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Performance

## Interim 2016 Results

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

Valery Shpakov, CEO and Alexander Shenets, CFO  
Investor Conference Call: 30 August 2016

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## Presentation of information

The financial information contained in this presentation 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 2016 and 2015 and 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 2015, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Cyprus Companies Law, Cap. 113.

The Group’s condensed consolidated interim financial information and selected operational information as at and for the year ended 30 June 2016 and 2015 along with historical financial and operational information are available at Globaltrans’ corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

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

The respective financial information for the first six months of 2015 and the full year 2015 has been restated to reflect the harmonisation of the Group’s accounting policy in respect of capitalisation of capital repairs and associated spare parts. Historically due to the low number of these repairs, they were expensed as incurred.

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

In this presentation the Group has used certain non-GAAP financial information (not recognized 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 presentation.

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

The Group has obtained certain statistical, market and pricing information that is included in this presentation on such topics as the Russian freight rail transportation market and related subjects from the following third-party sources: Federal State Statistics Service of Russian Federation (“Rosstat”); JSC Russian Railways (“RZD”), Federal Antimonopoly Service (“FAS”) and the Council of Freight Rail Operators (“Railsovet”). 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 presentation 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](http://www.globaltrans.com).

## The team presenting today



**Valery Shpakov**  
Chief Executive Officer

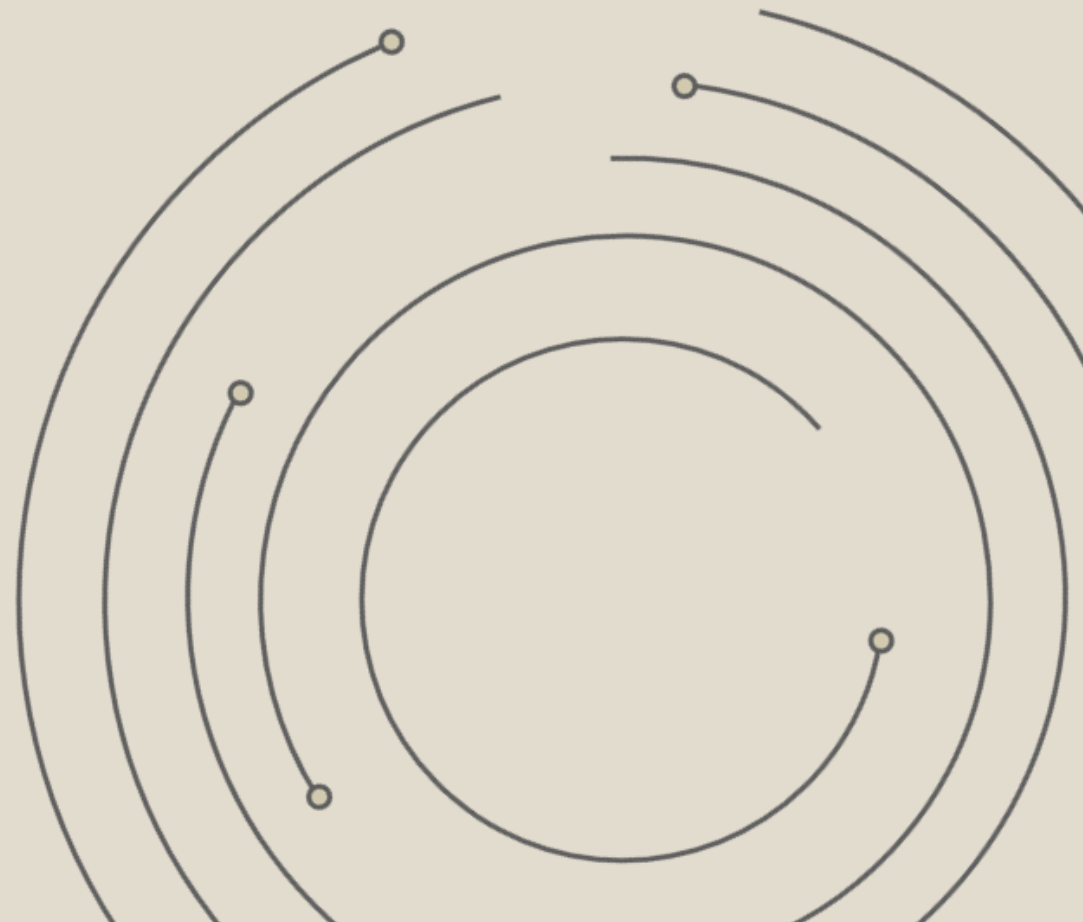
Mr Shpakov became CEO in March 2016, having served as Interim CEO since November 2015. He joined Globaltrans subsidiary New Forwarding Company in 2003 and was its CEO from 2007. He has a track record of over 30 years in the rail industry and is a recipient of the “Honoured Railwayman of Russia” Award,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



**Alexander Shenets**  
Chief Financial Officer

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

- **Highlights**



# Strong growth in business volumes, efficient cost management and improved attributable profit

## Continued market outperformance

- Freight Rail Turnover up 13% y-o-y<sup>1</sup> supported by recovery in bulk cargoes (overall market up 2% y-o-y); market share of overall Russian Freight Rail Turnover up to 8.3% from 7.4% in H1 2015<sup>2</sup>
- Improvement in both Total Empty Run Ratio (48%) and Empty Run Ratio for gondola cars (39%)
- >85% of the Group's Freight Rail Turnover in H1 2016 was from recovering bulk cargoes

## Efficient cost management and respectable financial results

- Adjusted Revenue remained broadly stable at RUB 20.6 bln\* (-1% y-o-y)
- Increase in Total Operating Cash Costs (+3%) held at level substantially below rise in Group's business volumes and increase in RZD regulated tariffs<sup>3</sup>
- Adjusted EBITDA of RUB 7.6 bln\* down 9% y-o-y
- Profit attributable to owners up 11% y-o-y to RUB 1.6 bln<sup>4</sup> as a result of positive contribution from the wholly owned gondola business

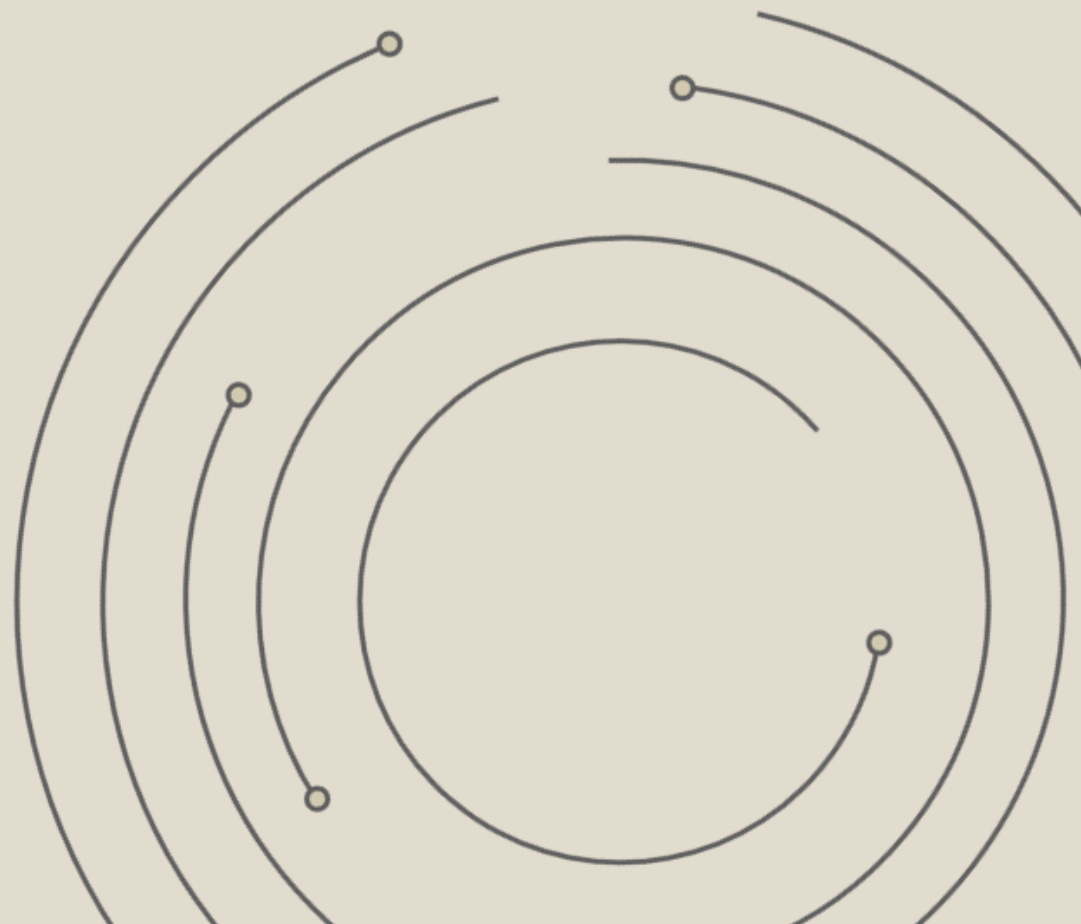
## Strong balance sheet

- Finance cost down 26% y-o-y on the back of improvement in weighted average effective interest rate and the decline of total debt over the last 18 months period
- Net Debt of RUB 17.1 bln\*; almost 100% of debt RUB denominated
- Net Debt to Adjusted EBITDA (LTM) ratio at 1.1x<sup>5</sup>

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

- 1) The Group's Freight Rail Turnover excluding Engaged Fleet increased 15% y-o-y.
- 2) For the purpose of this presentation the Group's market share is calculated as a percentage of the overall Russian Freight Rail Turnover. It includes the freight turnover generated by the Engaged Fleet. The Group's market share of overall Russian Transportation Volumes was 8.4% in H1 2016 (H1 2015: 8.3%).
- 3) RZD regulated tariff (including for traction of empty railcars) increased 9% y-o-y from January 2016.
- 4) The Group's Profit for the period was RUB 2.3 bln in H1 2016, down 13% y-o-y.
- 5) For the twelve months period ended 30 June 2016; calculated on the basis of restated financial statements for 2015, reflecting the harmonisation of the Group's accounting policy in respect of capitalisation of capital repairs and associated spare parts.

- Market update



# Recovery in bulk cargo market but weak demand in oil products/oil segment

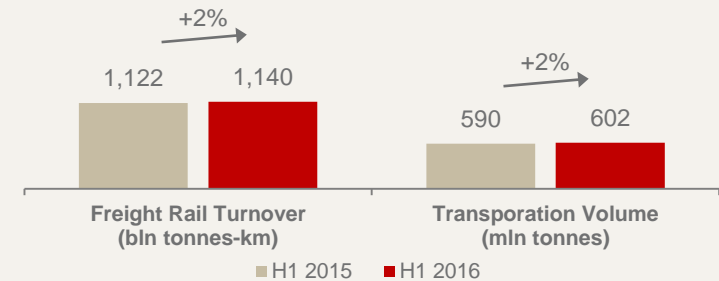
- **Overall market continues to grow**

- Freight Rail Turnover and Transportation Volumes in Russia both increased 2% y-o-y in H1 2016 supported by bulk cargo market recovery
  - Non-oil volumes rose 5% y-o-y led by coal<sup>1</sup> (+6% y-o-y) and construction materials<sup>2</sup> (+16% y-o-y)
  - Oil products and oil market declined 8% y-o-y reflecting new pipeline capacities and a decline in refined products output

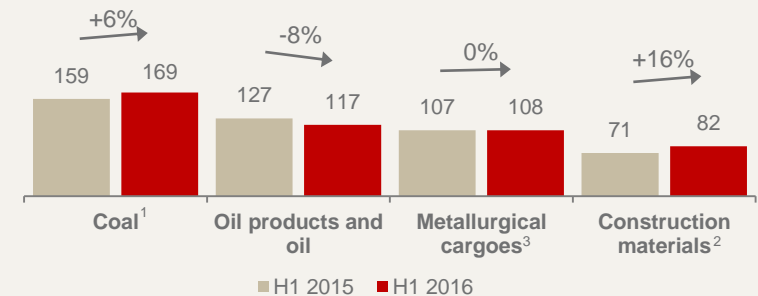
- **Mixed pricing environment**

- Pricing conditions in the gondola segment continue to gradually improve on the back of the bulk cargo market recovery and ongoing industry-wide scrappage of old gondola cars
- Pricing environment in the oil products and oil segment remains under pressure due to weak demand with the leasing segment suffering most

## Overall Russian freight rail market performance



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



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

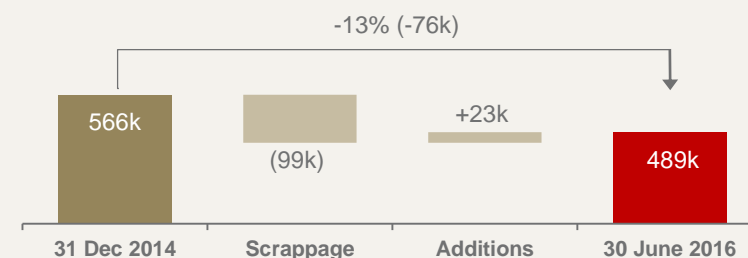
1) Coal including coke.  
 2) Construction materials including cement.  
 3) Metallurgical cargoes including ferrous metals, scrap metal and ores.



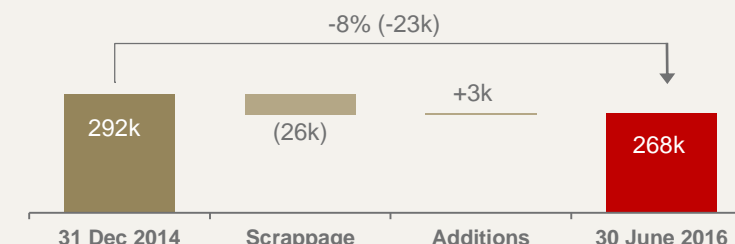
## Supply and demand balance in gondola segment continues to improve

- Significant reduction in overall number of railcars in Russia**
  - Railcars with ended useful life are being taken out of operation due to impact of new regulations<sup>1</sup>
  - High leverage, weak economic environment limit industry's capacity to substitute retired fleets – reducing capacity imbalance
  - Globaltrans owns a modern railcar fleet with an average age of 10 years as of 30 June 2016, which is minimally impacted by the end of useful life regulations
- Improved supply and demand balance for gondola cars**
  - Due to the end of useful life, net supply of gondola cars decreased by c.13% over last 18 months<sup>2</sup>
  - Further c.30k gondola cars (or c.6% of overall gondola fleet) expected to reach the end of useful life by end of 2017<sup>3</sup>
- Rail tank car segment suffering from oversupply**
  - Weak demand in oil products and oil market impacting segment
  - Due to the end of useful life, net supply of rail tank cars decreased by c.8% over last 18 months<sup>2</sup>
  - Further c.13k rail tank cars (or c.5% of overall rail tanks fleet) expected to reach the end of useful life by end of 2017<sup>3</sup>

### Overall Russian gondola car fleet down c.13% over last 18 months<sup>2</sup>



### Overall Russian rail tank car fleet down c.8% over last 18 months<sup>2</sup>



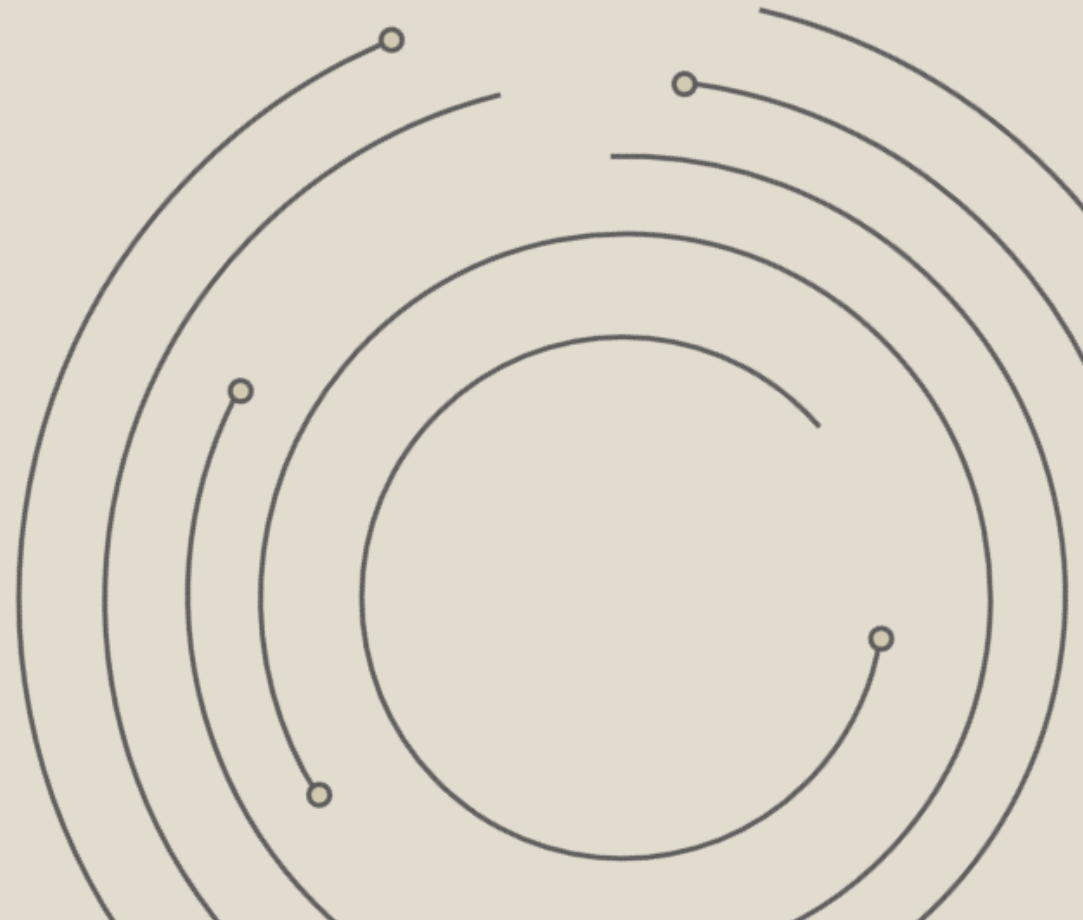
Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation.

1) All railcars reaching the end of useful life (or extended useful life) have to be taken out of operation (excluding certain types of specialized railcars). The useful life for gondola car is 22 years and for rail tank car – 32 years.

2) Estimated by the Company.

3) In the next 18 months from 30 June 2016; Estimated by the Company; Based on the number of railcars of respective type reaching the end of useful life (or extended useful life); As a percentage of overall fleet of respective type as of 30 June 2016.

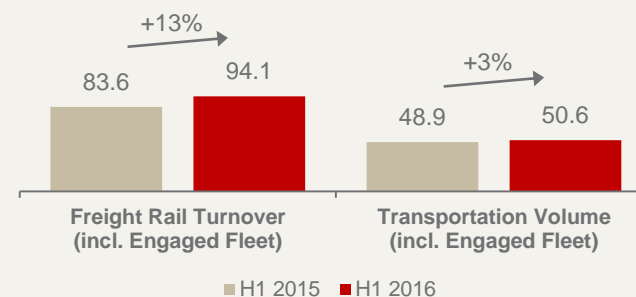
- Operational performance



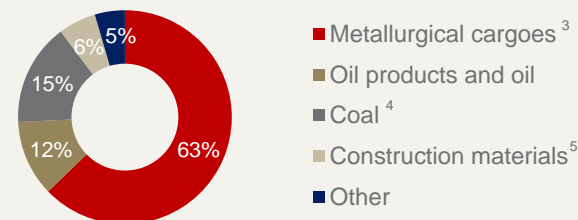
## Strong growth in Freight Rail Turnover supported by bulk cargo segment

- Continued market outperformance and market share gains**
  - The Group's Freight Rail Turnover (incl. Engaged Fleet) up 13% y-o-y<sup>1</sup> vs. 2% y-o-y market growth
  - Market share of overall Russian Freight Rail Turnover increased to 8.3% vs. 7.4% in H1 2015<sup>2</sup>
  - Gains supported by modern fleet, long-term client relationships and quality of service
- Stronger bulk cargo performance**
  - Freight Rail Turnover gains led by bulk cargo segment, including metallurgical cargoes<sup>3</sup> (+19% y-o-y), coal<sup>4</sup> (+17% y-o-y) and construction materials<sup>5</sup> (+9% y-o-y)
  - Partially offset by oil products and oil down 17% y-o-y (volumes down 10% y-o-y) reflecting weak demand and changed logistics
  - >85% of Group's Freight Rail Turnover in H1 2016 was contributed by recovering bulk cargoes
- Increase in operated fleet along with improved railcar turnover**
  - Average Rolling Stock Operated up 4% y-o-y to 55,864 units primarily reflecting rise in leased-in gondola car numbers
  - Average Number of Loaded Trips per railcar remained stable with Average Distance of loaded Trip up 10% y-o-y

### +13% y-o-y increase in the Group's Freight Rail Turnover<sup>1</sup>



### >85% of the Group's Freight Rail Turnover contributed by bulk cargoes in H1 2016



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

1) The Group's Freight Rail Turnover (excluding Engaged Fleet) was up 15% y-o-y with Transportation Volume (excluding Engaged Fleet) up 4% y-o-y.

2) For the purpose of this presentation the Group's market share is calculated as a percentage of the overall Russian Freight Rail Turnover. It includes the freight turnover generated by the Engaged Fleet. The Group's market share of overall Russian Transportation Volumes was 8.4% in H1 2016 (H1 2015: 8.3%).

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

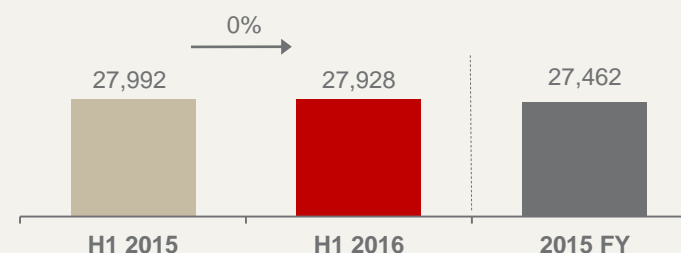
4) Coal including coke.

5) Construction materials including cement.

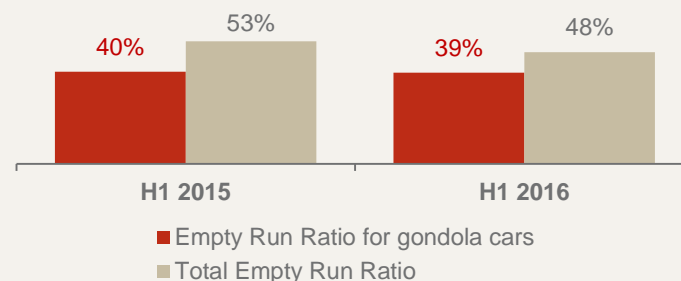
## Stable average pricing and improved operational efficiency

- **Average Price per Trip remained stable y-o-y**
  - Gradually improving pricing terms in gondola car segment on the back of bulk cargoes market recovery and ongoing industry-wide scrapping of old gondola cars
  - Rail tank car segment pricing remains under pressure due to weak market conditions
- **Improved operational efficiency**
  - Empty Run Ratio for gondola cars improved to 39% largely reflecting changed logistics
  - Total Empty Run Ratio (for all types of railcars) improved to 48%
  - Share of Empty Run km paid by Globaltrans at 88% (H1 2015: 87%)
- **Long-term service contracts continue to underpin operations**
  - Multi-year contracts with large clients (Rosneft, MMK and Metalloinvest) contributed 63% of Group's Net Revenue from Operation of Rolling Stock in H1 2016

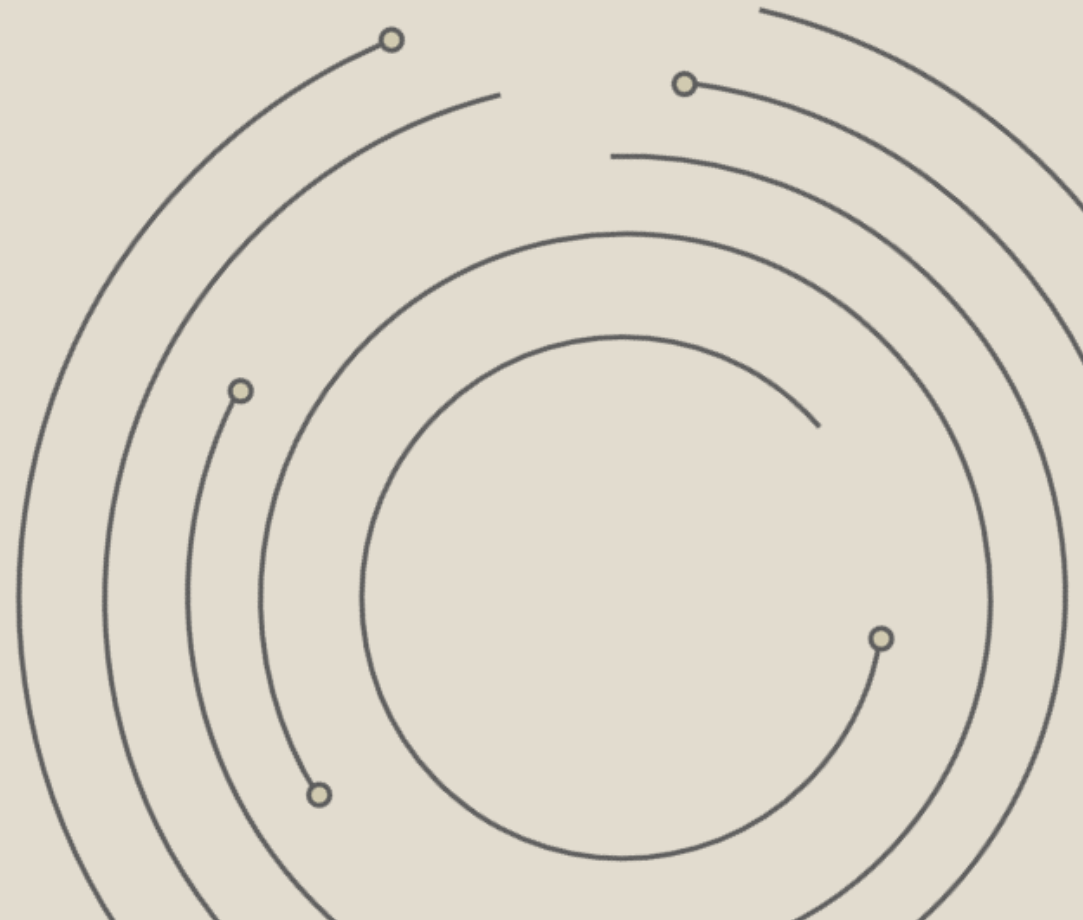
### Average Price per Trip (RUB)



### Empty Run Ratio (%)

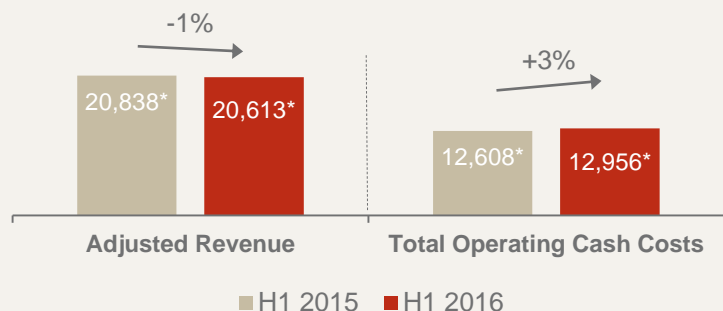


- Financial results

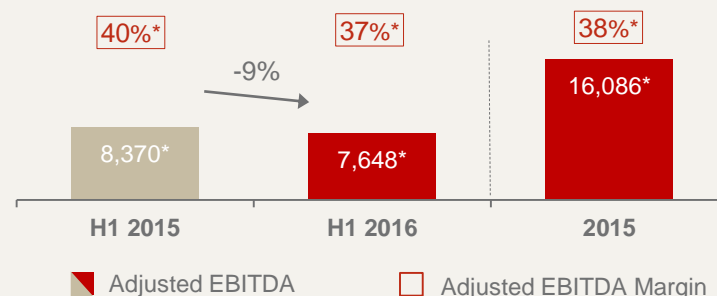


# Respectable financial results: efficient cost management, increased attributable profit and comfortable leverage<sup>1</sup>

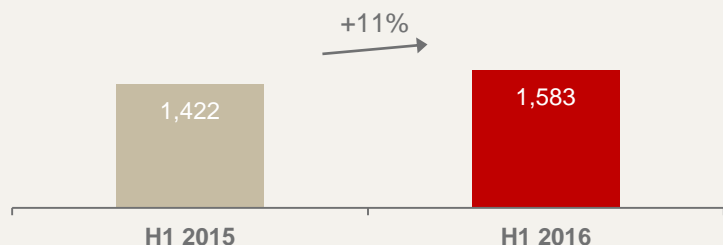
**Adjusted Revenue (RUB mln)**  
**Total Operating Cash Costs (RUB mln)**



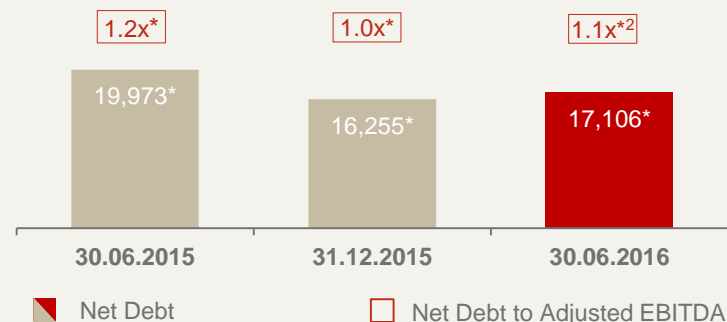
**Adjusted EBITDA (RUB mln)**  
**Adjusted EBITDA Margin (%)**



**Profit attributable to owners of the Company (RUB mln)**



**Net Debt (RUB mln)**  
**Net Debt to Adjusted EBITDA (x)**



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

1) The respective financial information for the first six months of 2015 and the full year 2015 has been restated to reflect the harmonisation of the Group's accounting policy in respect of capitalisation of capital repairs and associated spare parts. Historically due to the low number of these repairs, they were expensed as incurred.  
2) For the twelve months period ended 30 June 2016.

## Increase in Net Revenue from Operation of Rolling Stock supported by solid results in gondola segment

	H1 2015 (RUB mln)	H1 2016 (RUB mln)	Change y-o-y
<b>Revenue</b>	<b>33,997</b>	<b>32,725</b>	<b>-4%</b>
<i>Minus</i>			
Infrastructure and locomotive tariffs: loaded trips <sup>1</sup>	11,699	10,538	-10%
Services provided by other transportation organisations <sup>2</sup>	1,460	1,574	8%
<b>Adjusted Revenue</b>	<b>20,838*</b>	<b>20,613*</b>	<b>-1%</b>
<i>Including</i>			
<b>Net Revenue from Operation of Rolling Stock</b>	<b>18,669*</b>	<b>19,386*</b>	<b>4%</b>
<b>Operating leasing of rolling stock</b>	<b>1,380</b>	<b>779</b>	<b>-44%</b>
<b>Net Revenue from Engaged Fleet</b>	<b>598*</b>	<b>113*</b>	<b>-81%</b>
Railway transportation - freight forwarding	9	17	94%
Other	183	318	74%

- **Net Revenue from Operation of Rolling Stock (94% of Adjusted Revenue) up 4% y-o-y with solid results in gondola segment partially offset by weak performance of rail tank car segment**
  - Average Price per Trip remained unchanged y-o-y with Average Number of Loaded Trips per railcar stable y-o-y
  - Average Rolling Stock Operated up 4% y-o-y
- **Revenue from Operating leasing of rolling stock (4% of Adjusted Revenue) decreased 44% y-o-y**
  - Decline in leasing rates for rail tank cars reflecting weak market conditions
  - Lower average number of rolling stock leased-out during the reporting period (Leased-out Fleet down 26% vs. the end of H1 2015)
- **Net Revenue from Engaged Fleet (1% of Adjusted Revenue) decreased 81% y-o-y**
  - Driven primarily by decline in profitability of Engaged Fleet operations on the back of gondola segment recovery

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

- 1) "Infrastructure and locomotive tariffs: loaded trips" comprises revenue resulting from tariffs that customers pay to the Group and the Group pays on to RZD, which are reflected in equal amounts in both the Group's revenue and cost of sales.
- 2) "Services provided by other transportation organizations" is revenue resulting from the tariffs that customers pay to the Group and the Group pays on to third-party rail operators for subcontracting their rolling stock, which are reflected in equal amounts in both the Group's revenue and cost of sales. The net result of Engaged Fleet operations is reflected as Net Revenue from Engaged Fleet being a part of Adjusted Revenue.

## Efficient cost management

	H1 2015 (RUB mln)	H1 2016 (RUB mln)	Change y-o-y
<b>Total Operating Cash Costs</b>	<b>12,608*</b>	<b>12,956*</b>	<b>3%</b>
Empty Run Costs	5,792*	6,068*	5%
Repairs and maintenance	1,738	2,039	17%
Employee benefit expense	1,521	1,288	-15%
Operating lease rentals - rolling stock	661	735	11%
Fuel and spare parts - locomotives	785	720	-8%
Infrastructure and Locomotive Tariffs - Other Tariffs	650*	717*	10%
Engagement of locomotive crews	250	223	-11%
Other Operating Cash Costs <sup>1</sup>	1,212*	1,166*	-4%
<b>Total Operating Non-Cash Costs<sup>2</sup></b>	<b>3,219*</b>	<b>3,292*</b>	<b>2%</b>
<i>Including</i>			
Depreciation of property, plant and equipment	2,558	2,528	-1%
Amortization of intangible assets	539	418	-23%
Loss on derecognition arising on capital repairs <sup>3</sup>	62	379	509%

- **Total Operating Cash Costs up 3% y-o-y**
  - Growth significantly below the increase in the Group's business volumes (Freight Rail Turnover excl. Engaged Fleet up 15% y-o-y) and 9% y-o-y increase in regulated RZD tariffs (incl. for traction of empty railcars)
- **Total Operating Non-Cash Costs up 2% y-o-y**
  - Decline in amortization of intangible assets was more than offset by increased loss on derecognition arising on capital repairs<sup>3</sup> as the number of capital repairs increased during the reporting period

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

- 1) Other Operating Cash Costs (a non-GAAP financial measure) include cost items such as "Rental of tank containers", "Legal, consulting and other professional fees", "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".
- 2) Total Operating Non-Cash Costs (a non-GAAP financial measure) include cost items such as "Depreciation of property, plant and equipment", "Amortization of intangible assets", "Impairment charge for receivables", "Impairment of property, plant and equipment", "Net (gain)/loss on sale of property, plant and equipment" and "Loss on derecognition arising on capital repairs".
- 3) Following the harmonization of the Group's accounting policy, the cost of each major periodic capital repair (including the replacement of significant components) is recognized in the carrying amount of the relevant item of rolling stock repaired and separately depreciated. Simultaneously, the carrying amount of the repaired rolling stock that is attributable to the previous periodic capital repair and/or significant component replacement, if any, is derecognized and debited in "Cost of sales" in the income statement as "Loss on derecognition arising on capital repairs" for the period during which the repair was carried out.



## Major Operating Cash Cost items

### Empty Run Costs (47%)<sup>1</sup>



- Increase well below 9% y-o-y increase in regulated RZD tariff for traction of empty railcars along with 15% y-o-y rise in the Group's Freight Rail Turnover (excl. Engaged Fleet)
- Total Empty Run Ratio reduced to 48% (H1 2015: 53%); Share of Empty Run km paid by Globaltrans at 88% (H1 2015: 87%)

### Repairs and maintenance (16%)<sup>1</sup>



- Increase in the number of current repairs due to strengthened industry safety regulations
- Cost inflation for works and spare parts

### Employee benefit expense (10%)<sup>1</sup>



- Minimal inflation in wages and salaries
- Lower bonuses
- Decline in average headcount

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



- Increase in average number of gondola cars leased-in to meet increased demand
- Rise in leasing rates in gondola car segment
- Partially offset by reduction of average number of rail tank cars leased-in as well decline in leasing rates for this type of rolling stock

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

1) The proportion of Total Operating Cash Costs in H1 2016.

# Solid cash flow generation and strong balance sheet

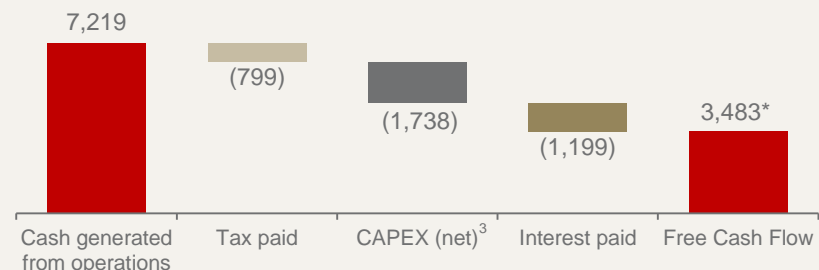
**• Solid cash flow generation**

- Cash generated from operations was RUB 7,219 mln (-17% y-o-y) partly driven by a one-off increase in working capital requirements
- Free Cash Flow of RUB 3,483 mln\* (-37% y-o-y) was impacted primarily by the decline in cash generated from operations and the rise in CAPEX due to selected acquisitions of petrochemical tank containers<sup>1</sup> and an increase in the number of capital repairs

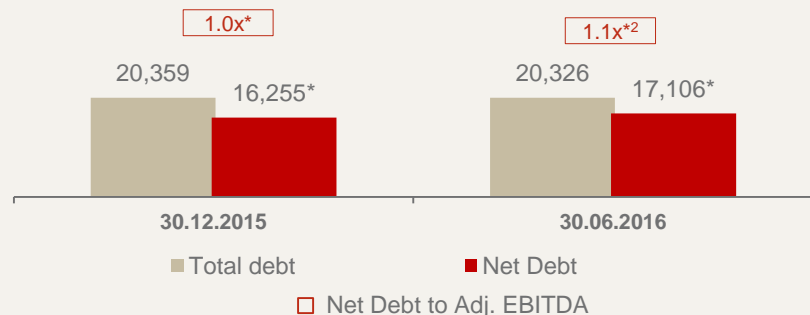
**• Strong balance sheet**

- Net Debt to Adjusted EBITDA (LTM) at 1.1x\*<sup>2</sup> with almost 100% of debt denominated in RUB
- Weighted average effective interest rate further improved to 11.7%\* from 12.0%\* as of the end of 2015 and 12.5%\* at the end of June 2015
- Low interest rate risk with majority of debt with fixed interest rates

**Free Cash Flow reconciliation (H1 2016; RUB mln)**



**Strong balance sheet (RUB mln)**



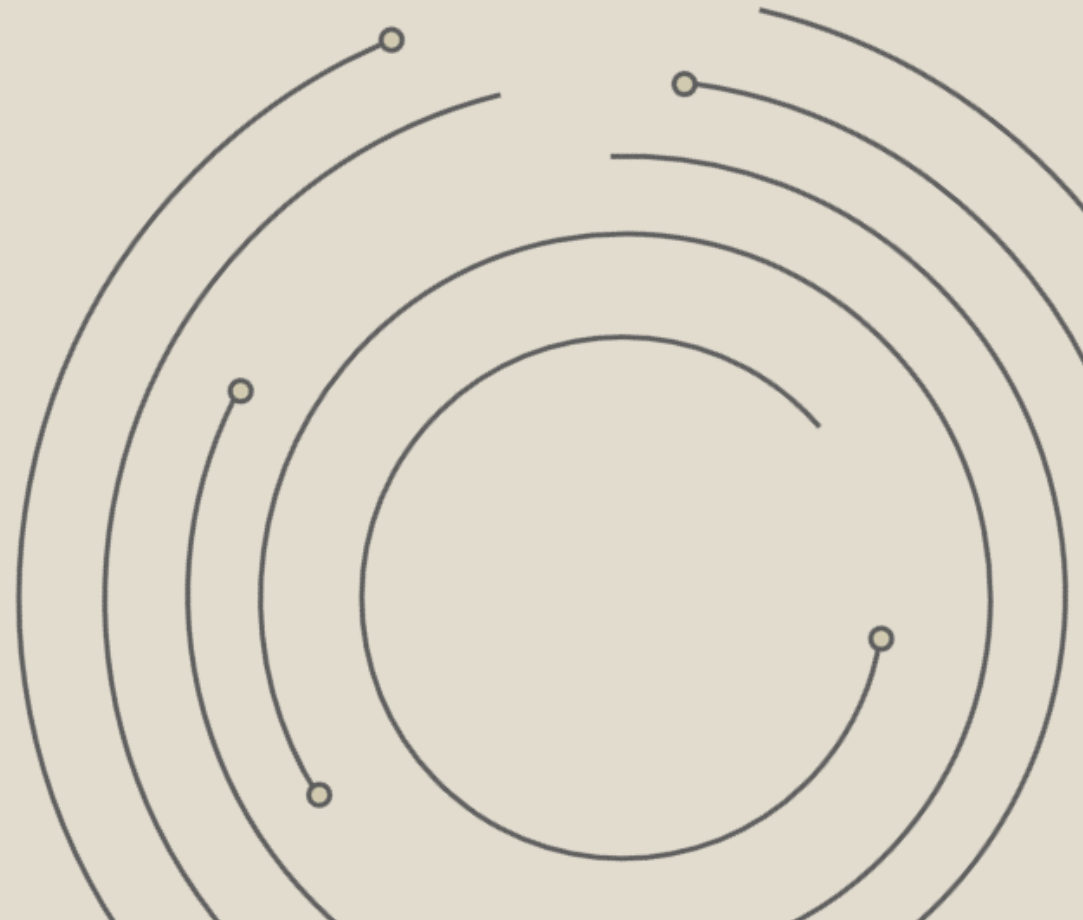
**Balanced and comfortable maturity profile (as of 30 June 2016, RUB mln)<sup>4;5</sup>**



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

1) In order to support the successful start-up operations, the Group ordered 700 petrochemical tank containers with 400 units booked as of 30 June 2016.  
 2) For the twelve months period ended 30 June 2016; calculated on the basis of restated financial statements for 2015, reflecting the harmonisation of the Group's accounting policy in respect of capitalization of capital repairs and associated spare parts.  
 3) On cash basis; calculated as the sum of Purchases of PPE (including maintenance CAPEX) and Proceeds from sale of PPE.  
 4) Including accrued interest of RUB 49 mln\*.  
 5) As of 30 June 2016 the Group had undrawn credit facilities in the amount of RUB 21,811 mln, including the unissued registered RUB denominated exchange-traded bonds in the amount of RUB 15,000 mln.  
 6) For the twelve months period ended 30 June 2016.

- Key takeaways



## Industry outlook and management focus

### Industry outlook

- Bulk cargo segment recovery along with continued industry-wide scrappage of old gondola cars support pricing environment
- Volume and pricing pressure in oil products and oil segment along with ongoing overall cost pressures expected to continue
- The Group is seeking to clarify the recently proposed regulatory initiatives in respect of the supervision of price increases for rail operators' services

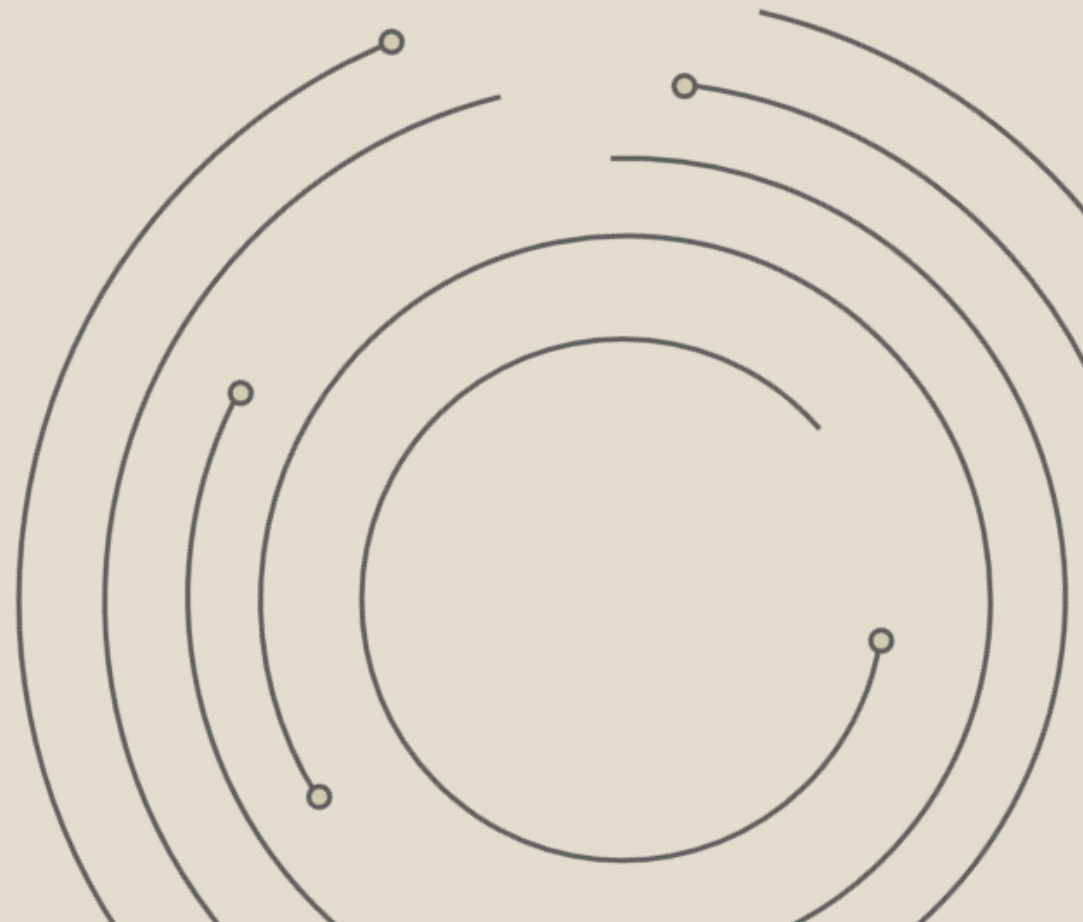
### Management focus

- Strong focus on operational efficiencies
- Secure extensions of long-term service agreements with key clients
- Selective acquisitions of a limited number of rolling stock (incl. petrochemical tank containers)
- Maintain comfortable leverage

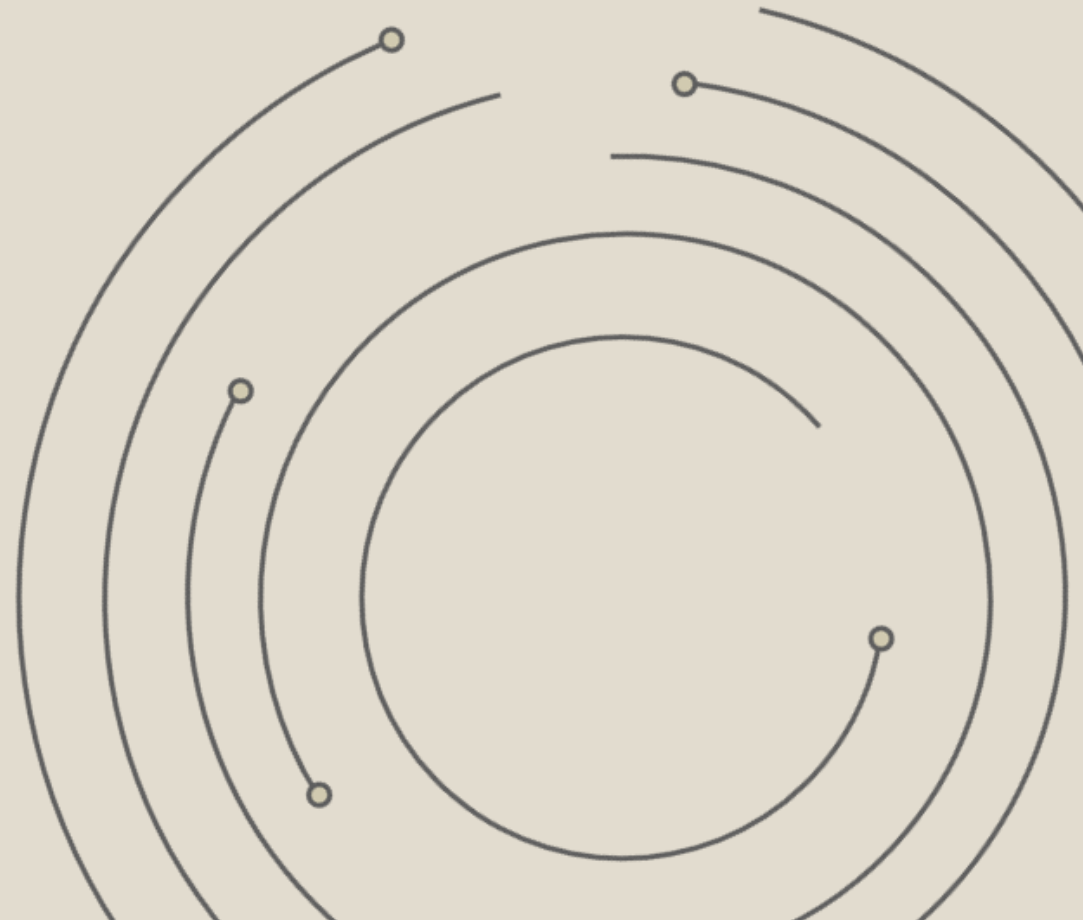
## Key takeaways

- Well-positioned to benefit from ongoing bulk cargo segment recovery
  - Bulk cargoes contributed >85% of the Groups' Freight Rail Turnover in H1 2016; bulk cargo transportation business is wholly owned by Globaltrans
  - Long-term service contracts with largest clients underpin volumes and favorable logistics in gondola segment
  - One of the largest and most modern fleets of gondola cars minimally impacted by the end of useful life regulations
- Equipped to navigate weak market conditions in oil products and oil segment
  - Unique locomotive expertise
  - Long-term contract with largest client in segment
- Solid cash flow generation
- Ready for business expansion once good opportunities arise; currently focused on niche projects and selected acquisitions of rolling stock from secondary market

- Questions and answers



- Appendices



## Extracts from the Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2016

### Consolidated interim income statement for the six months ended 30 June 2016

	H1 2016 RUB'000 Unaudited	H1 2015 RUB'000 As restated Unaudited
<b>Revenue</b>	<b>32,724,744</b>	<b>33,996,939</b>
Cost of sales	(26,566,894)	(26,926,053)
<b>Gross profit</b>	<b>6,157,850</b>	<b>7,070,886</b>
Selling and marketing costs	(80,020)	(153,987)
Administrative expenses	(1,712,237)	(1,905,700)
Other income	-	188,829
Other gains – net	77,131	17,570
<b>Operating profit</b>	<b>4,442,724</b>	<b>5,217,598</b>
Finance income	121,206	138,499
Finance costs	(1,214,127)	(1,635,911)
Net foreign exchange transaction losses on financing activities	(179,862)	(350,314)
Finance costs – net	(1,272,783)	(1,847,726)
Share of loss of associate	(64,445)	(33,855)
Profit before income tax	3,105,496	3,336,017
Income tax expense	(764,014)	(640,812)
<b>Profit for the period</b>	<b>2,341,482</b>	<b>2,695,205</b>
<b>Attributable to:</b>		
Owners of the Company	1,582,713	1,421,771
Non-controlling interest	758,769	1,273,434
	<b>2,341,482</b>	<b>2,695,205</b>
Weighted average number of ordinary shares in issue (thousands)	178,741	178,741
<b>Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RUB per share)</b>	<b>8.85</b>	<b>7.95</b>

Source: Globaltrans. Definitions for terms marked in this presentation with capital letters (including certain non-GAAP financial information) are provided at the end of this presentation. The condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2016 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).



# Extracts from the Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2016

## Consolidated interim balance sheet as at 30 June 2016

	30 June 2016 RUB'000 Unaudited	31 Dec 2015 RUB'000 As restated Audited
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	67,460,816	70,223,776
Intangible assets	1,959,634	2,367,741
Income tax assets	27,673	49,207
Investment in associate	-	65,497
Trade and other receivables	123,586	101,264
<b>Total non-current assets</b>	<b>69,571,709</b>	<b>72,807,485</b>
<i>Current assets</i>		
Inventories	722,243	722,381
Trade and other receivables	5,247,380	5,297,072
Current income tax assets	261,591	139,428
Cash and cash equivalents	3,220,072	4,104,079
<b>Total current assets</b>	<b>9,451,286</b>	<b>10,262,960</b>
<b>TOTAL ASSETS</b>	<b>79,022,995</b>	<b>83,070,445</b>

	30 June 2016 RUB'000 Unaudited	31 Dec 2015 RUB'000 As restated Audited
<b>EQUITY AND LIABILITIES</b>		
<i>Equity attributable to the owners of the Company</i>		
Share capital	516,957	516,957
Share premium	27,929,478	27,929,478
Common control transaction reserve	(10,429,876)	(10,429,876)
Translation reserve	3,460,148	4,569,396
Capital contribution	2,694,851	2,694,851
Retained earnings	20,981,551	21,617,013
<b>Total equity attributable to the owners of the Company</b>	<b>45,153,109</b>	<b>46,897,819</b>
<b>Non-controlling interest</b>	<b>5,650,330</b>	<b>7,405,558</b>
<b>TOTAL EQUITY</b>	<b>50,803,439</b>	<b>54,303,377</b>
<i>Non-current liabilities</i>		
Borrowings	11,165,562	11,064,576
Trade and other payables	71,061	61,053
Deferred tax liabilities	4,745,092	4,642,708
<b>Total non-current liabilities</b>	<b>15,981,715</b>	<b>15,768,337</b>
<i>Current liabilities</i>		
Borrowings	9,160,816	9,294,484
Trade and other payables	3,035,147	3,643,694
Current tax liabilities	41,878	60,553
<b>Total current liabilities</b>	<b>12,237,841</b>	<b>12,998,731</b>
<b>TOTAL LIABILITIES</b>	<b>28,219,556</b>	<b>28,767,068</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>79,022,995</b>	<b>83,070,445</b>

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

The condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2016 is available for viewing at the Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)).

# Extracts from the Group's condensed consolidated interim financial information (unaudited) for the six months ended 30 June 2016

## Consolidated interim cash flow statement for the six months ended 30 June 2016

	H1 2016 RUB'000 Unaudited	H1 2015 RUB'000 As restated Unaudited
<b>Cash flows from operating activities</b>		
Profit before tax	3,105,496	3,336,017
Adjustments for:		
Depreciation of property, plant and equipment	2,528,245	2,558,064
Amortisation of intangible assets	417,606	539,261
Net (gain)/loss on sale of property, plant and equipment	(43,108)	10,406
Loss on derecognition arising on capital repairs	379,197	62,259
Write off of property, plant and equipment	-	338
Interest income	(121,206)	(138,499)
Interest expense and other finance costs	1,214,127	1,635,911
Share of losses of associate	64,445	33,855
Foreign exchange losses on financing activities	179,862	350,314
	<b>7,724,664</b>	<b>8,387,926</b>
<b>Changes in working capital:</b>		
Inventories	109,501	25,414
Trade and other receivables	83,633	1,574,883
Trade and other payables	(698,318)	(1,313,216)
<b>Cash generated from operations</b>	<b>7,219,480</b>	<b>8,675,007</b>
Tax paid	(799,452)	(673,336)
<b>Net cash from operating activities</b>	<b>6,420,028</b>	<b>8,001,671</b>

	H1 2016 RUB'000 Unaudited	H1 2015 RUB'000 As restated Unaudited
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(1,860,095)	(563,826)
Purchases of intangible assets	(9,499)	-
Proceeds from disposal of property, plant and equipment	122,302	61,324
Loans granted to third parties	-	(81,398)
Loans repayments received from third parties	7,632	12,516
Interest received	119,375	139,631
<b>Net cash used in investing activities</b>	<b>(1,620,285)</b>	<b>(431,753)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	5,862,723	12,654,121
Repayments of borrowings	(5,895,358)	(16,442,330)
Finance lease principal payments	(46)	(193,179)
Interest paid	(1,199,240)	(1,942,765)
Cash received from disposal of non-controlling interests	-	201
Dividends paid to non-controlling interests in subsidiaries	(2,025,532)	(2,000,000)
Dividends paid to owners of the Company	(2,218,175)	-
<b>Net cash used in financing activities</b>	<b>(5,475,628)</b>	<b>(7,923,952)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(675,885)</b>	<b>(354,034)</b>
Foreign exchange losses on cash and cash equivalents	(208,122)	(271,509)
Cash and cash equivalents at beginning of period	4,104,079	4,647,787
<b>Cash and cash equivalents at end of period</b>	<b>3,220,072</b>	<b>4,022,244</b>

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

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# Selected operational information for the six months ended 30 June 2016

## Rolling stock fleet

	30.06.2016	30.06.2015	Change	Change, %	31.12.2015
<b>Owned Fleet</b>					
Gondola cars	40,057	39,824	233	1%	40,082
Rail tank cars	18,499	18,709	-210	-1%	18,573
Locomotives	75	75	0	0%	75
Other railcars (incl. flat, hopper cars, etc)	1,340	1,577	-237	-15%	1,451
<b>Total</b>	<b>59,971</b>	<b>60,185</b>	<b>-214</b>	<b>0%</b>	<b>60,181</b>
<i>Owned Fleet as % of Total Fleet</i>	<i>90%</i>	<i>91%</i>	<i>-</i>	<i>-</i>	<i>89%</i>
<b>Leased-in Fleet</b>					
Gondola cars	3,051	1,338	1,713	128%	2,602
Rail tank cars	3,226	4,729	-1,503	-32%	4,249
Locomotives	0	0	0	NM	0
Other railcars	404	222	182	82%	317
<b>Total</b>	<b>6,681</b>	<b>6,289</b>	<b>392</b>	<b>6%</b>	<b>7,168</b>
<i>Leased-in Fleet as % of Total Fleet</i>	<i>10%</i>	<i>9%</i>	<i>-</i>	<i>-</i>	<i>11%</i>
<b>Total Fleet (Owned Fleet and Leased-in Fleet)</b>	<b>66,652</b>	<b>66,474</b>	<b>178</b>	<b>0%</b>	<b>67,349</b>
<b>Total Fleet by type of rolling stock, %</b>					
Gondola cars	65%	62%	-	-	63%
Rail tank cars	33%	35%	-	-	34%
Locomotives	0%	0%	-	-	0%
Other railcars (incl. flat, hopper cars, etc)	3%	3%	-	-	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Leased-out Fleet</b>					
Gondola cars	299	253	46	18%	296
Rail tank cars	6,844	9,370	-2,526	-27%	9,161
Locomotives	3	4	-1	-25%	4
Other railcars (incl. flat, hopper cars, etc)	468	684	-216	-32%	497
<b>Total</b>	<b>7,614</b>	<b>10,311</b>	<b>-2,697</b>	<b>-26%</b>	<b>9,958</b>
<i>Leased-out Fleet as % of Total Fleet</i>	<i>11%</i>	<i>16%</i>	<i>-</i>	<i>-</i>	<i>15%</i>
<b>Average age of Owned Fleet</b>					
Gondola cars	8.5	7.5	-	-	8.0
Rail tank cars	12.8	11.9	-	-	12.4
Locomotives	14.3	13.3	-	-	13.8
Other railcars (incl. flat, hopper cars, etc)	15.9	16.5	-	-	15.4
<b>Total</b>	<b>10.0</b>	<b>9.1</b>	<b>-</b>	<b>-</b>	<b>9.5</b>

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

	H1 2016	H1 2015	Change	Change, %	2015
<b>Freight Rail Turnover, billion tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>59.1</b>	<b>49.7</b>	<b>9.3</b>	<b>19%</b>	<b>98.5</b>
Ferrous metals	22.0	18.2	3.9	21%	36.6
Scrap metal	2.1	1.4	0.7	46%	3.3
Iron ore	35.0	30.2	4.8	16%	58.7
<b>Oil products and oil</b>	<b>10.8</b>	<b>13.1</b>	<b>-2.2</b>	<b>-17%</b>	<b>25.7</b>
<b>Coal (incl. coke)</b>	<b>14.6</b>	<b>12.4</b>	<b>2.1</b>	<b>17%</b>	<b>26.2</b>
<b>Construction materials</b>	<b>5.4</b>	<b>4.9</b>	<b>0.5</b>	<b>9%</b>	<b>10.4</b>
Crushed stone	4.7	4.4	0.3	7%	9.4
Cement	0.3	0.2	0.2	82%	0.4
Other construction materials	0.4	0.4	0.0	0%	0.7
<b>Other</b>	<b>4.3</b>	<b>3.4</b>	<b>0.8</b>	<b>24%</b>	<b>7.7</b>
<b>Total</b>	<b>94.1</b>	<b>83.6</b>	<b>10.5</b>	<b>13%</b>	<b>168.5</b>
<b>Freight Rail Turnover by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	63%	60%	-	-	58%
Oil products and oil	12%	16%	-	-	15%
Coal (incl. coke)	15%	15%	-	-	16%
Construction materials (incl. cement)	6%	6%	-	-	6%
Other	5%	4%	-	-	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Transportation Volume, million tonnes</b>					
<b>Metallurgical cargoes</b>	<b>25.8</b>	<b>23.8</b>	<b>1.9</b>	<b>8%</b>	<b>48.7</b>
Ferrous metals	9.4	9.0	0.4	5%	18.2
Scrap metal	1.7	1.4	0.3	25%	3.2
Iron ore	14.7	13.5	1.1	8%	27.3
<b>Oil products and oil</b>	<b>9.9</b>	<b>11.1</b>	<b>-1.2</b>	<b>-10%</b>	<b>22.5</b>
<b>Coal (incl. coke)</b>	<b>5.6</b>	<b>5.4</b>	<b>0.2</b>	<b>3%</b>	<b>11.3</b>
<b>Construction materials</b>	<b>6.0</b>	<b>5.2</b>	<b>0.8</b>	<b>15%</b>	<b>11.7</b>
Crushed stone	5.4	4.6	0.9	19%	10.5
Cement	0.3	0.1	0.1	89%	0.3
Other construction materials	0.3	0.5	-0.2	-40%	0.9
<b>Other</b>	<b>3.3</b>	<b>3.3</b>	<b>-0.1</b>	<b>-2%</b>	<b>7.1</b>
<b>Total</b>	<b>50.6</b>	<b>48.9</b>	<b>1.7</b>	<b>3%</b>	<b>101.3</b>

# Selected operational information for the six months ended 30 June 2016, continued

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

	H1 2016	H1 2015	Change	Change, %	2015
<b>Freight Rail Turnover, billion tonnes-km</b>					
<b>Metallurgical cargoes</b>	<b>48.2</b>	<b>38.8</b>	<b>9.5</b>	<b>24%</b>	<b>79.1</b>
Ferrous metals	19.6	15.7	3.9	25%	32.1
Scrap metal	2.0	1.3	0.7	52%	3.1
Iron ore	26.7	21.8	4.9	23%	44.0
<b>Oil products and oil</b>	<b>10.8</b>	<b>12.8</b>	<b>-2.0</b>	<b>-16%</b>	<b>25.3</b>
<b>Coal (incl. coke)</b>	<b>13.1</b>	<b>11.3</b>	<b>1.8</b>	<b>16%</b>	<b>24.4</b>
<b>Construction materials</b>	<b>5.2</b>	<b>4.8</b>	<b>0.4</b>	<b>8%</b>	<b>10.2</b>
Crushed stone	4.5	4.3	0.2	5%	9.2
Cement	0.3	0.2	0.1	82%	0.4
Other construction materials	0.3	0.3	0.0	0%	0.7
<b>Other</b>	<b>4.2</b>	<b>3.3</b>	<b>0.8</b>	<b>25%</b>	<b>7.5</b>
<b>Total</b>	<b>81.5</b>	<b>71.0</b>	<b>10.5</b>	<b>15%</b>	<b>146.5</b>

	H1 2016	H1 2015	Change	Change, %	2015
<b>Transportation Volume, million tonnes</b>					
<b>Metallurgical cargoes</b>	<b>20.8</b>	<b>18.8</b>	<b>2.0</b>	<b>11%</b>	<b>39.2</b>
Ferrous metals	8.1	7.6	0.5	6%	15.6
Scrap metal	1.6	1.2	0.4	31%	3.0
Iron ore	11.1	10.0	1.1	11%	20.6
<b>Oil products and oil</b>	<b>9.9</b>	<b>10.8</b>	<b>-0.9</b>	<b>-9%</b>	<b>22.1</b>
<b>Coal (incl. coke)</b>	<b>4.9</b>	<b>4.9</b>	<b>0.1</b>	<b>2%</b>	<b>10.4</b>
<b>Construction materials</b>	<b>5.8</b>	<b>5.1</b>	<b>0.7</b>	<b>14%</b>	<b>11.5</b>
Crushed stone	5.3	4.5	0.8	18%	10.3
Cement	0.3	0.1	0.1	89%	0.3
Other construction materials	0.3	0.5	-0.2	-40%	0.9
<b>Other</b>	<b>3.1</b>	<b>3.2</b>	<b>-0.1</b>	<b>-2%</b>	<b>6.9</b>
<b>Total</b>	<b>44.5</b>	<b>42.8</b>	<b>1.8</b>	<b>4%</b>	<b>90.1</b>

	H1 2016	H1 2015	Change	Change, %	2015
<b>Average Rolling Stock Operated, units</b>					
Gondola cars	41,734	39,866	1,868	5%	40,286
Rail tank cars	13,257	13,081	175	1%	12,938
Locomotives	46	45	0.2	0%	46
Other railcars	827	920	-93	-10%	982
<b>Total</b>	<b>55,864</b>	<b>53,913</b>	<b>1,950</b>	<b>4%</b>	<b>54,251</b>

	H1 2016	H1 2015	Change	Change, %	2015
<b>Average Number of Loaded Trips per Railcar</b>					
Gondola cars	12.2	11.7	0.5	4%	24.7
Rail tank cars	12.4	13.5	-1.1	-8%	28.0
Other railcars	23.6	24.3	-0.6	-3%	48.5
<b>Total</b>	<b>12.4</b>	<b>12.4</b>	<b>0.1</b>	<b>0%</b>	<b>25.9</b>

## Operation of rolling stock (excl. Engaged Fleet), continued

	H1 2016	H1 2015	Change	Change, %	2015
<b>Average Distance of Loaded Trip, km</b>					
Gondola cars	2,091	1,863	228	12%	1,828
Rail tank cars	1,078	1,174	-96	-8%	1,132
Other railcars	1,003	1,047	-43	-4%	998
<b>Total</b>	<b>1,819</b>	<b>1,653</b>	<b>166</b>	<b>10%</b>	<b>1,620</b>

	H1 2016	H1 2015	Change	Change, %	2015
<b>Average Price per Trip, RUB</b>	<b>27,928</b>	<b>27,992</b>	<b>-64</b>	<b>0%</b>	<b>27,462</b>

<b>Net Revenue from Operation of Rolling Stock by cargo type, Rub million</b>					
<b>Metallurgical cargoes</b>	<b>6,486*</b>	<b>5,148*</b>	<b>1,338</b>	<b>26%</b>	<b>10,511*</b>
Ferrous metals	3,601*	2,852*	749	26%	5,776*
Scrap metal	377*	197*	180	92%	483*
Iron ore	2,507*	2,098*	409	19%	4,252*
<b>Oil products and oil</b>	<b>8,959*</b>	<b>10,592*</b>	<b>-1,634</b>	<b>-15%</b>	<b>21,263*</b>
<b>Coal (incl. coke)</b>	<b>1,777*</b>	<b>1,391*</b>	<b>386</b>	<b>28%</b>	<b>3,006*</b>
<b>Construction materials (incl. cement)</b>	<b>1,186*</b>	<b>652*</b>	<b>534</b>	<b>82%</b>	<b>1,844*</b>
<b>Other</b>	<b>979*</b>	<b>885*</b>	<b>94</b>	<b>11%</b>	<b>1,944*</b>
<b>Total</b>	<b>19,387*</b>	<b>18,669*</b>	<b>718</b>	<b>4%</b>	<b>38,568*</b>

<b>Net Revenue from Operation of Rolling Stock by cargo type, %</b>					
Metallurgical cargoes (incl. ferrous metal, scrap metal and iron ore)	33%	28%	-	-	27%
Oil products and oil	46%	57%	-	-	55%
Coal (incl. coke)	9%	7%	-	-	8%
Construction materials (incl. cement)	6%	3%	-	-	5%
Other	5%	5%	-	-	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>

<b>Net Revenue from Operation of Rolling Stock by largest clients (incl. their affiliates and suppliers), %</b>					
Rosneft	36%	39%	-	-	40%
MMK	14%	12%	-	-	12%
Metalloinvest	13%	12%	-	-	12%
Gazpromneft	8%	9%	-	-	8%
Evraz	5%	4%	-	-	4%
Sovfracht	2%	3%	-	-	3%
UGMK-Trans	2%	2%	-	-	2%
TMK	1%	2%	-	-	1%
Severstal	1%	1%	-	-	1%
NNK	1%	0%	-	-	1%
Other (incl. small and medium enterprises)	16%	17%	-	-	17%

## Selected operational information for the six months ended 30 June 2016, continued

### Empty Run Ratio

	H1 2016	H1 2015	Change	Change, %	2015
<b>Empty Run Ratio, %</b>					
Gondola cars	39%	40%	-	-	39%
Rail tank cars and other railcars	99%	106%	-	-	104%
<b>Total Empty Run Ratio, %</b>	<b>48%</b>	<b>53%</b>	<b>-</b>	<b>-</b>	<b>51%</b>
<b>Empty Run Costs, Rub million</b>	<b>6,068*</b>	<b>5,792*</b>	<b>276</b>	<b>5%</b>	<b>11,804*</b>
<b>Share of Empty Run Kilometres Paid by Globaltrans, %</b>	<b>88%</b>	<b>87%</b>	<b>-</b>	<b>-</b>	<b>88%</b>

### Engaged Fleet

	H1 2015	H1 2015	Change	Change, %	2015
<b>Net Revenue from Engaged Fleet, Rub million</b>	<b>113*</b>	<b>598*</b>	<b>-486</b>	<b>-81%</b>	<b>829*</b>

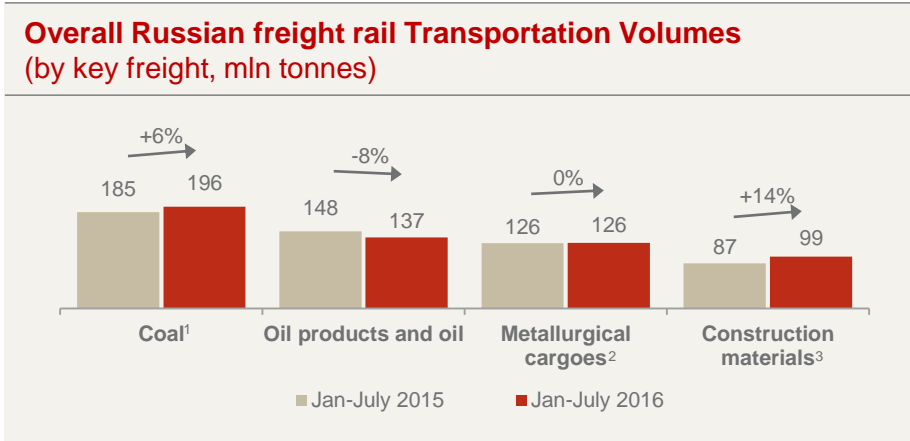
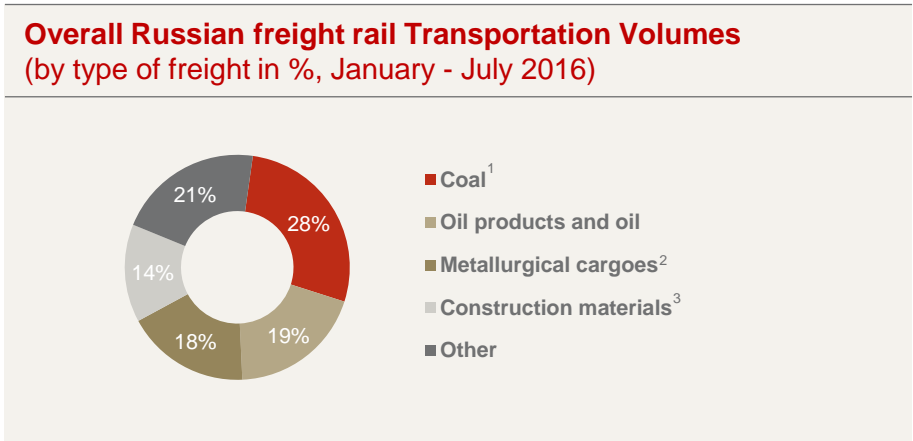
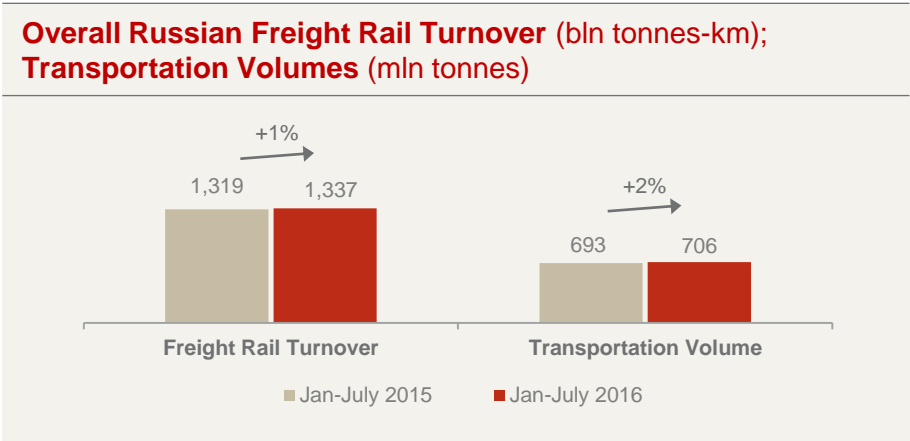
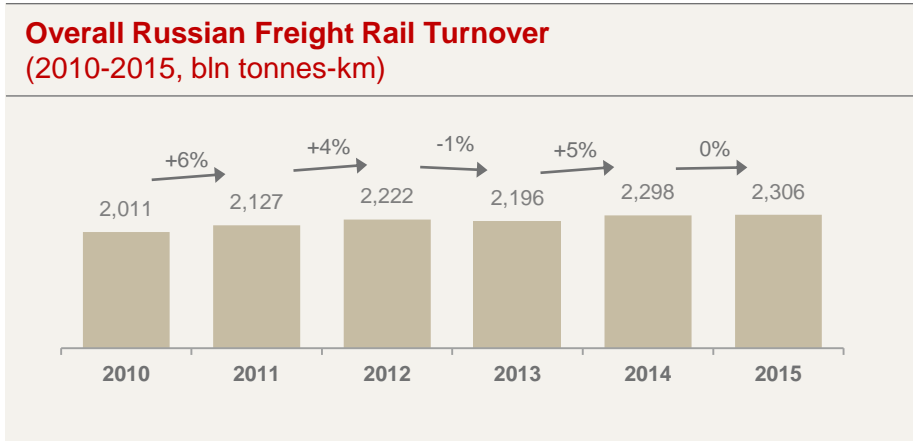
### Employees

	30.06.2016	30.06.2015	Change	Change, %	31.12.2015
<b>Employees by departments (simplified)</b>					
Operations	1,094	1,074	20	2%	1,077
Administrative	448	482	-34	-7%	460
<b>Total</b>	<b>1,542</b>	<b>1,556</b>	<b>-14</b>	<b>-1%</b>	<b>1,537</b>

### Petrochemical tank containers

	30.06.2016	30.06.2015	Change	Change, %	31.12.2015
<b>Fleet of petrochemical tank containers</b>					
Owned	400	0	400	-	150
Leased-in	380	238	142	60%	380
<b>Total</b>	<b>780</b>	<b>238</b>	<b>542</b>	<b>228%</b>	<b>530</b>

# Market watch (January – July 2016)



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

1) Coal including coke.  
 2) Metallurgical cargoes including ferrous metals, scrap metal and ores.  
 3) Construction materials including cement.

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

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

- Focused exclusively on freight rail transportation in Russia and CIS
- Operates in key industrial segments including metals, oil products and oil, coal and construction materials
- Market share of overall Russian Freight Rail Turnover amounts to 8.4%

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

- Total Fleet > 66k units with 90% in ownership, one of the most up-to-date fleets in the industry (average age 10 years)
- The core of the fleet consists of universal gondola cars (65%) and rail tank cars (33%)
- Rail tank car business enhanced by unique locomotive competences
- High operational efficiency and low Empty Runs

### Established blue-chip client base

- Trusted long-term partner to leading industrial groups in Russia and CIS
- >60% of Net Revenue from Operation of Rolling Stock covered by long-term service contracts<sup>2</sup>

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

- Listed on the London Stock Exchange since 2008 with free-float >50%
- Experienced and well-balanced Board with 4 independent directors, including Chairman
- Prudent capital allocation and conservative financial policies

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

1) All information on this page is at 30 June 2016 or for H1 2016 unless otherwise stated.

2) In H1 2016; Including long-term service contracts with Rosneft, MMK and Metalloinvest.

## Definitions (in alphabetical order)

**Adjusted EBITDA** (a non-GAAP financial measure) represents EBITDA excluding “Net foreign exchange transaction gains/(losses) on financing activities”, “Share of profit/(loss) of associate”, “Other gains - net”, “Net gain/(loss) on sale of property, plant and equipment”, “Impairment of property, plant and equipment”, “Impairment of intangible assets” and “Loss on derecognition arising on capital repairs”.

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

**Adjusted Revenue** (a non-GAAP financial measure) is calculated as “Total revenue” less the following “pass through” items “Infrastructure and locomotive tariffs: loaded trips” and “Services provided by other transportation organisations”.

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

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

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

**Average Rolling Stock Operated** is calculated as the average weighted (by days) number of rolling stock available for operator services (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation, rolling stock leased out 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 borrowings and other liabilities” and “Net foreign exchange transaction gains/(losses) on cash and cash equivalents and other monetary assets”), “Depreciation of property, plant and equipment” and “Amortization of intangible assets”.

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

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

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

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

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

**Freight Rail Turnover** is a measure of freight carriage activity over a particular period calculated as the sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km. It includes volumes transported by the Engaged Fleet, unless otherwise stated.

**Infrastructure and Locomotive Tariffs - Other Tariffs** (a non-GAAP financial measure) is presented as part of the “Infrastructure and locomotive tariffs: empty run trips and other tariffs” component of “Cost of sales” reported under EU IFRS



## Definitions (in alphabetical order, continued)

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

**Leased-out Fleet** is defined as rolling stock fleet leased out 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 Engaged Fleet** (a non-GAAP financial measure) represents the net sum of the price charged for transportation to clients by the Group utilising Engaged Fleet less the loaded railway tariff charged by RZD (included in the EU IFRS line item "Infrastructure and locomotive tariffs: loaded trips") less the cost of attracting fleet from third-party operators (included in the EU IFRS line item "Services provided by other transportation organisations").

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

**Total Operating Cash Costs** (a non-GAAP financial measure) represent operating cost items payable in cash and calculated as "Total cost of sales, selling and marketing costs and administrative expenses" less the "pass through" items: "Infrastructure and locomotive tariffs: loaded trips" and "Services provided by other transportation organisations" and non-cash items: "Depreciation of property, plant and equipment", "Amortization of intangible assets", "Impairment charge for receivables", "Impairment of property, plant and equipment", "Net gain/(loss) on sale of property, plant and equipment" and "Loss on derecognition arising on capital repairs".

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

**Other Operating Cash Costs** (a non-GAAP financial measure) include line items such as "Rental of tank containers", "Legal, consulting and other professional fees", "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".

**Owned Fleet** is defined as the rolling stock fleet owned and leased in under finance lease as at the end of the reporting period. It includes railcars and locomotives unless otherwise stated and excludes Engaged Fleet.

**Share of Empty Run Kilometers Paid by Globaltrans** is defined as the percentage of empty run kilometers paid by Globaltrans divided by the total amount of empty run kilometers incurred by the fleet operated by Globaltrans (not including relocation of rolling stock to and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation, and rolling stock leased out or Engaged Fleet) in the relevant period.

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

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

**Transportation Volume** is a measure of freight carriage activity over a particular period measuring weight of cargo carried in million tonnes. It includes volumes transported by Engaged Fleet, unless otherwise stated.

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