

# Globaltrans Investment PLC

Condensed consolidated interim financial information (unaudited)  
for the six months ended 30 June 2013

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## Condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2013

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# Consolidated interim income statement

for the six months ended 30 June 2013

	Note	Six months ended 30 June	
		2013 US\$'000	2012 US\$'000
Revenue	9	1,213,182	967,537
Cost of sales	10	(892,807)	(626,556)
Gross profit		320,375	340,981
Selling and marketing costs	10	(2,795)	(1,868)
Administrative expenses	10	(70,568)	(59,349)
Other gains – net		388	1,372
Operating profit		247,400	281,136
Finance income	11	11,002	4,948
Finance costs	11	(63,471)	(81,028)
Finance costs – net		(52,469)	(76,080)
Share of (loss)/profit of associate		(6)	213
Profit before income tax		194,925	205,269
Income tax expense	16	(46,670)	(45,720)
Profit for the period		148,255	159,549
<i>Attributable to:</i>			
Owners of the Company		109,529	132,635
Non-controlling interests		38,726	26,914
		148,255	159,549
Weighted average number of ordinary shares in issue (thousands)	17	178,741	154,538
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US\$ per share) <sup>(1)</sup>	17	0.61	0.86

<sup>(1)</sup> Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares (excluding treasury shares) in issue during the period.

The notes on pages 6 to 19 are an integral part of these interim condensed consolidated financial statements.

# Consolidated interim statement of comprehensive income

for the six months ended 30 June 2013

	Six months ended 30 June	
	2013 US\$'000	2012 US\$'000
Profit for the period	148,255	159,549
<i>Other comprehensive losses:</i>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(103,307)	(15,618)
Other comprehensive loss for the period, net of tax	(103,307)	(15,618)
Total comprehensive income for the period	44,948	143,931
<i>Total comprehensive income attributable to:</i>		
- owners of the Company	12,014	118,631
- non-controlling interests	32,934	25,300
	44,948	143,931

Items in the statement above are disclosed net of tax. There is no income tax relating to the components of other comprehensive income above.

The notes on pages 6 to 19 are an integral part of these interim condensed consolidated financial statements.

# Consolidated interim balance sheet

at 30 June 2013

	Note	30-Jun-2013 US\$'000	31-Dec-2012 US\$'000
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	12	2,233,329	2,281,868
Intangible assets	8	363,462	197,044
Income tax assets		1,800	1,800
Investment in associate		2,205	2,230
Trade and other receivables	13	526	-
Total non-current assets		2,601,322	2,482,942
<i>Current assets</i>			
Inventories		18,685	13,675
Restricted cash		-	10,000
Trade and other receivables	13	224,865	263,295
Current income tax assets		9,611	1,715
Cash and cash equivalents		172,474	178,190
Total current assets		425,635	466,875
<b>TOTAL ASSETS</b>		<b>3,026,957</b>	<b>2,949,817</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity attributable to the owners of the Company</i>			
Share capital	19	17,875	17,875
Share premium	19	949,471	949,471
Common control transaction reserve		(368,476)	(368,476)
Translation reserve		(154,052)	(56,537)
Capital contribution		90,000	90,000
Retained earnings		799,669	815,259
Total equity attributable to the owners of the Company		1,334,487	1,447,592
Non-controlling interests		157,257	158,268
<b>TOTAL EQUITY</b>		<b>1,491,744</b>	<b>1,605,860</b>
<i>Non-current liabilities</i>			
Borrowings	15	888,992	837,175
Deferred tax liabilities		150,823	125,074
Total non-current liabilities		1,039,815	962,249
<i>Current liabilities</i>			
Borrowings	15	378,685	237,933
Trade and other payables	14	111,814	135,568
Current tax liabilities		4,899	8,207
Total current liabilities		495,398	381,708
<b>TOTAL LIABILITIES</b>		<b>1,535,213</b>	<b>1,343,957</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,026,957</b>	<b>2,949,817</b>

The notes on pages 6 to 19 are an integral part of these interim condensed consolidated financial statements.

# Consolidated interim statement of changes in equity

for the six months ended 30 June 2013

	Attributable to the owners of the Company										
	Note	Share capital	Share premium	Treasury shares	Common control transaction reserve	Translation reserve	Capital contribution	Retained earnings	Total	Non-controlling interests	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2012</b>		<b>15,814</b>	<b>621,227</b>	<b>-</b>	<b>(368,476)</b>	<b>(139,787)</b>	<b>90,000</b>	<b>639,283</b>	<b>858,061</b>	<b>130,994</b>	<b>989,055</b>
<i>Comprehensive income</i>											
Profit for the period		-	-	-	-	-	-	132,635	132,635	26,914	159,549
<i>Other comprehensive income</i>											
Currency translation differences		-	-	-	-	(14,004)	-	-	(14,004)	(1,614)	(15,618)
Total comprehensive income for the period ended 30 June 2012		-	-	-	-	(14,004)	-	132,635	118,631	25,300	143,931
<i>Transactions with owners</i>											
Dividends to owners of the Company	18	-	-	-	-	-	-	(98,879)	(98,879)	-	(98,879)
Dividends to non-controlling interests	18	-	-	-	-	-	-	-	-	(23,452)	(23,452)
Purchase of treasury shares		-	-	(43,173)	-	-	-	-	(43,173)	-	(43,173)
Total transactions with owners		-	-	(43,173)	-	-	-	(98,879)	(142,052)	(23,452)	(165,504)
<b>Balance at 30 June 2012</b>		<b>15,814</b>	<b>621,227</b>	<b>(43,173)</b>	<b>(368,476)</b>	<b>(153,791)</b>	<b>90,000</b>	<b>673,039</b>	<b>834,640</b>	<b>132,842</b>	<b>967,482</b>
<b>Balance at 1 January 2013</b>		<b>17,875</b>	<b>949,471</b>	<b>-</b>	<b>(368,476)</b>	<b>(56,537)</b>	<b>90,000</b>	<b>815,259</b>	<b>1,447,592</b>	<b>158,268</b>	<b>1,605,860</b>
<i>Comprehensive income</i>											
Profit for the period		-	-	-	-	-	-	109,529	109,529	38,726	148,255
<i>Other comprehensive income</i>											
Currency translation differences		-	-	-	-	(97,515)	-	-	(97,515)	(5,792)	(103,307)
Total comprehensive income for the period ended 30 June 2013		-	-	-	-	(97,515)	-	109,529	12,014	32,934	44,948
<i>Transactions with owners</i>											
Dividends to owners of the Company	18	-	-	-	-	-	-	(125,119)	(125,119)	-	(125,119)
Dividends to non-controlling interests	18	-	-	-	-	-	-	-	-	(26,760)	(26,760)
Acquisition of subsidiaries	7	-	-	-	-	-	-	-	-	(7,185)	(7,185)
Total transactions with owners		-	-	-	-	-	-	(125,119)	(125,119)	(33,945)	(159,064)
<b>Balance at 30 June 2013</b>		<b>17,875</b>	<b>949,471</b>	<b>-</b>	<b>(368,476)</b>	<b>(154,052)</b>	<b>90,000</b>	<b>799,669</b>	<b>1,334,487</b>	<b>157,257</b>	<b>1,491,744</b>

The notes on pages 6 to 19 are an integral part of these interim condensed consolidated financial statements.

# Consolidated interim cash flow statement

for the six months ended 30 June 2013

	Note	Six months ended 30 June	
		2013 US\$'000	2012 US\$'000
<i>Cash flows from operating activities</i>			
Profit before tax		194,925	205,269
Adjustments for:			
Depreciation of property, plant and equipment	10	84,419	46,316
Amortisation of intangible assets	10	15,477	1,585
(Gain)/loss on sale of property, plant and equipment	10	(186)	900
Interest income	11	(1,979)	(2,796)
Interest expense	11	62,786	41,475
Share of losses/(profit) of associate		6	(213)
Exchange (gains)/losses on financing activities	11	(8,338)	37,401
		347,110	329,937
<i>Changes in working capital:</i>			
Inventories		(3,509)	(1,656)
Trade and other receivables		72,079	(77,864)
Trade and other payables		(79,173)	(22,694)
Cash generated from operations		336,507	227,723
Tax paid		(50,563)	(51,403)
Net cash from operating activities		285,944	176,320
<i>Cash flows from investing activities</i>			
Acquisition of subsidiary, net of cash acquired	7	(201,903)	(539,417)
Purchases of property, plant and equipment		(21,122)	(647,516)
Proceeds from disposal of property, plant and equipment		4,246	1,669
Loan repayments received from third parties		19	-
Interest received		3,608	2,796
Net cash used in investing activities		(215,152)	(1,182,468)
<i>Cash flows from financing activities</i>			
Proceeds from borrowings		397,768	1,320,369
Repayments of borrowings (including non-convertible unsecured bonds)		(232,213)	(123,748)
Finance lease principal payments		(26,943)	(17,787)
Interest paid		(58,744)	(38,610)
Dividends paid to non-controlling interests in subsidiaries	18	(24,028)	(23,452)
Dividends paid to owners of the Company	18	(125,119)	(98,879)
Purchase of treasury shares		-	(43,173)
Net cash (used in)/from financing activities		(69,279)	974,720
Net increase/(decrease) in cash and cash equivalents		1,513	(31,428)
Exchange (losses)/gains on cash and cash equivalents		(7,229)	1,333
Cash, cash equivalents and bank overdrafts at beginning of period		178,190	119,720
Cash, cash equivalents and bank overdrafts at end of period		172,474	89,625

The notes on pages 6 to 19 are an integral part of these interim condensed consolidated financial statements.

# Notes to the condensed consolidated interim financial information

## 1. GENERAL INFORMATION

Globaltrans Investment PLC (the "Company") and its subsidiaries (together the "Group") is a freight rail transportation group operating in Russia, the CIS countries and the Baltics.

The main business of the Group is the provision of freight rail transportation services with a focus on the transportation of key industrial freight including metallurgical cargoes, oil products and oil, coal and various construction materials. The Group is also engaged in operating lease of rolling stock.

The Company is a public limited company incorporated and domiciled in Cyprus in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The address of its registered office is 20 Omirou Street, Agios Nikolaos, CY-3095 Limassol, Cyprus. The Group's principal place of business is at 16/15 Spartakovskaya Sqr., Moscow, Russia.

Global Depository Receipts representing ordinary shares of the Company are listed on the Main market of London Stock Exchange.

This condensed consolidated interim financial information was approved by the Board of Directors of the Company on 2 September 2013.

This condensed consolidated interim financial information has been reviewed, not audited.

## 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Cyprus Companies Law, Cap. 113.

## 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2012, as described in those annual consolidated financial statements.

### (a) Intangible assets

#### *Customer relationships*

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships related to transportation services contract with MMK Group have a finite useful life and are carried at cost less accumulated amortisation and are being amortised over an estimated useful life of seven years.

### (b) Taxes

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected annual earnings for each tax jurisdiction and applied individually to the interim period pre-tax income of the relevant jurisdiction. Adjustments due to changes in estimates of prior year taxes are not taken into account in the calculation of the estimated average annual tax rate but are charged in full in the interim period in which it becomes probable that such adjustment is needed.

Payroll related taxes and contributions which are assessed on an annual basis are recognised in interim periods using an estimated annual effective payroll tax or contribution rate.

New standards, interpretations and amendments to published standards

### (a) *The Group has adopted the following new standards, amendments and interpretations as of 1 January 2013:*

Certain new standards, interpretations and amendments to the existing standards, as disclosed in the Group's consolidated financial statements for the year ended 31 December 2012 became effective for the Group from 1 January 2013. They have not significantly effected this consolidated condensed interim financial information of the Group, except as explained below:

- **IFRS 13, Fair value measurement, (issued in May 2011 and effective for annual periods beginning on or after 1 January 2013),** aims to improve consistency and reduce complexity by providing a revised definition of fair value, and a single source of fair value



measurement and disclosure requirements for use across IFRSs. The Group has included the disclosures required by IAS34 para 16 A(j). Refer to note 5.

- **Amendments to IAS 1, Presentation of Financial Statements (issued June 2011, effective for annual periods beginning on or after 1 July 2012)**, changes the disclosure of items presented in other comprehensive income. The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. The amended standard has changed the presentation in the statement of other comprehensive income in the Group's consolidated interim financial information but has no impact on measurement of transactions and balances.

(b) *Standards, amendments and interpretations that are relevant and not yet effective and have not been early adopted by the Group*

Since the group published its last annual financial statements, certain new standards and interpretations have been issued that are mandatory for the Group's annual accounting periods beginning on or after 1 January 2014 or later and which the Group has not early adopted and are still subject to endorsement by the European Union. These standards and interpretations are not expected to have an impact on the Group except for the following:

- **Amendments to IAS 36 - Recoverable amount disclosures for non-financial assets (issued on 29 May 2013 and effective for annual periods beginning 1 January 2014; earlier application is permitted if IFRS 13 is applied for the same accounting and comparative period)**. The amendments remove the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The Group is currently assessing the impact of the amendments on the disclosures in its financial statements.
- **IFRIC 21 - Levies (issued on 20 May 2013 and effective for annual periods beginning 1 January 2014)**. The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional. The Group is currently assessing the impact of the amendments on its financial statements.

#### 4. ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012 except as detailed below.

##### *Taxes*

Estimates are required in determining the provision for income and payroll related taxes and contributions (see Note 3).

##### *Determination of fair values in business combinations and allocation of goodwill*

In accordance with acquisition method of accounting for business combinations, the Group allocates the purchase price of acquired entities to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The Group engages third-party valuation experts to assist the management in determining the fair values of certain assets acquired and liabilities assumed. Such valuations require significant estimates and assumptions to be made.

Fair values are estimated based on assumptions believed to be reasonable. These estimates are based on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain assets acquired and liabilities assumed include but are not limited to: future expected cash flows from transportation contracts, market railcar prices, repair and maintenance costs and discount rates.

Fair values of property, plant and equipment were determined by independent valuers with reference to market prices for rolling stock of similar age. Fair value of customer relationships was determined by independent valuers using the multi-period excess earnings method within the income approach. Projected cash flows were estimated for the existing five-year contract and for the two years thereafter. This is based on the assumption that after the expiry of the original contract the cooperation between the Group and MMK will not terminate since the relationship is based on market conditions and the rolling stock of the Group and its expertise best meet the transportation requirements of the client. Other key assumptions included into cash flow calculations are growth of transportation volumes and prices, railway tariffs, structure of the fleet, costs associated with repairs and maintenance and staff costs. The assumptions were based on industry and management forecasts and the fair value of the customer relationships is provisional pending finalisation of valuation for those assets.

Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

The goodwill arising on the acquisition of Steeltrans has been allocated to the Russian open wagons/operator's services group of CGUs. Management has assessed that in view of the fact that the acquisition of Steeltrans gives rise to potential synergies benefiting more than a single cash-generating unit, the activities of the individual legal entities of the Group involve intra-group transactions of leasing of rolling stock, and there are also ongoing restructuring of activities between the Group entities, allocation of goodwill to individual cash-generating unit would not be possible on a non-arbitrary basis. Therefore management has assessed that the lowest level which is expected to benefit from synergies arising on the acquisition of Steeltrans and the level at which goodwill is monitored by management is represented by the Russian open-wagons/operator's services group of CGUs.

## 5. FINANCIAL RISK MANAGEMENT

### *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's financial statements as at and for the year ended 31 December 2012. There have been no changes in the risk management policies since the year end.

### *Liquidity risk*

Management controls current liquidity based on expected cash flows and expected revenue receipts. In the long term perspective the liquidity risk is determined by forecasting future cash flows at the moment of signing new credit, loan or lease agreements and by budgeting procedures. As at 30 June 2013, Group current liabilities exceed its current assets by US\$69,763 thousand. Considering that the Group has sufficient positive operating cash flows as well as committed undrawn credit facilities and the absence of any material capital commitments, management believes that the Group will be able to meet its liabilities as they fall due.

Compared to the year end, there was increase in borrowings which resulted in increase in contractual cash outflows for financial liabilities. Refer to Note 15 (Borrowings) for information relating to the maturities of non-current borrowings and finance lease liabilities.

### *Fair value of financial assets and liabilities measured at amortised cost*

The fair value of non-current borrowings are as follows:

	As at 30-Jun-2013 US\$'000	As at 31-Dec-2012 US\$'000
Bank borrowings	484,235	412,998
Non-convertible unsecured bonds	336,374	369,674
Loans from third parties	19,984	-
Finance lease liabilities	39,760	55,734
	<b>880,353</b>	<b>838,406</b>

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Current borrowings
- Trade and other receivables
- Trade and other payables
- Cash and cash equivalents
- Restricted cash

## 6. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors of the Group. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board considers the business from two perspectives: by type of activity and by type of rolling stock used. From a type of activity perspective, management reviews revenues with no further analysis of the underlying cost components. From the type of rolling stock used perspective management assesses the performance of each type of rolling stock at the level of adjusted revenue.

Adjusted revenue is the measure of profit looked at by the chief operating decision-maker and this includes the revenues derived from the relating type of rolling stock used less infrastructure tariff paid for the loaded trips of relating rolling stock and services provided by other transportation organisations. All other information provided to the Board is measured in a manner consistent with that in the financial statements.

Segment assets consist of rolling stock, customer relationships and goodwill. Unallocated assets comprise all the assets of the Group except for rolling stock, customer relationships and goodwill as included within segment assets.

	Open wagons	Tank cars	Other	Total
<i>Six months ended 30 June 2013</i>				
Total revenue – operator's services	592,896	531,823	18,718	1,143,437
Total revenue – operating lease	2,680	50,603	9,278	62,561
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	595,576	582,426	27,996	1,205,998
less Services provided by other transportation organisations	(80,232)	-	-	(80,232)
less Infrastructure and locomotive tariffs: loaded trips	(176,275)	(214,427)	(6,607)	(397,309)
<b>Adjusted revenue for reportable segments</b>	<b>339,069</b>	<b>367,999</b>	<b>21,389</b>	<b>728,457</b>

	Open wagons	Tank cars	Other	Total
<i>Six months ended 30 June 2012</i>				
Total revenue – operator's services	361,843	515,321	10,682	887,846
Total revenue – operating lease	26,391	44,121	2,575	73,087
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	388,234	559,442	13,257	960,933
less Services provided by other transportation organisations	(16,672)	-	-	(16,672)
less Infrastructure and locomotive tariffs: loaded trips	(33,823)	(268,056)	(944)	(302,823)
<b>Adjusted revenue for reportable segments</b>	<b>337,739</b>	<b>291,386</b>	<b>12,313</b>	<b>641,438</b>

	Open wagons	Tank cars	Other	Total
<i>Additions to non-current assets (included in reportable segment assets)</i>				
Six months ended 30 June 2013	298,433	-	45,282	343,715
<i>Reportable segment assets</i>				
30 June 2013	1,926,421	518,658	80,123	2,525,202
31 December 2012	1,838,421	556,218	46,350	2,440,989

A reconciliation of total adjusted revenue to total profit before income tax is provided as follows:

	Six months ended 30-Jun-2013 US\$'000	Six months ended 30-Jun-2012 US\$'000
Adjusted revenue for reportable segments	728,457	641,438
Other revenues	7,184	6,604
Total adjusted revenue	735,641	648,042
Cost of sales (excl. Infrastructure and locomotive tariffs - loaded trips, services provided by other transportation organisations, impairments, depreciation of property, plant and equipment and amortisation of intangible assets)	(316,226)	(259,639)
Selling, marketing and administrative expenses (excl. depreciation, amortisation and impairments)	(69,419)	(60,719)
<b>Depreciation and amortisation</b>	<b>(99,896)</b>	<b>(47,901)</b>
<b>Impairment charge on receivables</b>	<b>(3,088)</b>	<b>(19)</b>
<b>Other gains/(losses) – net</b>	<b>388</b>	<b>1,372</b>
Operating profit	247,400	281,136
Finance income	11,002	4,948
Finance costs	(63,471)	(81,028)
Share of (loss)/profit of associates	(6)	213
Profit before income tax	194,925	205,269

## 7. BUSINESS COMBINATION

### *Acquisition of LLC Steeltrans*

On 12 February 2013 the Group completed the acquisition of 100 per cent of the share capital of LLC Steeltrans (formerly MMK-Trans), the captive freight rail operator of MMK Group, one of the largest single-site steelmakers in Russia. The total consideration was US\$251,317 thousand. Steeltrans principally handles cargoes of the MMK Group, primarily metallurgical cargoes and coal. As part of the transaction, Globaltrans entered into a five-year contract guaranteed by MMK Group to supply it with rail transportation services for at least 70% of MMK's rail cargo flows.

As a result of the acquisition Globaltrans expects to further enhance its position as a leading independent private freight rail group in Russia.

At the time of the acquisition of LLC Steeltrans, the Group has entered into a call option agreement for the acquisition of 52.5% of the share capital of Amalfico Holdings Limited, a holding company owning 97% of the share capital of OJSC Ural Wagonrepair Company (UWC), a company offering railcar

repair services. Effective interest of 46.1 per cent of UWC is controlled by LLC Steeltrans and formed part of the acquisition of LLC Steeltrans. The option became exercisable upon the completion of the acquisition of LLC Steeltrans and expires on 12 February 2014. Considering the potential voting rights, the currently exercisable call option is providing the Group with the power to govern the financial and operating policies of UWC and, as a consequence, UWC is determined to be a subsidiary of the Company.

The goodwill of US\$44,278 thousand which arises from the acquisition of Steeltrans results from a number of factors such as the ability of extracting operational efficiencies due to extensive expertise of the management of the Group in the operation of railcars as well as access to MMK cargo base enabling the Group to develop a more efficient gondola car logistics configurations with low empty runs. The goodwill of US\$6,139 from the acquisition of UWC arises due to the ability of extracting potential cost savings on repair and maintenance services.

The following table summarises the consideration paid for LLC Steeltrans and the provisional amounts of the assets acquired and liabilities assumed (including the assets and liabilities of UWC) recognised at the acquisition date.

	12-Feb-2013
	US\$'000
Cash consideration	251,317
<b>Total consideration</b>	<b>251,317</b>
<b>Provisional fair value of recognised amounts of identifiable assets and liabilities assumed:</b>	
Cash and cash equivalents	38,318
Property, plant and equipment (Note 12)	175,874
Intangible assets (Note 8)	161,312
Inventories	2,695
Trade and other receivables	47,918
Deferred tax assets	946
Borrowings	(145,050)
Trade and other payables	(40,659)
Deferred tax liabilities	(47,639)
<b>Total identifiable net assets</b>	<b>193,714</b>
<b>Non-controlling interest</b>	<b>7,185</b>
<b>Goodwill</b>	<b>50,417</b>
	<b>251,317</b>

Purchase consideration in cash:

	12-Feb-2013
	US\$'000
Cash consideration	251,317
Release of restricted cash paid in 2012 and held in escrow account	(10,000)
Purchase price adjustment payable	(1,096)
<b>Cash paid</b>	<b>240,221</b>
Cash and cash equivalents acquired	(38,318)
<b>Net cash outflow from business combination</b>	<b>201,903</b>

Purchase price adjustment was calculated based on the actual amounts of net debt and deviation of working capital of Steeltrans compared to estimated amounts and was paid by the Company in July 2013.

LLC Steeltrans and UWC are parties to a loan agreement. The fair value of the amount outstanding in accordance with this loan agreement between UWC and Steeltrans as of the acquisition date is US\$19,062 thousand. Such amount is not included in the table above as it constitutes a pre-existing relationship which is effectively settled at the time of acquisition.

Acquisition-related costs of US\$1,147 thousand have been charged to administrative expenses in the consolidated income statement for the period.

The fair value of trade and other receivables is US\$47,918 thousand and includes trade receivables with a fair value of US\$19,528 thousand, other receivables with a fair value of US\$19,072 thousand, prepayments for the transportation services with a fair value of US\$7,924 thousand, loans receivables with the fair value of US\$911 thousand and VAT recoverable with a fair value of US\$483 thousand.

The gross contractual amounts for trade receivables and other receivables due is US\$38,640 thousand of which US\$40 thousand is expected to be uncollectible.

The fair value of the acquired identifiable intangible assets (including the customer relationships) of US\$161,312 thousand is provisional pending finalisation of valuation for those assets.

The non-controlling interest has been recognised as a proportion of net assets acquired.

The revenue included in the consolidated income statement from 12 February 2013 to 30 June 2013 contributed by LLC Steeltrans and UWC was US\$198,234 thousand. LLC Steeltrans also contributed profit of US\$12,575 thousand over the same period.

Had LLC Steeltrans and UWC been consolidated from 1 January 2013, the consolidated income statement for the six months ended 30 June 2013 would show pro-forma revenue of US\$1,230,848 thousand and pro-forma profit of USD150,519 thousand. Estimates of the contribution of revenue and profit to the Group are based on unaudited information.

This information is not necessarily indicative of the results of the combined Group that would have occurred had the acquisition actually been made at the beginning of the period presented, or indicative of the future results of the combined Group.

The Group has also recognised deferred tax provision on unremitted earnings of LLC Steeltrans as at the date of acquisition of US\$1,346 thousand.

## 8. INTANGIBLE ASSETS

<i>Six months ended 30 June 2013</i>	Goodwill	Customer relationships	Software	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Opening amount on 1 January 2013	141,824	55,209	11	<b>197,044</b>
Acquisition of a subsidiary (Note 7)	50,417	161,271	41	<b>211,729</b>
Amortisation charge (Note 10)	-	(15,459)	(18)	<b>(15,477)</b>
Currency translation differences	(14,062)	(15,769)	(3)	<b>(29,834)</b>
<b>Closing amount on 30 June 2013</b>	<b>178,179</b>	<b>185,252</b>	<b>31</b>	<b>363,462</b>

## 9. REVENUE

	Six months ended	
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
Railway transportation – operators services (tariff borne by the Group)	<b>794,396</b>	541,489
Railway transportation – operators services (tariff borne by the client)	<b>349,041</b>	346,357
Railway transportation – freight forwarding	<b>863</b>	5,240
Operating leasing of rolling stock	<b>62,561</b>	73,087
Other	<b>6,321</b>	1,364
<b>Total revenue</b>	<b>1,213,182</b>	967,537

Note: Revenue from railway transportation – operators services (tariff borne by the Group) includes infrastructure and locomotive tariffs for loaded trips for the six months ended 30 June 2013 amounting to US\$397,309 thousand (for the six months ended 30 June 2012: US\$302,823 thousand) and the cost of services provided by other transportation organisations recharged to clients of the Group amounting to US\$80,232 thousand (2012: US\$16,672 thousand).

Increase in revenue from 'Railway transportation – operators services (tariff borne by the Group)' in the six months ended 30 June 2013 is mainly driven by increased volumes contributed by the recently delivered railcars and the integration of the acquired businesses.

Decrease in revenue from 'Operating leasing of rolling stock' in the six months ended 30 June 2013 was largely due to the decrease in the number of rail cars leased out combined with reduced lease rates.

## 10. EXPENSES BY NATURE

	Six months ended	
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
<i>Cost of sales</i>		
Infrastructure and locomotive tariffs: loaded trips	<b>397,309</b>	302,823
Infrastructure and locomotive tariffs: empty run trips and other tariffs	<b>177,426</b>	142,308
Services provided by other transportation organisations	<b>80,232</b>	16,672
Operating lease rentals – rolling stock	<b>23,656</b>	36,554
Employee benefit expense	<b>14,107</b>	9,411
Repair and maintenance	<b>63,086</b>	41,860
Depreciation of property, plant and equipment	<b>83,565</b>	45,838
Amortisation of intangible assets	<b>15,475</b>	1,584
Fuel and spare parts – locomotives	<b>19,236</b>	16,608
Engagement of locomotive crews	<b>6,813</b>	6,041
(Gain)/loss on sale of property, plant and equipment	<b>(162)</b>	929
Other expenses	<b>12,064</b>	5,928
<b>Total cost of sales</b>	<b>892,807</b>	626,556

Increase in expenses for the 'Services provided by other transportation organisations' in the six months ended 30 June 2013 is mainly driven by the integration of Ferrotrans and Steeltrans acquired in May 2012 and February 2013 respectively and increased utilization of third-party fleet for servicing of transportation contracts with Metalloinvest and MMK.

	Six months ended	
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
<i>Selling, marketing and administrative expenses</i>		
Depreciation of property, plant and equipment	854	478
Amortisation of intangible assets	2	1
Gain on sale of property, plant and equipment	(24)	(29)
Employee benefit expense	33,561	32,250
Impairment charge of receivables	3,088	19
Operating lease rental – office	4,182	2,624
Auditors' remuneration	774	970
Legal, consulting and other professional fees	3,761	4,397
Advertising and promotion	368	353
Communication costs	780	525
Information services	1,084	851
Taxes (other than income tax and value added taxes)	17,284	11,379
Other expenses	7,649	7,399
<b>Total selling, marketing and administrative expenses</b>	<b>73,363</b>	<b>61,217</b>

	Six months ended	
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
<b>Total expenses</b>		
Depreciation of property, plant and equipment (Note 12)	84,419	46,316
Amortisation of intangible assets (Note 8)	15,477	1,585
(Gain)/loss on sale of property, plant and equipment	(186)	900
Employee benefit expense	47,668	41,661
Impairment charge for receivables	3,088	19
Operating lease rentals – rolling stock	23,656	36,554
Operating lease rentals – office	4,182	2,624
Repairs and maintenance	63,086	41,860
Fuel and spare parts – locomotives	19,236	16,608
Engagement of locomotive crews	6,813	6,041
Infrastructure and locomotive tariffs: loaded trips	397,309	302,823
Infrastructure and locomotive tariffs: empty run trips, other tariffs	177,426	142,308
Services provided by other transportation organisations	80,232	16,672
Auditors' remuneration	774	970
Legal, consulting and other professional fees	3,761	4,397
Advertising and promotion	368	353
Communication costs	780	525
Information services	1,084	851
Taxes (other than income tax and value added taxes)	17,284	11,379
Other expenses	19,713	13,327
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>966,170</b>	<b>687,773</b>

**11. FINANCE INCOME AND COSTS**

	Six months ended	
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
<i>Interest expense:</i>		
Bank borrowings	(41,147)	(26,173)
Loans from third parties	(1,369)	-
Finance leases	(1,197)	(1,305)
Non-convertible unsecured bonds	(18,329)	(13,712)
Other finance costs	(744)	(285)
Total interest expense	(62,786)	(41,475)
Net foreign exchange transaction losses on borrowings	(685)	(39,553)
Finance costs	(63,471)	(81,028)
<i>Interest income:</i>		
Bank balances	383	1,768
Short term deposits	1,581	1,028
Loans to third parties	15	-
Total interest income	1,979	2,796
Net foreign exchange transaction gains on cash and cash equivalents	9,023	2,152
Finance income	11,002	4,948
Net finance costs	(52,469)	(76,080)

Significant increase in 'interest expense' during the period ended 30 June 2013 was due to the increase in borrowings incurred to finance the acquisition of Ferrotrans in May 2012 and Steeltrans in February 2013 as well as the investment into the acquisition of new railcars during 2012.

Decline in 'net foreign exchange transaction losses on borrowings' in the six months ended 30 June 2013 reflects the significant increase in the share of borrowings denominated in Russian roubles.

Increase in 'net foreign exchange transaction gains on cash and cash equivalents' resulted from cash denominated in foreign currencies (mainly US Dollars) held by the Group combined with the weakening of the Russian rouble against the US Dollar in the six months ended 30 June 2013.

**12. PROPERTY, PLANT AND EQUIPMENT**

	Six months ended
	30-Jun-2013
	US\$'000
Opening net book amount	2,281,868
Additions	20,437
Acquisition of subsidiaries (Note 7)	175,874
Disposals	(6,026)
Depreciation charge (Note 10)	(84,419)
Currency translation differences	(154,405)
Closing net book amount	2,233,329

**13. TRADE AND OTHER RECEIVABLES**

	As at	
	30-Jun-2013	31-Dec-2012
	US\$'000	US\$'000
Trade receivables – third parties	99,371	70,430
Trade receivables – related parties (Note 22)	15	16,739
Less: provision for impairment of trade receivables	(3,296)	(655)
Trade receivables – net	96,090	86,514
Other receivables – third parties	5,914	5,618
Other receivables – related parties (Note 22)	13	4
Less: provision for impairment of other receivables	(1,982)	(776)
Other receivables – net	3,945	4,846
Prepayments – related parties (Note 22)	1,305	2,773
Prepayments – third parties	58,140	84,533
Loans to third parties	855	-
VAT and other taxes recoverable	65,056	84,629
	<b>225,391</b>	<b>263,295</b>

	As at	
	30-Jun-2013	31-Dec-2012
	US\$'000	US\$'000
<i>Less non-current portion:</i>		
Prepayments for property, plant and equipment	121	-
Loans to third parties	405	-
Total non-current portion	526	-
Total current portion	224,865	263,295

**14. TRADE AND OTHER PAYABLES**

	As at	
	30-June-2013	31-Dec-2012
	US\$'000	US\$'000
<i>Current</i>		
Trade payables - third parties	29,669	28,733
Trade payables - related parties (Note 22)	211	502
Other payables - third parties	22,560	32,960
Accrued expenses	10,653	4,816
Advances from customers for transportation services	45,826	67,347
Advances from related parties for transportation services (Note 22)	219	1,210
Dividends payable to non-controlling interests	2,676	-
	<b>111,814</b>	<b>135,568</b>



**15. BORROWINGS**

	As at	
	30-Jun-2013 US\$'000	31-Dec-2012 US\$'000
Current		
Bank borrowings	331,468	181,053
Non-convertible unsecured bonds	28,973	31,500
Finance lease liabilities	18,244	25,380
	<b>378,685</b>	<b>237,933</b>
Non-current		
Bank borrowings	497,074	414,194
Non-convertible unsecured bonds	332,174	367,247
Loans from third parties	19,984	-
Finance lease liabilities	39,760	55,734
	<b>888,992</b>	<b>837,175</b>
<b>Total borrowings</b>	<b>1,267,677</b>	<b>1,075,108</b>

Movements in borrowings are analysed as follows:

	US\$'000
<i>Six months ended 30 June 2013</i>	
Opening amount as at 1 January 2013	1,075,108
Acquired through business combinations (Note 7)	145,050
Proceeds from bank borrowings	397,768
Repayments of bank borrowings	(222,551)
Repayment of non-convertible unsecured bonds	(9,662)
Repayments of finance leases	(26,943)
Interest charged	62,042
Interest paid	(58,744)
Net foreign exchange difference	(94,391)
<b>Closing amount as at 30 June 2013</b>	<b>1,267,677</b>

Acquisition of LLC Steeltrans (Note 7) by the Group in February 2013 was partially financed with bank borrowings secured by the pledge of rolling stock owned by the Group and the pledge of 100 per cent interest in LLC Steeltrans.

	As at	
	30-Jun-2013 US\$'000	31-Dec-2012 US\$'000
Maturity of non-current borrowings (excluding finance lease liabilities)		
Between 1 and 2 years	576,014	203,436
Between 2 and 5 years	271,622	578,005
Over 5 years	1,596	-
	<b>849,232</b>	<b>781,441</b>

	As at	
	30-Jun-2013 US\$'000	31-Dec-2012 US\$'000
<i>Finance lease liabilities – minimum lease payments</i>		
Not later than 1 year	20,214	27,374
Later than 1 year and not later than 5 years	41,890	58,188
Future finance charges of finance leases	(4,100)	(4,448)
Present value of finance lease liabilities	<b>58,004</b>	<b>81,114</b>
<i>The present value of finance lease liabilities is as follows:</i>		
Not later than 1 year	18,244	25,380
Later than 1 year and not later than 5 years	39,760	55,734
	<b>58,004</b>	<b>81,114</b>

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 30-Jun-2013 US\$'000	As at 31-Dec-2012 US\$'000
US Dollar	76,269	98,010
Russian Rouble	1,191,355	975,108
Euro	53	1,990
	<b>1,267,677</b>	<b>1,075,108</b>

The group has the following undrawn borrowing facilities:

	As at 30-Jun-2013 US\$'000	As at 31-Dec-2012 US\$'000
Fixed rate:		
- expiring within one year	19,413	37,204
Floating rate:		
- expiring within one year	40,458	149,985
Total undrawn borrowing facilities	<b>59,871</b>	<b>187,189</b>

The weighted average effective interest rates at the balance sheet were as follows:

	As at 30-Jun-2013 %	As at 31-Dec-2012 %
Bank borrowings	9.7	9.5
Non-convertible unsecured bonds	9.9	9.9
Loans from third parties	17.0 <sup>(1)</sup>	-
Finance lease liabilities	3.0	2.9

<sup>(1)</sup> Loans from third parties were obtained by UWC prior to its acquisition by the Group, bear the nominal interest rate of 11.25% and are payable in June 2016.

## 16. INCOME TAXES

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2013 is 22.9% (2012: 21.0%). The increase in the estimated annual average tax rate in 2013 is due to the increase in proportion of profits contributed by the Russian subsidiaries of the Group following the acquisition of LLC Ferrotrans in May 2012 and LLC Steeltrans in February 2013, consequently the proportion of profits contributed by the Estonian subsidiaries where the applicable tax rate is zero has reduced.

Increase in 'Deferred tax liabilities' as at 30 June 2013 compared to 31 December 2012 is mainly caused by the acquisition of LLC Steeltrans (Note 7) and recognition of deferred tax liabilities on the fair value adjustment of assets acquired.

## 17. EARNINGS PER SHARE

Basic and diluted

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	Six months ended	
	30-Jun-2013	30-Jun-2012
Profit for the period attributable to equity holders of the Company (US\$'000)	109,529	132,635
Weighted average number of ordinary shares in issue (excluding treasury shares) (thousand)	178,741	154,538
Earnings per share for profit attributable to the equity holders of the company:		
- basic and diluted (expressed in US\$ per share)	<b>0.61</b>	0.86

## 18. DIVIDENDS

No interim dividends were declared by the Company during the six months ended 30 June 2013.

At the Annual General Meeting which will take place on 19 April 2013, a final dividend in respect of the profit for the year ended 31 December 2012 of US\$0.70 per ordinary share, amounting to a total dividend of US\$125,119 thousand. The dividend was paid on 29 April 2013. Dividend paid by the Company during the six months ended 30 June 2012 amounted to US\$0.64 per ordinary share, amounting to a total dividend of US\$98,879 thousand.

During the period ended 30 June 2013, the Group declared US\$26,760 thousand and paid US\$24,028 thousand (2012: declared and paid US\$23,452 thousand) of dividends in favour of non-controlling interests.

## 19. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Share capital US\$'000	Share premium US\$'000	Total US\$'000
<b>At 31 December 2012/ 30 June 2013</b>	<b>178,740,916</b>	<b>17,875</b>	<b>949,471</b>	<b>967,346</b>

## 20. CONTINGENCIES

Legal proceedings

During the six months ended 30 June 2013, the Group was involved as a claimant in a number of court proceedings.

In the opinion of management, there are no legal proceedings or other claims outstanding, as of 30 June 2013, which could have a material effect on the results of operations or financial position of the Group and which have not been accrued or disclosed in these interim condensed consolidated financial information.

## 21. RELATED PARTY TRANSACTIONS

Until July 2012, the Group was controlled by Transportation Investments Holding Limited ("TIHL") incorporated in Cyprus, which owned 50.1% of the Company's shares. Envesta Investments Limited ("EIL") owned 12.3% (including the holding of GDRs of the Company) of the Company's shares until July 2012. Until July 2012, the ultimate controlling party of the Group was Mirbay International Inc., which is registered in Bahamas.

Following the issue and sale of shares by the Company and sale of shares by the existing shareholders in July 2012, the Group no longer has an ultimate controlling party.

In March 2013, TIHL transferred the shares it held in the Company to Maple Valley Investments Ltd, Marigold Investments Ltd and Onyx Investments Ltd in equal proportions and since March 2013 is no longer a related party to the Company.

Following the above events, shares held by its major shareholders, Maple Valley Investments Ltd, Marigold Investments Ltd and Onyx Investments Ltd as at 30 June 2013 were 11.5% each. EIL together with their affiliated entities held 10.8% as at 30 June 2013. 54.5% of the shares represent the free market-float and are held by external investors through the Global Depositary Receipts. The remaining 0.2% of the shares of the Company are controlled by Directors and management of the Group.

For the purposes of these condensed interim financial information, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions, which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

For the purposes of these financial statements TIHL is considered as the Parent of the Group until July 2012 and an entity exercising significant influence over the Group thereafter until March 2013.

The following transactions were carried out with related parties:

- (a) Sales of goods and services

	Six months ended	
	30-Jun-2013 US\$'000	30-Jun-2012 US\$'000
Sales of services:		
Other related parties		
Entities under control of TIHL and its controlling shareholders	16,623	22,098
Entities under significant influence/joint control of TIHL	-	14
Entities under significant influence of members of key management	12,245	60,598
Entity under joint control by TIHL	84	-
	<b>28,952</b>	<b>82,710</b>

## (b) Purchases of goods and services

	Six months ended	
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
Purchases of services:		
Other related parties		
Entities under control of TIHL and its controlling shareholders	1,131	3,847
Entities under control by parties with significant influence over the Group	515	523
Entities under significant influence of members of key management	4,995	11,664
	<b>6,641</b>	<b>16,034</b>

## (c) Additions and disposals of property, plant and equipment

	Six months	Six months
	ended	ended
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
Additions:		
Other related parties		
Entities under control of TIHL	124	540
Entities under significant influence of members of key management	-	290
	<b>124</b>	<b>830</b>
Disposals:		
Other related parties		
Entities under control of TIHL	14	-
Entities under significant influence of members of key management	295	-
	<b>309</b>	<b>-</b>

## (d) Key management compensation

	Six months ended	
	30-Jun-2013	30-Jun-2012
	US\$'000	US\$'000
Key management salaries and other short term employee benefits <sup>(1)</sup>	10,360	14,657
	<b>10,360</b>	<b>14,657</b>

<sup>(1)</sup>Includes directors' remuneration paid to the directors of the Company both by the Company and subsidiaries of the Group in respect of services provided to such subsidiaries amounting to US\$1,618 thousand for the six months ended 30 June 2013 (six months ended 30 June 2012: US\$7,188 thousand).

## (e) Period-end balances arising from sales/purchases of goods/services

	As at	As at
	30-Jun-2013	31-Dec-2012
	US\$'000	US\$'000
Trade receivables from related parties:		
Other related parties		
Entities under control of TIHL	-	5,768
Entities under significant influence of members of key management	15	10,728
	<b>15</b>	<b>16,496</b>
Other receivables from and prepayments to related parties:		
Other related parties		
Entities under control of TIHL	-	1,583
Entities under significant influence of members of key management	1,318	1,194
	<b>1,318</b>	<b>2,777</b>

	<b>As at 30-Jun-2013 US\$'000</b>	<b>As at 31-Dec-2012 US\$'000</b>
Trade payables to related parties:		
Other related parties		
Entities under control of TIHL	-	286
Entities under significant influence of members of key management	<b>211</b>	216
	<b>211</b>	502
Other payables to and advances from related parties:		
Other related parties		
Entities under control of TIHL	-	76
Entities under significant influence of members of key management	<b>219</b>	1,134
	<b>219</b>	1,210

## 22. SUBSEQUENT EVENTS

In July – August 2013 the Group has settled bank borrowings ahead of schedule in the total amount of RUB5,070,714 thousand (US\$155,025 thousand at 30 June 2013 exchange rates). The early settlement has not resulted in any significant gains or losses for the Group.

There were no other material events after the balance sheet date, which have a bearing on the understanding of the interim financial information.

## 23. SEASONALITY

The operations of the Group are not subject to seasonal fluctuations.



# Independent Auditor's Review Report

to Globaltrans Investment PLC

## Introduction

We have been engaged by Globaltrans Investment PLC "the Company" to review the accompanying condensed consolidated interim financial information of the Company and its subsidiaries ("the Group") for the six months ended 30 June 2013, which comprises the condensed consolidated interim balance sheet as of 30 June 2013 and the condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended and related notes.

## Board of Directors' responsibilities

The condensed consolidated interim financial information is the responsibility of, and has been approved by, the Board of Directors. The Board of Directors is responsible for preparing the condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113. The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

## Our responsibility

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial information based on our review. This report, including the conclusion, has been prepared for and only for the Company. We do not, in producing this report, accept or assume responsibility to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers Limited  
Chartered Accountants

2 September 2013  
Limassol  
Cyprus

*1 The maintenance and integrity of the Globaltrans website is the responsibility of the Board of Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*