Globaltrans
Russia's Leading Private
Freight Rail Group

For immediate release **3 September 2012**

Globaltrans Investment PLC

Interim Results for the six months ended 30 June 2012

Globaltrans Investment PLC (the "Company" and together with its consolidated subsidiaries "Globaltrans" or the "Group"), (LSE ticker: GLTR) today announces its financial and operational results[1,2] for the six months ended 30 June 2012.

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

Highlights

- Successful large-scale business expansion with the Group's Owned Fleet up 47% (18,670 units) in 2012 year to date[3]:
  - About 10,000 new railcars delivered and deployed year to date;
  - Acquisition of Ferrotrans (formerly Metalloinvesttrans[4]) completed; integration into Group on track;
- Adjusted Revenue increased 10% year on year to USD 664.7 million* in the first six months of 2012 driven primarily by increases in revenue from operating leasing of rolling stock and Net Revenue from Operation of Rolling Stock;
- Adjusted EBITDA was up 28% year on year to USD 328.6 million* in the first six months of 2012 as revenue increased and costs were contained;
- Profitability improved with Adjusted EBITDA Margin up to 49.4%* in the first six months of 2012 (H1 2011: 42.5%*) supported by substitution of Leased-in Fleet with newly acquired railcars and improved pricing;
- Profit for the period remained stable year on year at USD 159.5 million in the first six months of 2012 (H1 2011: USD 159.3 million) as increased operating profit was offset by increased finance costs, primarily due to increased borrowings to finance the large-scale business expansion;
- Strengthened balance sheet enables the Group to pursue growth opportunities; the Group's Net Debt (adjusted for proceeds from the follow-on offering in July 2012) to Adjusted EBITDA for the last twelve months amounted to 1.7x[5] as of 30 June 2012;

---

[1] The Group's financial performance in the first six months of 2012 was affected by a 7.0% depreciation of the average exchange rate of the Russian rouble (Functional Currency of the Company, its Cyprus and Russian subsidiaries) against the US dollar compared to the first six months of 2011 (the Group's financial information presentation currency). The first half 2012 period end exchange rate of the Russian rouble against the US dollar weakened by 1.9% compared to the end of 2011.

[2] The Group's condensed consolidated interim financial information for the six months ended 30 June 2012 includes results of Ferrotrans (formerly Metalloinvesttrans acquired in May 2012). Ferrotrans' results have been consolidated from 15 May 2012.

[3] Expansion of Owned Fleet based on delivered and contracted railcars as of August 2012 and the fleet of Ferrotrans acquired in May 2012 compared to the Group's Owned Fleet as of 31 December 2011.

[4] Metalloinvesttrans was renamed to Ferrotrans in August 2012.

[5] Net Debt as of 30 June 2012 adjusted for USD 400 mln of gross proceeds from follow-on offering undertaken in July 2012; Adjusted EBITDA for the last twelve months ended 30 June 2012.

CEO COMMENT

Sergey Maltsev, CEO of Globaltrans Investment PLC, said:

"Globaltrans has made an impressive start to 2012 converting favourable market momentum and its high quality offering into solid financial results and increased profitability. Our recent significant business expansion, both organically and by acquisition, and the successful integration of these assets, further enhances our credentials as a fast-growing company capable of profitably deploying new capacity. Given the structural changes set to continue in our industry, our plans for growth remain in place, supported by the proceeds from our share offering in July.

Capitalising on the strength of our business model which combines a large modern fleet, excellent execution and resilience, we are well positioned to capture growth opportunities present in the developing Russian freight rail industry".

DOWNLOADS

The Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2012 is available for viewing at the Globaltrans' corporate website (www.globaltrans.com).

RESULTS IN DETAIL

The following table sets forth the Group's key financial and operational information for the six months ended 30 June 2012 and 2011.

IFRS financial information

	Six months ended 30 June 2011 USD mln	**Six months ended 30 June 2012 USD mln**	Change
Revenue	905.8	**967.5**	7%
Including			
Total revenue - operators' services	868.3	**887.8**	2%
Total revenue - operating lease	35.9	**73.1**	104%
Total cost of sales, selling and marketing costs and administrative expenses	687.9	**687.8**	0%
Operating profit	217.4	**281.1**	29%
Finance costs - net	(17.9)	**(76.1)**	326%
Profit for the period	159.3	**159.5**	0%
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in USD per share)	0.85	**0.86**	1%
	As at 31 Dec 2011 USD mln	**As at 30 June 2012 USD mln**	Change
Total assets	1,467.8	**2,691.1**	83%
Total debt	379.1	**1,489.6**	293%
Cash and cash equivalents	120.8	**89.6**	-26%

Non-GAAP financial information

	Six months ended 30 June 2011 USD mln	**Six months ended 30 June 2012 USD mln**	Change
Adjusted Revenue	603.6*	**664.7***	10%
Including			
Net Revenue from Operation of Rolling Stock	566.0*	**585.0***	3%
Revenue from operating lease	35.9	**73.1**	104%
Total Operating Cash Costs	346.9*	**336.1***	-3%
Including			
Empty Run Costs	122.6*	**123.0***	0%
Operating lease rentals - rolling stock	78.9	**36.6**	-54%
Repair and maintenance	39.3	**41.9**	6%
Employee benefit expense	28.6	**41.7**	45%
Adjusted EBITDA	256.5*	**328.6***	28%
Adjusted EBITDA Margin, %	42.5%*	**49.4%***	7%

Operational information

	Six months ended 30 June 2011	**Six months ended 30 June 2012**	Change
Average Rolling Stock Operated, units	44,395	**41,873**	-6%
Freight Rail Turnover, billion tonnes-km	57.5	**53.6**	-7%
Transportation Volume, million tonnes	36.4	**34.2**	-6%
Average Price per Trip, USD	953	**1,071**	12%
Average Price per Trip, RUB	27,232	**32,722**	20%
Average Number of Loaded Trips per Railcar	13.4	**13.1**	-2%
Total Empty Run Ratio, %	62%	**62%**	-
Empty Run Ratio for gondola cars, %	42%	**43%**	-
	As at 31 Dec 2011	**As at 30 June 2012**	Change
Total Fleet, units	47,580	**62,710**	32%
Including Owned Fleet, units	39,910	**57,553**	44%

Revenue, Adjusted Revenue and Net Revenue from Operation of Rolling Stock

The Group's revenue increased by 7% to USD 967.5 million in the first six months of 2012 compared to USD 905.8 million in the same period of the previous year.

The following table sets forth revenue, broken down by revenue-generating activity for the six months ended 30 June 2012 and 2011.

	Six months ended 30 June 2011 USD mln	**Six months ended 30 June 2012 USD mln**	**Change USD mln**	**Change %**
Railway transportation-operators services (tariff borne by the Group)[6]	492.9	541.5	48.6	10%
Railway transportation-operators services (tariff borne by the client)	375.4	346.4	(29.0)	-8%
Railway transportation-freight forwarding	1.2	5.2	4.0	333%
Operating lease of rolling stock	35.9	73.1	37.2	104%
Other revenue	0.5	1.4	0.9	198%
Total revenue	**905.8**	**967.5**	**61.7**	**7%**

[6] Includes "Infrastructure and locomotive tariffs: loaded trips" for the six months ended 30 June 2012 amounting to USD 302.8 million (H1 2011: USD 302.3 million).

Adjusted Revenue

In the first six months of 2012 the Group's Adjusted Revenue was USD 664.7 million*, an increase of 10% compared to USD 603.6 million* in the same period of the previous year.

Adjusted Revenue is a non-GAAP financial measure describing the revenue adjusted for "pass-through" infrastructure and locomotive tariffs and is defined as "Total revenue" less "Infrastructure and locomotive tariffs: loaded trips". "Infrastructure and locomotive tariffs: loaded trips" is revenue resulting from tariffs that customers pay to the Group and the Group pays on to OJSC Russian Railways ("RZD"), which are reflected in equal amounts in the Group's revenue and cost of sales.

The following table sets forth Adjusted Revenue for the six months ended 30 June 2012 and 2011 and its reconciliation to revenue.

	Six months ended 30 June 2011 USD mln	**Six months ended 30 June 2012 USD mln**	**Change USD mln**	**Change %**
Revenue	905.8	967.5	61.7	7%
Minus				
Infrastructure and locomotive tariffs: loaded trips	302.3	302.8	0.6	0%
Adjusted Revenue	**603.6***	**664.7***	**61.1**	**10%**

The principal components of Adjusted Revenue include: (i) Net Revenue from Operation of Rolling Stock; (ii) revenue from operating lease of rolling stock and (iii) other revenues generated by the Group's non-core business activities, including freight forwarding.

The following table sets forth the breakdown of Adjusted Revenue for the six months ended 30 June 2012 and 2011.

	Six months ended 30 June 2011 USD mln	**Six months ended 30 June 2012 USD mln**	**Change USD mln**	**Change %**
Net Revenue from Operation of Rolling Stock	566.0*	585.0*	19.0	3%
Operating lease of rolling stock	35.9	73.1	37.2	104%
Railway transportation-freight forwarding	1.2	5.2	4.0	333%
Other revenue	0.5	1.4	0.9	198%
Adjusted Revenue	**603.6***	**664.7***	**61.1**	**10%**

Net Revenue from Operation of Rolling Stock

Net Revenue from Operation of Rolling Stock accounted for 88% of the Group's Adjusted Revenue in the first six months of 2012.

Net Revenue from Operation of Rolling Stock is a non-GAAP financial measure describing the net revenue generated from freight rail transportation and is defined as "Revenue from railway transportation-operators services[7]" less "Infrastructure and locomotive tariffs: loaded trips".

The following table sets forth Net Revenue from Operation of Rolling Stock for the six months ended 30 June 2012 and 2011, and its reconciliation to revenue from railway transportation-operators services.

[7] Defined as the sum of the following IFRS line items: "Railway transportation-operators services (tariff borne by the Group)" and "Railway transportation-operators services (tariff borne by the client)".

	Six months ended 30 June 2011 USD mln	Six months ended 30 June 2012 USD mln	Change USD mln	Change %
Railway transportation-operators services[7]	868.3	887.8	19.6	2%
Minus				
Infrastructure and locomotive tariffs: loaded trips	302.3	302.8	0.6	0%
Net Revenue from Operation of Rolling Stock	**566.0***	**585.0***	**19.0**	**3%**

In the first six months of 2012 the Group's Net Revenue from Operation of Rolling Stock was USD 585.0 million*, an increase of 3% compared to USD 566.0 million* in the same period of the previous year. This increase reflected the following factors:

- Average Price per Trip increased 12% to USD 1,071 (in Russian rouble terms up 20% to RUB 32,722) in the first six months of 2012 compared to the same period in 2011 reflecting the Group's high quality offering and favourable market conditions; Average Distance of Loaded Trip decreased 2% year on year in the same period;
- A temporary decline in the Group's Average Rolling Stock Operated of 6% in the first six months of 2012 compared to the same period of the previous year, primarily due to a decrease in the number of Leased-in Fleet ahead of new railcars deliveries (the Group's Leased-in Fleet decreased 50% to 5,157 units as of 30 June 2012 compared to 30 June of the previous year);
- Average Number of Loaded Trips per Railcar declined 2% year on year to 13.1 trips compared to the same period of the previous year.

Revenue from operating lease of rolling stock

Revenue from operating lease of rolling stock, which accounted for 11% of the Group's Adjusted Revenue in the first six months of 2012, grew to USD 73.1 million, representing an increase of 104% compared to the previous year. This increase was driven by an increase in lease-in rates along with an increase in average rolling stock leased-out over the period primarily reflecting (i) an increased number of rail tank cars leased-out (primarily due to delivery of newly acquired rail tank cars); and (ii) a temporary lease-out of certain acquired gondola cars subject to existing leasing contracts. These gondola cars will be switched to operators' business in the second half of 2012 when respective contracts expire.

Cost of sales, selling and marketing costs and administrative expenses

In the first six months of 2012 the Group's total cost of sales, selling and marketing costs and administrative expenses amounted to USD 687.8 million, remaining stable compared to the same period of the previous year.

The following table sets forth a breakdown of cost of sales, selling and marketing costs and administrative expenses for the six months ended 30 June 2012 and 2011.

	Six months ended 30 June 2011 USD mln	Six months ended 30 June 2012 USD mln	Change USD mln	Change %
Cost of sales	645.7	626.6	(19.2)	-3%
Selling and marketing costs	1.5	1.9	0.3	21%
Administrative expenses	40.6	59.3	18.7	46%
Total cost of sales, selling and marketing costs and administrative expenses	**687.9**	**687.8**	**(0.1)**	**0%**

In order to show the dynamics and nature of the Group's cost base, individual items of total cost of sales, selling and marketing costs and administrative expenses have been regrouped as shown below:

	Six months ended 30 June 2012 % of Total	Six months ended 30 June 2011 USD mln	Six months ended 30 June 2012 USD mln	Change USD mln	Change %
Infrastructure and locomotive tariffs: loaded trips	***44%***	**302.3**	**302.8**	**0.6**	**0%**
Total Operating Cash Costs	***49%***	**346.9***	**336.1***	**(10.8)**	**-3%**
Empty Run Costs		122.6*	123.0*	0.4	0%
Operating lease rentals - rolling stock		78.9	36.6	(42.3)	-54%
Repairs and maintenance		39.3	41.9	2.5	6%
Employee benefit expense		28.6	41.7	13.0	45%
Infrastructure and Locomotive Tariffs: Other Tariffs and Services Provided by Other Transportation Organisations		28.9*	36.0*	7.0	24%
Fuel and spare parts - locomotives		14.2	16.6	2.4	17%
Engagement of locomotive crews		6.4	6.0	(0.3)	-5%
Legal, consulting and other professional fees		2.1	4.4	2.3	114%
Other Operating Cash Costs		25.9*	30.0*	4.1	16%
Total Operating Non-Cash Costs	***7%***	**38.7***	**48.8***	**10.1**	**26%**
Depreciation of property, plant and equipment		39.0	46.3	7.3	19%
Amortisation of intangible assets		0.1	1.6	1.5	1642%
Impairment charge for receivables		0.1	0.0[8]	(0.1)	-84%
Loss/(gain) on sale of property, plant and equipment		(0.5)	0.9	n/a	n/a
Total cost of sales, selling and marketing costs and administrative expenses	***100%***	**687.9**	**687.8**	**(0.1)**	**0%**

Infrastructure and locomotive tariffs: loaded trips

Infrastructure and locomotive tariffs: loaded trips is in principle a "pass-through" cost item for the Group[9] and is reflected in equal amounts in the Group's revenue and cost of sales. Infrastructure and locomotive tariffs: loaded trips remained stable at USD 302.8 million in the first six months of 2012 compared to the same period of the previous year.

Total Operating Cash Costs

The Group's Total Operating Cash Costs decreased 3% to USD 336.1 million* in the first six months of 2012, compared to the same period of the previous year. This decrease reflected primarily a decrease in average number of leased-in rolling stock over the period partially offset by cost inflation and growth in costs associated with increased usage of the 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 "Infrastructure and locomotive tariffs: loaded trips", "Depreciation of property, plant and equipment", "Amortisation of intangible assets", "Impairment charge for receivables", "Loss/(gain) on sale of property, plant and equipment".

The following table sets forth a breakdown of Total Operating Cash Costs for the six months ended 30 June 2012 and 2011.

[8] USD 19,000.

[9] Under contracts where the RZD tariff is borne by the Group, the Group has a contractual relationship with the client. The Group sets the terms of the transactions, such as selling and payment terms and in some cases bears credit risk and controls the flow of receipts and payments.

	Six months ended 30 June 2012 % of Total	**Six months ended 30 June 2011 USD mln**	**Six months ended 30 June 2012 USD mln**	**Change USD mln**	**Change %**
Empty Run Costs	*37%*	122.6*	123.0*	0.4	0%
Operating lease rentals - rolling stock	*11%*	78.9	36.6	(42.3)	-54%
Repairs and maintenance	*12%*	39.3	41.9	2.5	6%
Employee benefit expense	*12%*	28.6	41.7	13.0	45%
Other Tariffs and Services Provided by Other Transportation Organisations	*11%*	28.9*	36.0*	7.0	24%
Fuel and spare parts - locomotives	*5%*	14.2	16.6	2.4	17%
Engagement of locomotive crews	*2%*	6.4	6.0	(0.3)	-5%
Legal, consulting and other professional fees	*1%*	2.1	4.4	2.3	114%
Other Operating Cash Costs	*9%*	25.9*	30.0*	4.1	16%
Total Operating Cash Costs	***100%***	**346.9***	**336.1***	**(10.8)**	**-3%**

Empty Run Costs

Empty Run Costs (a non-GAAP financial measure) accounted for 37% of the Group's Total Operating Cash Costs in the first six months of 2012. Empty Run Costs remained relatively stable at USD 123.0 million* in the first six months of 2012 compared to the same period of the previous year reflecting a combination of the following factors:

- A 6% increase[10] (in Russian roubles) in the RZD regulated tariff for the traction of empty railcars;
- Increase in the Share of Empty Run Kilometres paid by Globaltrans to 79% (H1 2011: 77%) driven mainly by decreased transportation of coal and impact of consolidation of Ferrotrans; Total Empty Run ratio remained stable at 62% year on year;
- Offset partially by a decrease in the Group's Freight Rail Turnover resulting from a temporary 6% decrease in Average Rolling Stock Operated during the reporting period primarily due to a decrease in the number of Leased-in Fleet ahead of new railcars deliveries.

Operating lease rentals - rolling stock

Operating lease rentals - rolling stock, which accounted for 11% of the Group's Total Operating Cash Costs in the first six months of 2012 decreased 54% to USD 36.6 million compared to the same period of the previous year, reflecting a significant decline in the average number of railcars leased-in from third parties over the period ahead of new railcar deliveries.

The Group's Leased-in Fleet decreased 50% to 5,157 units as of 30 June 2012 compared to 10,293 units as of 30 June 2011.

The Group intends to continue using Leased-in Fleet as required primarily to benefit from the operational flexibility that it provides.

Repairs and maintenance

Repairs and maintenance, which accounted for 12% of the Group's Total Operating Cash Costs in the first six months of 2012, increased 6% to USD 41.9 million in the first six months of 2012 compared to the same period of the previous year, reflecting cost inflation for repair works and spare parts, as well as an increase in the number of ad hoc repairs.

[10] According to Federal Tariff Service of Russia; from 1 January 2012.

Employee benefit expense

Employee benefit expense, accounting for 12% of the Group's Total Operating Cash Costs, increased 45% or by USD 13.0 million to USD 41.7 million in the first six months of 2012 compared to the same period of the previous year. This increase was primarily driven by (i) an increase in the average number of employees (primarily through the acquisition of Ferrotrans) combined with (ii) general wage inflation, and an increase in the unified social tax rate in Russia, as well as (iii) a rise in performance-driven bonuses awarded.

Other Tariffs and Services Provided by Other Transportation Organisations

Other Tariffs and Services Provided by Other Transportation Organisations (a non-GAAP financial measure), which is presented as part of the "Infrastructure and locomotive tariffs: empty run trips, other tariffs and services provided by other transportation organisations" component of cost of sales reported under EU IFRS, accounted for 11% of the Group's Total Operating Cash Costs in the first six months of 2012. Other Tariffs and Services Provided by Other Transportation Organisations amounted to USD 36.0 million* in the first six months of 2012, increasing 24% compared to the same period of the previous year. The majority of this growth resulted from the increased usage of the Engaged Fleet to satisfy strong customer demand in the reporting period as well as a consolidation of Ferrotrans from 15 May 2012 where a substantial portion of volumes are handled by the Engaged Fleet.

Fuel and spare parts - locomotives

Fuel and spare parts - locomotive expenses, accounting for 5% of the Group's Total Operating Cash Costs, were USD 16.6 million in the first six months of 2012, an increase of 17% compared to the same period of the previous year. This increase was primarily due to increases in fuel and engine oil prices.

Engagement of locomotive crews

Costs related to the engagement of locomotive crews from RZD decreased 5% to USD 6.0 million in the first six months of 2012 compared to the same period of the previous year. This cost item accounted for 2% of the Group's Total Operating Cash Costs in the first six months of 2012.

Legal, consulting and other professional fees

Legal, consulting and other professional fees, accounting for 1% of the Group's Total Operating Cash Costs in the first six months of 2012, were USD 4.4 million, an increase of 114% compared to the same period of the previous year, primarily reflecting the one-off expenses associated with the acquisition of Ferrotrans in May 2012.

Other Operating Cash Costs

Other Operating Cash Costs (a non-GAAP financial measure) include line items such as "Operating lease rentals-office", "Auditors' remuneration", "Advertising and promotion", "Communication costs", "Information services", "Taxes (other than income tax and value added taxes)" and "Other expenses".

Other Operating Cash Costs, which comprised 9% of the Group's Total Operating Cash Costs, increased by 16% to USD 30.0 million* in the first six months of 2012 compared to the same period of the previous year, reflecting (i) an increase in "taxes (other than income tax and value added taxes)". This represents predominantly property tax reflecting the increase in the number of the Group's Owned Fleet; and (ii) an increase in other administrative expenses a part of "Other expenses".

Total Operating Non-Cash Costs

Total Operating Non-Cash Costs (a non-GAAP financial measure) include line items such as "Depreciation of property, plant and equipment", "Amortisation of intangible assets", "Impairment charge for receivables", "Loss/(gain) on sale of property, plant and equipment".

Total Operating Non-Cash Costs were USD 48.8 million* in the first six months of 2012, an increase of 26% compared to the same period of the previous year. The main non-cash expense item of “Depreciation of property plant and equipment” rose by 19% year on year to USD 46.3 million in the first six months of 2012, reflecting the increase in the number of the Group’s Owned Fleet.

Adjusted EBITDA (non-GAAP financial measures)

The Group’s Adjusted EBITDA increased 28% year on year to USD 328.6 million* in the first six months of 2012.

The Group’s Adjusted EBITDA Margin increased to 49.4%* in the first six months of 2012 compared to 42.5%* in the same period of the previous year primarily reflecting the substitution of Leased-in Fleet with newly acquired railcars and improved pricing.

The difference between EBITDA and Adjusted EBITDA arises largely from “Net foreign exchange transaction gains/(losses) on borrowings” and “Net foreign exchange transaction gains/(losses) on cash and cash equivalents”, which are eliminated from Adjusted EBITDA.

The following table sets forth Adjusted EBITDA for the six months ended 30 June 2012 and 2011, and its reconciliation to EBITDA and profit for the period.

	Six months ended 30 June 2011 USD mln	Six months ended 30 June 2012 USD mln	Change USD mln	Change %
Profit for the period	159.3	159.5	0.3	0%
Plus (Minus)				
Income tax expense	40.5	45.7	5.2	13%
Finance costs - net	17.9	76.1	58.2	326%
Net foreign exchange transaction gains/(losses) on borrowings	1.2	(39.6)	n/a	n/a
Net foreign exchange transaction gains on cash and cash equivalents	-	2.2	2.2	n/a
Amortisation of intangible assets	0.1	1.6	1.5	1642%
Depreciation of property, plant and equipment	39.0	46.3	7.3	19%
EBITDA	**258.0***	**291.8***	**33.8**	**13%**
Minus (Plus)				
Net foreign exchange transaction gains/(losses) on borrowings	1.2	(39.6)	n/a	n/a
Net foreign exchange transaction gains on cash and cash equivalents	-	2.2	2.2	n/a
Share of profit of associates	0.3	0.2	(0.1)	-29%
Other gains (losses) - net	(0.6)	1.4	n/a	n/a
Gain/(loss) on sale of property, plant and equipment	0.5	(0.9)	n/a	n/a
Adjusted EBITDA	**256.5***	**328.6***	**72.0**	**28%**

Finance income and costs

The following table sets forth a breakdown of finance income and costs for the six months ended 30 June 2012 and 2011.

	Six months ended 30 June 2011 USD mln	Six months ended 30 June 2012 USD mln	Change USD mln	Change %
Interest expense:				
Bank borrowings	(13.3)	(26.2)	12.8	96%
Finance leases	(2.8)	(1.3)	(1.5)	-53%
Non-convertible unsecured bonds	(4.5)	(13.7)	9.2	205%
Other finance costs	(0.2)	(0.3)	0.1	38%
Total interest expense	(20.8)	(41.5)	20.7	99%
Net foreign exchange transaction gains/(losses) on borrowings	1.2	(39.6)	n/a	n/a
Finance cost on liability for minimum dividend distribution	(1.1)	-	(1.1)	n/a
Finance costs	**(20.7)**	**(81.0)**	**60.3**	**291%**
Interest income:				
Bank balances	0.2	1.8	1.6	972%
Short term deposits	0.7	1.0	0.3	43%
Finance leases – third parties	2.0	-	(2.0)	-100%
Total interest income	2.8	2.8	(0.0)	-2%
Net foreign exchange transaction gains on cash and cash equivalents	-	2.2	2.2	n/a
Finance income	**2.8**	**4.9**	**2.1**	**74%**
Net finance costs	**(17.9)**	**(76.1)**	**58.2**	**326%**

Finance income

Finance income increased 74% year on year to USD 4.9 million in the first six months of 2012 primarily driven by the combination of (i) USD 2.2 million of net foreign exchange transaction gains on cash and cash equivalents; (ii) USD 1.6 million increase in interest income on bank balances; and (iii) USD 2.0 million decrease in finance income from finance leases-third parties as the related liability was repaid by the relevant leaseholder in the second half of 2011.

Finance costs

Finance costs increased 291% or USD 60.3 million to USD 81.0 million in the first six months of 2012 compared to the same period of the previous year. This increase reflects the combination of the following factors:

- Total interest expense increased 99% or USD 20.7 million to USD 41.5 million in the first six months of 2012 compared to the same period of the previous year. This increase was driven by increased borrowings incurred to finance the Group's significant business expansion. For more information on the Group's business expansion in first six months of 2012 please see *"Capital Expenditure"*;
- In the first six months of 2012 the Group recorded USD 39.6 million of "Net foreign exchange transaction losses on financing activities", which was largely driven by an increase in net US dollar-denominated liabilities arising primarily under the Ferrotrans acquisition facility and the significant depreciation of the Russian rouble against the US Dollar in the second quarter of 2012.

Profit before income tax

Profit before income tax increased 3% to USD 205.3 million in the first six months of 2012 compared to the same period of the previous year. This increase was driven primarily by a USD 63.7 million year on year increase in operating profit, partially offset by a USD 58.2 million year on year increase in net finance costs.

Income tax expense

Income tax expense increased 13% year on year to USD 45.7 million in the first six months of 2012 reflecting the recognition of a deferred tax provision in the amount of USD 6.6 million due to the change in intention for distribution of profits of a Russian subsidiary of the Company.

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 2012 is 21.0% (2011: 20.3%).

LIQUIDITY AND CAPITAL RESOURCES

The business of freight rail transportation is capital-intensive. In the first six months of 2012 the Group's liquidity needs arose primarily from the purchase of rolling stock and acquisition of Ferrotrans, as well as general working capital requirements. The Group was able to meet its liquidity and capital expenditure needs from operating cash flow, cash and cash equivalents available at 31 December 2011 as well as proceeds from borrowings and public debt instruments.

Management manages its liquidity based on expected cash flows. As at 30 June 2012, the Group had Net Working Capital of USD 192.9 million*. Utilising its anticipated operating cash flow, its borrowings and proceeds from the recent follow-on offering, the Group believes that it has sufficient working capital to enable it to operate successfully and expand its business when appropriate opportunities arise.

Cash flows

The following table sets forth the principal components of the Group's consolidated interim cash flow statement for the six months ended 30 June 2012 and 2011.

	Six months ended 30 June 2011 USD mln	**Six months ended 30 June 2012 USD mln**
Cash flows from operating activities	**255.8**	**329.9**
Changes in working capital:		
Inventories	0.1	(1.7)
Trade and other receivables	(0.5)	(77.9)
Trade and other payables	6.6	(22.7)
Cash generated from operations	262.0	227.7
Tax paid	(25.8)	(51.4)
Net cash from operating activities	**236.2**	**176.3**
Cash flows from investing activities		
Acquisition of subsidiaries-net of cash acquired	-	(539.4)
Purchases of property, plant and equipment	(50.3)	(647.5)
Proceeds from disposal of property, plant and equipment	4.4	1.7
Interest received	2.8	2.8
Net cash used in investing activities	**(43.0)**	**(1,182.5)**
Cash flows from financing activities		
Net cash inflows (outflows) from borrowings and financial leases[11]	(131.1)*	1,178.8*
Interest paid	(21.1)	(38.6)
Purchase of treasury shares	-	(43.2)
Dividends paid to non-controlling interests in subsidiaries	(22.3)	(23.5)
Dividends paid to owners of the Company	(58.5)	(98.9)
Net cash from/(used in) financing activities	(233.0)	974.7
Net decrease in cash and cash equivalents	(39.8)	(31.4)
Exchange gains/(losses) on cash and cash equivalents	(0.7)	1.3
Cash, cash equivalents and bank overdrafts at beginning of period	137.0	119.7
Cash and cash equivalents at end of period	**96.4**	**89.6**

[11] Net Cash inflows (outflows) from borrowings and financial leases defined as a balance between the following line items: "Proceeds from borrowings", "Repayments of borrowings", "Finance lease principal payments" and "Proceeds from sale and lease back transactions".

Net cash from operating activities

Net cash generated from operating activities decreased 25% to USD 176.3 million in the first six months of 2012, compared to the same period the previous year. This was the result of the following factors:

- Cash flows from operating activities increased 29% to USD 329.9 million, supported by the strong performance of the underlying business;
- Negative changes in working capital of USD 102.2 million in the first six months of 2012, compared to a positive change of USD 6.2 million in the same period of the previous year primarily due to an increase in trade and other receivables reflecting VAT which was reimbursable on the acquisition of rolling stock during the period;
- Increases in tax paid in the first six months of 2012 to USD 51.4 million, compared to USD 25.8 million in the same period of the previous year, driven primarily by the fact that in the first six months of 2011 a substantial portion of income tax payable was offset by the amounts of VAT receivable, which resulted in the smaller amount of income tax paid in cash by the Group.

Net cash used in investing activities

Net cash used in investing activities increased by USD 1,139.5 million to USD 1,182.5 million in the first six months of 2012 compared to the same period of the previous year, primarily as a result of a significant increase in the Group's investing activities: (i) USD 597.3 million year on year increase in the purchases of property, plant and equipment; and (ii) acquisition of subsidiaries-net of cash acquired to the amount of USD 539.4 million related to the acquisition of Ferrotrans.

Net cash used from (used in) financing activities

Net cash from financing activities amounted to USD 974.7 million in the first six months of 2012 compared to net cash used in financing activities of USD 233.0 million in the same period of the previous year. This change was primarily due to the combination of the following factors:

- Net cash inflows from borrowings and finance leases of USD 1,178.8 million* reflecting significantly increased investing activities;
- Interest paid of USD 38.6 million, an increase of USD 17.5 million year on year, reflecting an increase in borrowings;
- Purchase of treasury shares to the amount of USD 43.2 million (these treasury shares have been sold by the Company as part of the follow-on offering in July 2012);
- Payment of USD 23.5 million of dividends to non-controlling interests in subsidiaries; and
- Payment of USD 98.9 million in dividends to shareholders of the Company, compared to USD 58.5 million paid in the same period of the previous year.

Capital Expenditure

In the first six months of 2012 the Group significantly increased its investments in the expansion of business in response to favourable market conditions and decreased prices for rolling stock. The Group's Owned Fleet increased by 44% or 17,643 units to 57,553 units at 30 June 2012 compared to the end of 2011 as a combination of organic growth and acquisition of Ferrotrans (former Metalloinvesttrans).

Organic growth

In the period from 1 January 2012 to 30 June 2012, the Group took delivery of 9,392 railcars (8,392 gondola and 1,000 rail tank cars)[12]. An additional 1,027 contracted railcars[13] (577 gondola and 450 rail tank cars) are expected to be delivered in the second half of 2012.

---

[12] 5 units of rolling stock were disposed of over the first six months of 2012.

[13] Including 277 units delivered in July-August 2012.

The Group's capital expenditure on the acquisition of rolling stock (including rolling stock leased in under finance leases) on an accrual basis as well as capitalised repairs amounted to USD 692.2 million in the first six months of 2012.

Acquisition of Ferrotrans

In May 2012 the Group acquired a 100% interest in Ferrotrans, a former "captive" freight rail operator of Metalloinvest with 8,256 units of rolling stock (including 7,851 gondola cars) in ownership.

In connection with the Ferrotrans acquisition, Ferrotrans has entered into freight rail service contracts with the Metalloinvest entities for Ferrotrans to manage 100% of Metalloinvest's rail transportation volumes for the year ended 31 May 2013 and to give Ferrotrans a right of first refusal over 60% of such volumes for each of the years ended 31 May 2014 and 2015, subject to certain conditions.

The preliminary total cash consideration for the acquisition amounted to USD 566.8 million, USD 540.0 million of which was paid at the time of acquisition and the remaining USD 26.8 million represents management's estimate of additional consideration payable to be determined based on the actual amounts of debt/cash and deviation of working capital of Ferrotrans compared to normalised values. The initial consideration paid at the time of acquisition assumed Ferrotrans to be debt/cash free and operate at normalized working capital. It is expected that such additional consideration will be finally determined and settled in September 2012.

Ferrotrans' integration into the Group's operations is on track with its financial performance post-acquisition in line with 2011 results[14].

Capital Resources

The Group's financial indebtedness consisted of bank overdrafts, bank borrowings, non-convertible unsecured bond issues and finance lease liabilities to an aggregate principal amount of USD 1,489.6 million (including accrued interest of USD 12.6 million*) as of 30 June 2012, representing an increase of USD 1,110.5 million compared to 31 December 2011. This increase was primarily due to new borrowings to finance, in part, the purchase of rolling stock and the acquisition of Ferrotrans. The Group's Net Debt as of 30 June 2012 amounted to USD 1,400.0 million*.

In July 2012 the Group successfully completed a follow-on offering of shares in the form of global depositary receipts; gross proceeds from this offering received by the Company amounted to USD 400 million.

The information below represents the Group's financial position as of 31 July 2012 and derived from management accounts.

As of 31 July 2012 the Group's total debt amounted to USD 1,131.5 million* with Net Debt of USD 991.5 million*. The weighted average effective interest rate was 9.0%* with the share of borrowings with a fixed interest rate amounting to 75%* and with floating rate of 25%* as of 31 July 2012.

The share of total debt denominated in Russian roubles amounted to 86.4%* with the remaining 13.5%* denominated in US dollars and 0.2%* in Euros as of 31 July 2012.

The following table sets forth the maturity profile of the Group's borrowings (including accrued interest of USD 15.1 million*) as at 31 July 2012.

	as at 31 July 2012 USD mln
August-December 2012	138.8*
2013	216.7*
2014	214.7*
2015-2018	561.4*
Total	**1,131.5***

[14] According to management accounts Adjusted EBITDA of Ferrotrans amounted to RUB 518 million* in the period from 16 May 2012 to 30 June 2012 (RUB 4,107 million* in the year of 2011).

PRESENTATION OF INFORMATION

The financial information presented in this announcement is derived from the condensed consolidated interim financial information (unaudited) of Globaltrans Investment PLC ("the Company" or, together with its subsidiaries, "Globaltrans" or "the Group") as at and for the six months ended 30 June 2012 and 2011 and prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The Group's consolidated financial statements for the prior periods along with the selection of operating measures are available at Globaltrans' corporate website (www.globaltrans.com).

The consolidated financial information is presented in US Dollars, which the Group's management believes to be better understood by the principal users of the financial statements. The functional currency of the Company, its Cypriot subsidiaries and its Russian subsidiaries is the Rouble. The Company's Estonian and Finnish subsidiaries have the Euro as their functional currency and the Company's Ukrainian subsidiary has the Ukrainian Hryvna as its functional currency. The balance sheets of the Group's companies which have currencies other than the US Dollar as their functional currency are translated into US Dollars, at the exchange rate prevailing at the date of the relevant balance sheet, whereas income and expense items are translated into US Dollars at the average monthly exchange rates using the official exchange rates of the central bank of the country of registration of each entity, which approximate the exchange rate existing at the date of the transactions, in accordance with IAS 21 ''The Effects of Changes in Foreign Exchange Rates''. All resulting foreign currency exchange rate differences are recognised in other comprehensive income.

The Group's condensed consolidated interim financial information for the six months ended 30 June 2012 includes results of Ferrotrans (formerly Metalloinvesttrans acquired in May 2012). Ferrotrans' results have been consolidated from 15 May 2012.

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

In this announcement the Group has used certain non-GAAP financial information (not recognised by EU IFRS or IFRS) as supplemental measures of the Group's operating performance.

Information (non-GAAP and operating measures) requiring additional explanation or defining is marked with initial capital letters and the explanations or definitions are provided at the end of this announcement.

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

The Group has obtained certain statistical, market and pricing information that is presented in this announcement on such topics as the Russian freight rail transportation market and related subjects from the following third-party sources: Federal State Statistics Service of Russian Federation ("Rosstat"); OJSC Russian Railways ("RZD") and Federal Tariff Service of Russian Federation ("FST"). The Group has accurately reproduced such information and, as far as it is aware and is able to ascertain from information published by such third party sources, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Group has not independently verified this third-party information. In addition, the official data published by Russian governmental agencies may be substantially less complete or researched than that of more developed countries.

All non-GAAP financial and operational information presented in this announcement should be used only as an analytical tool, and investors should not consider such information in isolation or in any combination as a substitute for analysis of the Group's consolidated financial statements and condensed interim financial information reported under EU IFRS, which are available the Globaltrans' corporate website www.globaltrans.com.

---END---

ANALYST AND INVESTOR CONFERENCE CALL

An analyst and investor conference call hosted by Sergey Maltsev, Chief Executive Officer and Alexander Shenets, Chief Financial Officer will be held on Monday, 3 September 2012 at 09.00 New York time (EDT) / 14.00 London time / 17.00 Moscow time. To participate in the conference call, please dial one of the following numbers and ask to be put through to the "Globaltrans" call:

UK toll free: 0808 109 0700

International: +44 (0) 20 3003 2666

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

There will also be a webcast of the call, available through the Globaltrans website (www.globaltrans.com). Please note that this will be a listen-only facility. A slide presentation will be distributed and made available at the Globaltrans website prior to the conference call.

ENQUIRIES

Globaltrans Investor Relations

Mikhail Perestyuk

+357 25 503 153

irteam@globaltrans.com

For international media

Holloway & Associates

Laura Gilbert / Zoe Watt

+44 20 7240 2486

globaltrans@rholloway.com

NOTES TO EDITORS

Globaltrans is a leading private freight rail transportation group with operations in Russia, the CIS and the Baltic countries. The Group's main business is the provision of freight rail transportation services. Globaltrans provides services to more than 650 customers and its key customers include a number of large Russian industrial groups in the metals and mining and the oil products and oil sectors.

The Group's fleet of rolling stock owned and leased amounted to 62,710 units at 30 June 2012, including 39,997 gondola cars, 21,818 rail tank cars, 57 locomotives and 838 other railcars.

In the first six months of 2012 the Group's Freight Rail Turnover was 53.6 billion tonnes-km with 34.2 million tonnes of freight transported. The Group's Adjusted Revenue was USD 664.7 million* with Adjusted EBITDA reaching USD 328.6 million* in the first six months of 2012.

Globaltrans' global depositary receipts (ticker symbol: GLTR) have been listed on the Main Market of the London Stock Exchange since May 2008. Globaltrans was the first freight rail transportation group with operations in Russia to have an international listing.

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

DEFINITIONS

Terms that require definitions are marked with capital letters in this announcement and their definitions are provided below in alphabetical order:

Adjusted EBITDA (a non-GAAP financial measure) represents EBITDA excluding "Net foreign exchange transaction gains/(losses) on borrowings", "Net foreign exchange transaction gains/(losses) on cash and cash equivalents", "Share of profit of associates", "Other gains - net" and "Loss/(gain) on sale of property, plant and equipment".

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

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

Average Distance of Loaded Trip is calculated as the sum of distances of all loaded trips for a period divided by the number of loaded trips for the same period.

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

Average Price per Trip is calculated as Net Revenue from Operation of Rolling Stock divided by total number of loaded trips during the relevant period in the respective currency.

Average Rolling Stock Operated is calculated as the average weighted (by days) number of rolling stock available for operator services (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased out or Engaged Fleet).

EBITDA (a non-GAAP financial measure) represents "Profit for the period" before "Income tax expense", "Finance costs-net" (excluding "Net foreign exchange transaction gains/(losses) on financing activities"), "Depreciation of property, plant and equipment" and "Amortisation of intangible assets".

Engaged Fleet is defined as rolling stock subcontracted or otherwise attracted from a third party 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 OJSC Russian Railways for forwarding empty railcars) is derived from management accounts and presented as part of the "Infrastructure and locomotive tariffs: empty run trips, other tariffs and services provided by other transportation organisations" component of "Cost of sales" reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation and rolling stock leased in or leased out.

Empty Run Ratio is calculated as the total of empty trips in kilometres by respective rolling stock type divided by total loaded trips in kilometres of such rolling stock type. Empty trips are only applicable to rolling stock operated (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out).

Freight Rail Turnover is a measure of freight carriage activity over a particular period calculated as sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km.

Functional Currency is defined as the currency of the primary economic environment in which the entity operates. The functional currency of the Company, its Cyprus and Russian subsidiaries is the Russian rouble. The Estonian and Finnish subsidiaries have the Euro as their functional currency. The Ukrainian subsidiary of the Company has Ukrainian hryvnia as its functional currency.

Leased-in Fleet is defined rolling stock fleet leased-in under operating leases, including both railcars and locomotives.

Leased-out Fleet is defined as rolling stock fleet leased to third parties under operating leases.

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 Operation of Rolling Stock (a non-GAAP financial measure) is defined as the sum of "Revenue from railway transportation-operators services (tariff borne by the Group)" and "Revenue from railway transportation-operators services (tariff borne by the client)" less "Infrastructure and locomotive tariffs: loaded trips".

Net Working Capital (a non-GAAP financial measure) is calculated as the sum of the current portions of "Inventories", "Current income tax assets", "Trade receivables - net", "Prepayments - third parties", "Prepayments - related parties", "Other receivables - net", "VAT and other taxes recoverable", less the sum of the current portions of "Trade payables to third parties", "Trade payables to related parties", "Advances from customers for transportation services", "Advances from related parties for transportation services", "Accrued expenses", "Other payables to related parties", "Other payables to third parties", "Consideration payable for the acquisition of subsidiary".

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 "Infrastructure and locomotive tariffs: loaded trips", "Depreciation of property, plant and equipment", "Amortisation of intangible assets", "Impairment charge for receivables" and "Loss/(gain) on sale of property, plant and equipment".

Total Operating Non-Cash Costs (a non-GAAP financial measure) include line items such as "Depreciation of property, plant and equipment", "Amortisation of intangible assets", "Impairment charge for receivables" and "Loss/(gain) on sale of property, plant and equipment".

Other Operating Cash Costs (a non-GAAP financial measure) include line items such as "Operating lease rentals-office", "Auditors' remuneration", "Advertising and promotion", "Communication costs", "Information services", "Taxes (other than income tax and value added taxes)" and "Other expenses".

Other Tariffs and Services Provided by Other Transportation Organisations (a non-GAAP financial measure) is presented as part of the ''Infrastructure and locomotive tariffs: empty run trips, other tariffs and services provided by other transportation organisations'' component of "Cost of sales" reported under EU IFRS.

Owned Fleet is defined as rolling stock fleet owned and leased in under finance lease as of the end of period (it includes railcars and locomotives unless otherwise stated).

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 in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out) in the relevant period.

Total Empty Run Ratio is calculated as total kilometres travelled empty divided by total kilometers travelled loaded by the fleet operated by Globaltrans (not including relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out) in the relevant period.

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

Transportation Volume is a measure of freight carriage activity over a particular period measuring weight of cargo carried in million tonnes.

LEGAL DISCLAIMER

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