under operating leases (excluding platforms and tank containers used in petrochemical business).

**Leverage Ratio** (a non-GAAP financial measure) means the ratio of Net Debt on the last day of a particular financial period to adjusted EBITDA in respect of that financial period.

**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, derived from management accounts) 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, derived from management accounts) 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”, “Impairment of property, plant and equipment”, “Net (gain)/loss on sale of property, plant and equipment” and “Loss on derecognition arising on capital repairs”.

**Total Operating Non-Cash Costs** (a non-GAAP financial measure) include cost items such as “Depreciation of property, plant and equipment”, “Amortisation of intangible assets”, “Loss on derecognition arising on capital repairs”, “Impairment charge for receivables”, “Impairment of property, plant and equipment” and “Net (gain)/loss on sale of property, plant and equipment”.

**Other Operating Cash Costs** (a non-GAAP financial measure) include cost items such as “Advertising and promotion”, “Auditors’ remuneration”, “Communication costs”, “Information services”, “Legal, consulting and other professional fees”, “Rental of tank containers”, “Operating lease rentals - office”, “Taxes (other than income tax and value added taxes)” and “Other expenses”.

**Owned Fleet** is defined as the fleet owned and leased in under finance lease as at the end of the reporting period. It includes railcars, locomotives and petrochemical tank containers 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, Engaged Fleet, platforms and tank containers used in petrochemical business in the relevant period).

**Total Empty Run Ratio** is calculated as total kilometres travelled empty divided by the total kilometres travelled loaded by the rolling stock 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, Engaged Fleet, platforms and tank containers used in petrochemical business) in the relevant period.

**Total Fleet** is defined as the fleet owned and leased in under finance and operating leases as at the end of reporting period. It includes railcars, locomotives and petrochemical tank containers 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 excludes volumes transported by Engaged Fleet and performance of petrochemical tank container segment, unless otherwise stated.

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