Globaltrans
Russia's Leading Private
Freight Rail Group

For immediate release **9 July 2012**

Globaltrans Investment PLC

Launch of Equity Raising

Update on Q1 2012 results

Additional business and financial information on LLC Metalloinvesttrans ("MIT")

Globaltrans Investment PLC ("Globaltrans" or the "Company", and together with its consolidated subsidiaries, the "Group"; LSE ticker: GLTR), a leading private freight rail transportation group with operations in Russia, the CIS and the Baltic countries, today announced a proposed equity raising of approximately USD 400 million in the form of Global Depositary Receipts ("GDRs"). As part of the same transaction, Transportation Investments Holding Limited ("TIHL"), the controlling shareholder of Globaltrans, also intends to sell approximately USD 50 million of its interest in the Company and has granted an over-allotment option for the sale of an additional up to USD 50 million, in each case in the form of GDRs .

Globaltrans today also published its results for the three months ended 31 March 2012 which demonstrate a continuation of the Group's strong performance (further details below).

Globaltrans' strategy is to continue expanding its business as the Russian freight rail market liberalises and consolidates further. The Group believes that it is well-positioned to further capitalise on growth opportunities in the Russian freight rail market, as evidenced by the recently completed acquisition of LLC Metalloinvesttrans ("MIT") and significant railcar purchases.

- On 15 May 2012, Globaltrans completed the acquisition of 100% of MIT, the former captive freight rail transportation operator of Metalloinvest with 8,256 railcars[1] in ownership, for USD 540 million, financed through the Group's existing funds and borrowings under a new credit facility;
- In order to capitalise on continued robust customer demand combined with attractive prices for rolling stock, the Group increased its purchases of railcars in the final months of 2011. Since that time, the Group has contracted to purchase 10,958 railcars, of which more than 90% have been delivered and deployed as at 5 July 2012.

[1] As at 31 March 2012

The above has resulted in the Group's Owned Fleet[2] increasing by 47% since the year end 2011 and is expected to take the Group's Total Fleet[2] to approximately 64,000 units[3] by the end of August 2012.

First Quarter 2012 results – strong performance with increased profitability

- The Group's Adjusted Revenue[3] in Q1 2012 rose 5.3% to USD 304.9 million from USD 289.6 million in Q1 2011, reflecting a 20% increase in Net Revenue from Operation of Rolling Stock per railcar[3] and a temporary decrease in the Average Rolling Stock Operated[3] due to a reduction in the number of Leased-in Fleet[3] ahead of new railcar deliveries;
- The Group's Adjusted EBITDA[3] in Q1 2012 increased 25.1% to USD 153.3 million from USD 122.5 million in Q1 2011;
- The Group also achieved a significant improvement in its Adjusted EBITDA Margin[3] which increased to 50.3% in Q1 2012 compared to 42.3% for the same period in the previous year, mainly due to the substitution of Leased-in Fleet[3] with newly-acquired railcars and an increase in Net Revenue from Operation of Rolling Stock per railcar[3];
- Earnings per Share of USD 0.52 in Q1 2012 represents an increase of 33.4% compared to Q1 2011.

See Appendix 1 to this release for further information. The full set of consolidated interim financial information (unaudited) for the three months ended 31 March 2012 are available to download at www.globaltrans.com.

Additional business and financial information on MIT

Globaltrans is also issuing additional business and financial information on MIT following the completion of the acquisition on 15 May 2012. This information includes further details of MIT's business as well as certain operating and financial information and unaudited pro forma financial information as at and for the year ended 31 December 2011. See Appendices 2 and 3 of this release for further information.

Sergey Maltsev, Chief Executive Officer of Globaltrans, commented:

"Today's excellent first quarter results confirm Globaltrans' success in generating consistent and profitable growth for its shareholders while investing for further value creation.

"The steps we have taken already this year to expand our railcar fleet, both organically and by acquisition, place us in a strong position to build on this good performance. In particular, the rapid and efficient deployment of more than 90% of the almost 11,000 new railcars we purchased since the final months of 2011 attests to the strong demand for our services and has significantly increased our capacity to serve our customers' requirements. Looking ahead, the Offering we have announced today will allow us to take advantage of further opportunities that arise as we respond to the demands of our customer base.

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[2] See definitions of certain capitalised terms in Appendix 4.

[3] Assuming the leased-in fleet of Globaltrans remains at approximately the same levels as at 31 March 2012 and the termination of railcar lease-in arrangements by MIT.

"In a railcar market that is ripe for consolidation there are clear signs that major companies are looking to outsource their freight rail transportation to an operator of Globaltrans' quality that can serve all their needs. Our expanded and modern fleet and excellent operating capabilities allied with long-term client relationships mean we are very well-positioned to capitalise on this important trend."

Further information is available in the following Appendices:

- Appendix 1 – Unaudited condensed consolidated interim financial information and other information as at and for the three months ended 31 March 2012 for Globaltrans;
- Appendix 2 – Business and Financial Information of MIT;
- Appendix 3 – Unaudited Pro Forma Financial Information relating to the MIT Acquisition; and
- Appendix 4 – Certain Defined Terms.

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

About Globaltrans Investment PLC

Globaltrans is a leading private freight rail transportation group with operations in Russia, the CIS and the Baltic countries. Based on Rosstat data and the Group's management accounts, the market share of the Group on a pro forma basis for the MIT acquisition was 7% of the overall Russian freight rail Transportation Volume[3] in 2011.

The Group provides services to more than 650 customers and its key customers include companies in, or suppliers to, a number of large Russian industrial groups in the metals and mining and the oil products and oil sectors. In 2011, the Group's Pro Forma Freight Rail Turnover[3] was 144.9 billion tonnes-kilometres with Pro Forma Adjusted Revenue[3] of USD 1,489 million and Pro Forma Adjusted EBITDA[3] of USD 646 million.

Following the recent acquisition of MIT and new contracts for the purchase of railcars, the Group is expected to have a Total Fleet[3] of approximately 64,000[4] units by the end of August 2012.

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

The Group's current Principal Shareholders are: Transportation Investments Holding Limited ("TIHL"), controlling a 50.10% interest in the Company and management of Globaltrans (Alexander Eliseev, Chairman of the Board of Directors and Sergey Maltsev, Chief Executive Officer) who have a combined holding of 12.23% beneficial interest in the Company through Envesta Investments Limited and other entities. The current free float of the Company pre-Offering is 35.31%.

TIHL is one of the largest privately owned transportation and infrastructure groups in Russia, the CIS and the Baltic countries with strategic interests in freight rail transportation, port operations and infrastructure development. TIHL carries out its business under the brand name N-Trans and is ultimately controlled by a company beneficially owned by Konstantin Nikolaev, Nikita Mishin and Andrey Filatov.

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

Legal Disclaimer

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

These materials and information contained herein are not a public offer or advertisement of securities in the Russian Federation and are not an offer, or an invitation to make offers, to purchase, sell, exchange or transfer any securities in the Russian Federation or to or for the benefit of any Russian person or entity, unless and to the extent otherwise permitted under Russian law, and must not be made publicly available in Russia. Information contained in this document is intended only for persons who are "qualified investors" within the meaning of Article 51.2 of the Federal Law No. 39-FZ "On the Securities Market" dated 22 April 1996, as amended (the "Russian QIs") and must not be made available to any persons who are not Russian QIs or otherwise permitted under Russian law to access such information. The GDRs and other mentioned securities have not been and will not be registered in Russia and are not intended for "placement", "public circulation", "offering" or "advertising" (each as defined in Russian law) in the Russian Federation except as permitted by Russian law.

Forward Looking Statements

Some of the information in these materials may contain projections or other forward-looking statements regarding future events or the future financial performance of the Company. You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could," "may" or "might" or the negative of such terms or other similar expressions. The Company wishes to caution you that these statements are only predictions and that actual events or results may differ materially. The Company 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 the Company, including, among others, general economic conditions, the competitive environment, risks associated with operating in Russia and market change in the industries the Company operates in, as well as many other risks specifically related to the Company and its operations.

APPENDIX 1

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND OTHER INFORMATION AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2012 FOR GLOBALTRANS

SELECTED CONSOLIDATED AND FINANCIAL INFORMATION

The selected financial information set forth below as at 31 March 2012 and for the three months ended 31 March 2012 and 2011 has been extracted from the Group's unaudited condensed consolidated financial information as at and for the three months ended 31 March 2012 (with 2011 comparatives) (the "Interim Condensed Consolidated Financial Information"). The other information set forth below shows certain unaudited (non-GAAP) financial information and operating information as at and for the three months ended 31 March 2012 and 2011. For the financial results, additional unaudited (non-GAAP) financial information and certain operating information as at and for the years ended 31 December 2011 and 2010 for MIT, see *"Business and Financial Information of MIT"* in Appendix 2.

Consolidated income statement data

	Three months ended 31 March	
	2012	**2011**
	(unaudited) (USD in thousands)	
Revenue	452,551	440,903
Cost of sales	(300,151)	(317,599)
Gross profit	**152,400**	**123,304**
Selling and marketing costs	(839)	(694)
Administrative expenses	(17,991)	(17,785)
Other gains-net	36	879
Operating profit	**133,606**	**105,704**
Finance income	(1,049)	(4,978)
Finance costs	(7,290)	(3,620)
Finance costs-net	**(8,339)**	**(8,598)**
Share of profit of associates	14	126
Profit before income tax	**125,281**	**97,232**
Income tax expense	(30,718)	(21,539)
Profit for the year	**94,563**	**75,693**
Attributable to:		
Owners of the Company	80,017	61,355
Non-controlling interest	14,546	14,338
	94,563	**75,693**
Basic and diluted earnings per share for profit attributed to equity holders of the Company during the year (in USD per share)	0.52	0.39

Selected Consolidated Financial and Operating Information

Selected consolidated balance sheet data

	As at 31 March 2012 (unaudited)
Assets	
Non-current assets	1,483,974
Non-current assets held for sale	-
Current assets	552,761
Total assets	**2,036,735**
Equity and liabilities	
Total equity attributable to owners of the Company	968,250
Non-controlling interest	153,329
Total equity	**1,121,579**
Total non-current liabilities	641,291
Total current liabilities	273,865
Total liabilities	**915,156**
Total equity and liabilities	**2,036,735**

Additional (non-GAAP) financial information

	Three months ended 31 March	
	2012	2011
	(USD in thousands, unless otherwise indicated)	
Adjusted Revenue[1][2]	304,851	289,642
Net Revenue from Operation of Rolling Stock (1)(3)	278,752	271,354
EBITDA.[1][4]	155,204	126,168
Adjusted EBITDA [1][5]	153,280	122,506
Adjusted EBITDA Margin (%)[1][5]	50.3%	42.3%
Empty Run Costs[1][6]	59,504	61,254
ROCE (%)[1][7]	32%	31%
Net Debt[1][8]	462,984	N/A

Selected Consolidated Financial and Operating Information

Operating information

	Three months ended 31 March	
	2012	2011
Freight Rail Turnover (billion tones-km)[9]	25.5	28.2
Transportation Volume (million tones) [10]	15.9	18.3
Average Price Per Trip (USD)[11]	1,090.1	909.0
Average Price Per Trip (RUB)[11]	32,734	26,511
Empty Run Ratio for gondola (open top) cars[12]	45%	44%
Empty Run Ratio for rail tank and hopper cars[12]	107%	109%
Total Empty Run Ratio[13]	66%	63%
Share of Empty Run Kilometres Paid by the Group[14]	78%	78%
Average Number of Loaded Trips Per Railcar[15]	6.5	6.5
Average Distance of Loaded hips (km)[16]	1,590.9	1,549.0
Average Rolling Stock Operated('')	39,056	45,623
Owned Fleet (at period end)	42,891[18]	38,968
Leased-in Fleet (at period end)	5,627	13,849
Total Fleet (at period end)	48,518[18]	52,817

(1) Adjusted Revenue, Net Revenue from Operation of Rolling Stock EBITDA, Adjusted EBITDA, Empty Run Costs, Net Debt and ROCE are non-GAAP measures presented as supplemental measures of the Group's operating performance. These supplemental measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, as a substitute for analysis of the Group's results as reported under EU IFRS.. Reconciliations of Adjusted Revenue to revenue, Net Revenue from Operation of Rolling Stock to revenue, and EBITDA and Adjusted EBITDA to profit for the period are set out below.

Reconciliation of Adjusted Revenue to Revenue

	Three months ended 31 March	
	2012	**2011**
	(USD in thousands)	
Total revenue-operator's services	426,452	422,615
Operating leasing of rolling stock	24,923	17,353
Other revenue	1,176	935
Total revenue...	**452,551**	**440,903**
Infrastructure and locomotive tariffs: loaded trips...	(147,700)	(151,261)
Adjusted Revenue	**304,851**	**289,642**

Selected Consolidated Financial and Operating Information

Reconciliation of Net Revenue from Operation of Rolling Stock to Railway Transportation-Operation Services

	Three months ended 31 March	
	2012	**2011**
	(USD in thousands)	
Revenue from railway transportation- operators services (tariff borne by the Group)....................	252,726	241,795
Revenue from railway transportation- operators services (tariff borne by the client)	173,726	180,820
Total revenue from railway transportation-operators services	**426,452**	**422,615**
Infrastructure and locomotive tariffs: loaded trips	(147,700)	(151,261)
Net Revenue from Operation of Rolling Stock......	278,752	271,354

Reconciliation of EBITDA and Adjusted EBITDA to Profit for the Period

	Three months ended 31 March	
	2012	**2011**
Profit for the year	**94,563**	**75,693**
Plus (Minus)..		
Income tax expense...	30,718	21,539
Net finance costs	8,339	8,598
Net foreign exchange transaction gains/ (losses) on financing activities..	2,161	1,626
Amortisation of intangible assets..............................	44	44
Depreciation of property, plant and equipment..........	19,379	18,668
EBITDA	**155,204**	**126,168**
Minus (Plus)		
Net foreign exchange transaction gains/ (losses) on financing activities..	2,161	1,626
Share of profit of associates....................................	14	126
Other gains – net	36	879
(Loss) / gain on sale of property, plant and equipment	(287)	1,031
Reversal of / (impairment charge) for property, plant and equipment..	-	-
Adjusted EBITDA	**153,280**	**122,506**

(2) Adjusted Revenue is calculated as total revenue-operator's services plus total revenue-operating lease and other revenue less infrastructure and locomotive tariffs: loaded trips.

(3) Net Revenue from Operation of Rolling Stock is defined as the sum of revenue from railway transportation-operator's services (tariff borne by the Group) and revenue from railway transportation-operator's services (tariff borne by the client) less infrastructure and locomotive tariffs: loaded trips.

(4) EBITDA is calculated as profit for the year, before income tax expense, finance costs-net, excluding net foreign exchange transaction gains/(losses) on financing activities, amortisation of intangible assets and depreciation of property, plant and equipment. For the three months ended 31 March 2012 and 2011, net foreign exchange transaction gains/(losses) on financing activities is calculated as the sum of foreign exchange gains on borrowings (contained in finance costs) and foreign exchange losses on cash and cash equivalents and finance lease receivables (contained in finance income).

(5) Adjusted EBITDA represents EBITDA less net foreign transaction exchange gains/(losses) on financing activities, share of profit/(loss) of associates and other gains/(losses)-net, other gains/(losses)-net, loss on sale of property, plant and equipment and reversal of/(impairment charge) for property, plant and equipment. For the three months ended 31 March 2012 and 2011, net foreign exchange transaction gains/(losses) on financing activities is calculated as the sum of foreign exchange gains on borrowings (contained in finance costs) and foreign exchange losses on cash and cash equivalents and finance lease receivables (contained in finance income). Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Adjusted Revenue, expressed as a percentage.

(6) Empty Run Costs (which show the costs payable to Russian Railways for forwarding empty railcars) is derived from management accounts and presented as part of the empty run trips and services provided by other transportation organisations component of cost of sales reported under EU IFRS.

(7) ROCE is defined as Adjusted EBITDA (last twelve months basis) less amortisation of intangible assets and depreciation of property, plant and equipment, divided by the sum of average balances between balance sheet dates of total equity (including non-controlling interest) and total borrowings.

(8) Net Debt is calculated as the sum of current and non-current borrowings less cash and cash equivalents.

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

(10) Transportation Volume is a measure of freight rail carriage activity over a particular period measuring weight of cargo carried in million tonnes or thousand tonnes.

(11) 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 applicable currency.

(12) Empty Run Ratio is calculated as the total of empty trips in kilometres by the relevant 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).

(13) Total Empty Run Ratio is calculated as total kilometres travelled empty divided by total kilometres travelled loaded by the fleet operated by the Group (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.

(14) Share of Empty Run Kilometres Paid by the Group is defined as the percentage of Empty Run kilometres paid by the Group divided by the total amount of Empty Run kilometres incurred by the fleet operated by the Group (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.

(15) 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.

(16) 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.

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

(18) Does not include 6,616 railcars, which the Group had taken delivery of as at 5 July 2012, nor an additional 817 railcars, which the Group expects to take delivery of by the end of August 2012.

For further information, see the unaudited condensed consolidated interim financial information as at and for the three months ended 31 March 2012 for Globaltrans available on the Company's website at http://www.globaltrans.com/.

RECENT DEVELOPMENTS

Since 31 March 2012, the Group has continued to perform in line with management's expectations, and management believes that the financial and performance outlook for the remainder of the year is also in line with its expectations. In addition, the following significant developments have occurred.

- The Group completed the acquisition by OJSC New Forwarding Company ("New Forwarding Company), a member of the Group, of MIT in May 2012 (the "MIT Acquisition") in May 2012. In connection with the MIT Acquisition, in April 2012, the

Group entered into and drew down in full a three-year floating rate USD 400 million secured credit facility with OJSC Sberbank of Russia (“Sberbank”).

- In the period between 1 April 2012 and 5 July 2012, the Group has taken delivery of 6,616 railcars. Under existing contractual arrangements, the Group expects to take delivery of a further 817 units by the end of August 2012, which will take the Owned Fleet at that time to 58,580 units and the Total Fleet at that time to approximately 64,000 units (assuming the Group's Leased-in Fleet remains at approximately the same levels as at 31 March 2012 and MIT's Leased-in Fleet is terminated). In connection with those new rolling stock acquisitions, in the same period, the Group has borrowed a total of USD 502,557 thousand from financial institutions.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations for the three months ended 31 March 2012

The following table sets forth the principal components of the Group's consolidated income statement for the three months ended 31 March 2012 and 2011.

	Three months ended 31 March	
	2012	2011
	(unaudited) (USD in thousands)	
Revenue	452,551	440,903
Cost of sales	(300,151)	(317,599)
Gross profit	**152,400**	**123,304**
Selling and marketing costs	(839)	(694)
Administrative expenses	(17,991)	(17,785)
Other gains—net	36	879
Operating profit	**133,606**	**105,704**
Finance income	(1,049)	(4,978)
Finance costs	(7,290)	(3,620)
Finance costs—net	**(8,339)**	**(8,598)**
Share of profit of associates	14	126
Profit before income tax	**125,281**	**97,232**
Income tax expense	(30,718)	(21,539
Profit for the period	**94,563**	**75.693**
Attributable to:		
Owners of the Company	**80,017**	**61,355**
Non-controlling interest	14,546	14,338
	94,563	**75,693**

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

The following table sets forth revenue, broken down by area of revenue-generating activity of the Group and reconciliation of Adjusted Revenue and Net Revenue from Operation of Rolling Stock to it for the three months ended 31 March 2012 and 2011.

	Three months ended 31 March	
	2012	**2011**
	(unaudited) (USD in thousands)	
Railway transportation—operators services (tariff borne by the Group)	252,726	241,795
Railway transportation—operators services (tariff borne by the client)	173,726	180,820
Railway transportation—freight forwarding...	708	678
Operating leasing of rolling stock	24,923	17,353
Other..	468	257
Revenue..	**452,551**	**440,903**
Infrastructure and locomotive tariffs: loaded trips	(147,700)	(151,261)
Adjusted Revenue.....................................	**304,851**	**289,642**

	Three months ended 31 March	
	2012	**2011**
	(USD in thousands)	
Railway transportation—operators services (tariff borne by the Group)	252,726	241,795
Railway transportation—operators services (tariff borne by the client)	173,726	180,820
Infrastructure and locomotive tariffs: loaded trips	(147,700)	(151,261)
Net Revenue from Operations of Rolling Stock	**278,752**	**271,354**

Revenue increased by USD 11,648 thousand, or 2.6 per cent., from USD 440,903 thousand in the three months ended 31 March 2011 to USD 452,551 thousand in the three months ended 31 March 2012. The increase in the Group's revenue was driven primarily by an increase in the Group's Adjusted Revenue. The aggregated amount of revenue from railway transportation—operators services (tariff borne by the Group) and revenue from railway transportation—operators services (tariff borne by the client) increased by an aggregate of USD 3,837 thousand, or 0.9 per cent., primarily due to the reasons for the increase in Net Revenue from Operation of Rolling Stock and the decrease in infrastructure and locomotive tariffs—loaded trips discussed below.

Infrastructure and locomotive tariffs—loaded trips (which is included in equal amounts both in the Group's revenue and cost of sales) decreased from USD 151,261 thousand to USD 147,700 thousand as clients increasingly opted to pay infrastructure and locomotive charges directly to

OAO “Russian Railways” (“Russian Railways”) (reducing the share of “lump sum” (tariff borne by the Group) contracts).

Adjusted Revenue increased by USD 15,209 thousand, or 5.3 per cent., from USD 289,642 thousand in the three months ended 31 March 2011 to USD 304,851 thousand in the three months ended 31 March 2012.

Net Revenue from Operation of Rolling Stock, the largest component of Adjusted Revenue, increased by USD 7,398 thousand, or 2.7 per cent., from USD 271,354 thousand in the three months ended 31 March 2011 to USD 278,752 thousand in the three months ended 31 March 2012. This increase reflects an increase in the Average Price Per 'flip by 20 per cent. to USD 1,090 compared to the three months ended 31 March 2011, which was offset by a 14 per cent. decrease in the Average Rolling Stock Operated reflecting a significant decrease in the number of Leased-in Fleet ahead of new railcar deliveries in the second half of 2011 and the first three months of 2012. Average Number of Loaded Trips per Railcar remained stable at 6.5 trips in the first three months of 2012 compared to the same period of the previous year despite an increase in Average Distance of Loaded Trips by 3 per cent. in the same period.

Revenue from operating leasing of rolling stock, the second largest component of Adjusted Revenue, increased by 43.6 per cent. from USD 17,353 thousand in the three months ended 31 March 2011 to USD 24,923 thousand in the three months ended 31 March 2012 reflecting the increase in lease rates as well as increase in the number of railcars in the Leased-out Fleet over the period.

Total cost of sales, selling and marketing costs and administrative expenses

The following table sets forth a breakdown of the total cost of sales, selling and marketing costs and administrative expenses for the three months ended 31 March 2012 and 2011.

	Three months ended 31 March	
	2012	**2011**
	(unaudited) (USD in thousands)	
Depreciation of property, plant and equipment.............	19,379	18,668
Amortisation of intangible assets..................................	44	44
Loss on sale of property, plant and equipment.............	287	(1,031)
Employee benefit expense..	12,529	11,963
Impairment charge for receivables	(124)	95
Operating lease rentals—rolling stock..........................	19,750	42,192
Operating lease rental—office......................................	1,255	1,243
Repairs and maintenance	18,929	17,157
Fuel and spare parts—locomotive tariffs:	9,229	7,985
Engagement of locomotive crews	3,065	33,053
Infrastructure and locomotive tariff:		
Load trips -	147,000	151,261
Empty run trips, other tariffs and services provided by other transportation organizations.....................................	74,600	71,697

	Three months ended 31 March	
	2012	2011
	(unaudited) (USD in thousands)	
Including Empty Run Costs......................................	*59,504*	*61,254*
Auditors' remuneration..	452	306
Legal, consulting and other professional fees	727	1,077
Advertising and promotion	132	81
Communication costs..	267	255
Information services..	398	381
Taxes (other than income tax and value added taxes) ..	5,114	4,975
Other expenses...	5,248	4,676
Total cost of sales, selling and marketing costs and administrative expenses	**318,981**	**336,078**

Total costs of sales, selling and marketing costs and administrative expenses decreased by USD 17,097 thousand, or 5.1 per cent., from USD 336,078 thousand in the three months ended 31 March 2011 to USD 318,981 thousand in the three months ended 31 March 2012. This decrease was primarily due to the factors described below.

Infrastructure and locomotive tariffs: loaded trips (which is included in equal amounts both in the Group's revenue and cost of sales) decreased from USD 151,261 thousand in the three months ended 31 March 2011 to USD 147,700 thousand in the three months ended 31 March 2012 as clients increasingly opted to pay infrastructure and locomotive charges directly to Russian Railways (reducing the share of "lump sum" (tariff borne by the Group) contracts).

Infrastructure and locomotive tariffs. Empty run trips, other tariffs and services provided by other transportation organisations increased by 4.0 per cent from USD 71,697 thousand in the three months ended 31 March 2011 to USD 74,600 thousand in the three months ended 31 March 2012. This increase was driven primarily by a 44.6 per cent. increase in other tariffs and services provided by other transportation organisations, from USD 10,443 thousand for the three months ended 31 March 2011 to USD 15,096 thousand for the three months ended 31 March 2012, reflecting the increased use of Engaged Fleet to satisfy client demand in excess of the Group's own capacity, offset in part by a 2.9 per cent. decrease in Empty Run Costs, from USD 61,254 thousand for the three months ended 31 March 2011 to USD 59,504 thousand for the three months ended 31 March 2012. The decrease in Empty Run Costs was primarily driven by a combination of a 9.6 per cent. decline in the Group's Freight Rail Turnover (reflecting a 14.4 per cent. decrease in the Group's Average Rolling Stock Operated over the period), a 6 per cent. increase in Russian Railways' regulated tariff for the traction of empty railcars effective from 1 January 2012 (according to the Russian Federal Tariff Service ("FTS")), an increase in Total Empty Run Ratio from 63 per cent. in the three months ended 31 March 2011 to 66 per cent. in the three months ended 31 March 2012 primarily due to an increase in Empty Run Ratio for gondola (open top) cars from 44 per cent. in the three months ended 2011 to 45 per cent. in the three months ended 31 March 2012 and a reduction in the proportion of gondola (open top) cars in the Group's Table Fleet (due to a significant decrease in the number of leased-in railcars). The Share of Empty Run Kilometres Paid by the Group remained stable at 78 per cent. for the periods.

Operating lease rentals—rolling stock decreased by 53.2 per cent. from USD 42,192 thousand in the three months ended 31 March 2011 to USD 19,750 thousand in the three months ended 31 March 2012 reflecting a significant decline in the number of railcars leased-in from third parties over the period, which was partially offset by increased lease rates.

Repairs and maintenance costs increased by 10.3 per cent. from USD 17,157 thousand in the three months ended 31 March 2011 to USD 18,929 thousand in the three months ended 31 March 2012 primarily reflecting cost inflation for repair works and spare parts, as well as an increase in the number of ad-hoc repairs.

Employee benefit expense increased by 4.7 per cent. from USD 11,963 thousand in the three months ended 31 March 2011 to USD 12,529 thousand in the three months ended 31 March 2012 driven by general wage inflation and an increase in the average number of employees over the period.

Fuel and spare parts—locomotives increased by USD 1,244 thousand, or 15.6 per cent., from USD 7,985 thousand in the three months ended 31 March 2011 to USD 9,229 thousand in the three months ended 31 March 2012 primarily due to an increase in fuel prices.

Taxes (other than income tax and VAT) increased by USD 139 thousand, or 2.8 per cent., from USD 4,975 thousand in the three months ended 31 March 2011 to USD 5,114 thousand in the three months ended 31 March 2012 primarily due to an increase in the amount of property tax payable on the Group's Owned Fleet (other than railcars leased-in under finance leases) reflecting the increase in its size.

Depreciation of property, plant and equipment increased by USD 711 thousand, or 3.8 per cent., from USD 18,668 thousand in the three months ended 31 March 2011 to USD 19,379 thousand in the three months ended 31 March 2012 primarily due to the increase in the size of the Group's Owned Fleet.

Other gains—net

Other gains—net decreased by USD 843 thousand, from USD 879 thousand in the three months ended 31 March 2011 to USD 36 thousand in the three months ended 31 March 2012, primarily as a result of increased net foreign exchange transaction losses on non-financing activities from USD 495 thousand in the three months ended 31 March 2011 to USD 1,239 thousand in the three months ended 31 March 2012.

Operating profit

The Group's operating profit increased by USD 27,902 thousand, or 26.4 per cent., from USD 105,704 thousand in the three months ended 31 March 2011 to USD 133,606 thousand in the three months ended 31 March 2012, as a result of the factors discussed above.

Finance income

Finance income increased by USD 3,929 thousand or 78.9 per cent., from a negative amount of USD 4,978 thousand in the three months ended 31 March 2011 to a negative amount of USD 1,049 thousand in the three months ended 31 March 2012. This increase was primarily due to a decrease in net foreign exchange transaction losses on cash and cash equivalents and finance lease receivable, from a negative amount of USD 6,425 thousand in the three months ended 31

March 2011 to a negative amount of USD 1,910 thousand, as finance lease receivables (which generated foreign exchange losses in the three months ended 31 March 2011) were repaid by the relevant lessee in the second half of 2011. In addition, the amount of cash and cash equivalents in foreign currencies was lower in the three months ended 31 March 2012.

Finance costs

The following table sets forth a breakdown of finance costs for the three months ended 31 March 2012 and 2011.

	Three months ended 31 March	
	2012	**2011**
	(unaudited) **(USD in thousands)**	
Interest expense:		
Banking borrowings	(6,593)	(7,026)
Non-convertible bond	(4,026)	(2,271)
Finance leases	(668)	(1,730)
Other finance costs	(74)	(118)
Total interest expense	**(11,361)**	**(11,145)**
Net foreign exchange transaction gains/(losses) on borrowings	4,071	8,051
Finance cost on liability for minimum dividend distribution	—	(526)
Finance costs	**(7,290)**	**(3,620)**

Finance costs increased by USD 3,670 thousand, or 101.4 per cent., from USD 3,620 thousand in the three months ended 31 March 2011 to USD 7,290 thousand in the three months ended 31 March 2012, primarily due to a decrease in net foreign exchange transaction gains on borrowings, partially offset by a decrease in interest expense on bank borrowings and finance leases.

Total interest expense increased by USD 216 thousand, or 1.9 per cent., to USD 11,361 thousand for the three months ended 31 March 2012 from USD 11,145 thousand for the three months ended 31 March 2011. This increase was primarily due to an increase of USD 1,755 thousand, or 77.3 per cent., in interest expense: non-convertible bond, due to the issue of new RUB 10 billion 3-year Rouble-denominated bonds in March 2012. This was partially offset by a decrease of USD 1,062 thousand, or 61.4 per cent., in interest expense: finance leases due to a reduction in the Group's lease liabilities during the course of 2011.

Net foreign exchange transaction gains on borrowings decreased by USD 3,980 thousand, or 49.4 per cent., to USD 4,071 thousand for the three months ended 31 March 2012 from USD 8;051 thousand for the three months ended 31 March 2011 due to a decrease in the average amount of US Dollar denominated borrowings during the three months ended 31 March 2012 compared to the three months ended 31 March 2011.

Finance cost on liability for minimum dividend distribution decreased from USD 526 thousand for the three months ended 31 March 2011 to nil for the three months ended 31 March 2012.

This cost arose due to the obligation to pay certain minimum amounts under the shareholders' agreement relating to BaltTransServis LLC ("BTS"), and this obligation was cancelled in the second half of 2011 upon the acquisition of a further 10 per cent. interest in BTS by the Group. The amount recognised for the three months ended 31 March 2011 relates to the amount accrued in respect of that obligation for the first quarter of that year.

Share of profit of associates

The share of profit of associates decreased by USD 112 thousand, or 88.9 per cent., to USD 14 thousand in the three months ended 31 March 2012 from USD 126 thousand in the three months ended 31 March 2011, as a result of decreased profitability of Daugavpils Lokomtivju Remonta Rupnica, an associate of AS Spacecom.

Profit before income tax

Profit before income tax increased by USD 28,049 thousand or 28.8 per cent., from USD 97,232 thousand in the three months ended 31 March 2011 to USD 125,281 thousand in the three months ended 31 March 2012 as a result of the above factors.

Income tax expense

Income tax expense increased by USD 9,179 thousand, or 42.6 per cent., from USD 21,539 thousand in the three months ended 31 March 2011 to USD 30,718 thousand in the three months ended 31 March 2012. This increase is primarily due to a change of intention for the distribution of profits of one of the Russian subsidiaries of the Group, whereby it is now probable that dividends will be paid out of current and prior year profits, which are currently subject to 5 per cent. dividend withholding tax. As a result of this change, a one-off deferred tax provision of USD 4,361 thousand (relating to profits earned in prior periods) and a tax provision of USD 2,218 thousand (relating to current year profits) was recognised, representing the applicable tax on the earnings of that subsidiary in 2011 and the three months ended 31 March 2012. In addition, an increase in profit before tax resulted in a higher income tax expense.

For the three months ended 31 March 2012 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 ended 31 December 2012 is 21.0 per cent. and does not include the deferred tax provision discussed immediately above (for 2011 it was 22.2 per cent.).

Capital expenditure and capital resources

Capital expenditures

In the period under review, the Group's capital expenditures have principally been made to fund the acquisition of rolling stock. The Group's capital expenditure for the acquisition of rolling stock, including rolling stock leased under finance leases, for the three months ended 31 March 2012 was USD 213,314 thousand. As at 31 March 2012, the Group had capital commitments of USD 426,951 thousand relating to the acquisition of railcars in 2012.

Cash flows

The following table sets forth the principal components of the Group's consolidated cash flow statement for the three months ended 31 March 2012 and 2011.

	Three months ended 31 March	
	2012	2011
	(unaudited)	
Net cash from operating activities	101,526	106,303
Net cash used in investing activities.....................	(219,258)	(22,425)
Net cash from (used in) financing activities	331,358	(51,995)
Net (decrease)/increase in cash and cash equivalents..	213,626	31,883
Exchange losses on cash and cash equivalents ..	11,827	6,653
Cash and cash equivalents and bank overdrafts at end of period..	**345,173**	**175,494**

Net cash from operating activities

Net cash generated from operating activities decreased by USD 4,777 thousand, or 4.5 per cent., from USD 106,303 thousand for the three months ended 31 March 2011 to USD 101,526 thousand for the three months ended 31 March 2012. This decrease was primarily due to changes in working capital, which increased by USD 25,177 thousand and an increase in tax paid of USD 9,607 thousand primarily due to the higher income tax charge arising from higher taxable profits, in each case in three months ended 31 March 2012 compared to the same period in the previous year. This was partially offset by an increase in profit for the period in the three months ended 31 March 2012.

Net cash used in investing activities

Net cash used in investing activities increased by USD 196,833 thousand, or 877.7 per cent., from USD 22,425 thousand for the three months ended 31 March 2011 to USD 219,258 thousand for the three months ended 31 March 2012, primarily as a result of a significant increase in the purchase of property, plant and equipment, which increased by USD 197,655 thousand, reflecting the Group's decision to scale-up its railcar investment programme.

Net cash from/ (used in) financing activities

Net cash from financing activities for the three months ended 31 March 2012 amounted to USD 331,358 thousand compared to net cash used in financing activities of USD 51,995 thousand in the three months ended 31 March 2011. This change was primarily due to an increase in proceeds from borrowings of USD 397,797 thousand mainly due to the issue of RUB 10 billion 3-year Rouble-denominated bonds in the three months ended 31 March 2012, a decrease in repayments of borrowings of USD 14,196 thousand, a decrease in finance lease principal payments of USD 9,918 thousand, a decrease in dividends paid to non-controlling interests of USD 7,529 thousand, in part offset by the purchase of treasury shares in amount of USD 43,173 thousand.

Capital resources

The Group's financial indebtedness consists of bank overdrafts, bank borrowings, non-convertible unsecured bond issues and finance lease liabilities in an aggregate principal amount of USD 809,231 thousand (including accrued interest of USD 5,051 thousand) as at 31 March 2012, representing an increase of USD 430,119 thousand or 113.5 per cent., compared to 31 December 2011. This increase was primarily due to new borrowings to finance, in part, the acquisition of new rolling stock.

Currently, the majority of the Group's bank borrowings have been secured by pledges of rolling stock and assignments of certain contractual rights to transportation services. In addition, New Forwarding Company is required to pledge its interests in MIT to Sberbank within 60 days of the MIT Acquisition under the terms of the related secured credit facility referred to below. The Group's indebtedness also includes unsecured borrowings from banks, non-convertible unsecured bond issues and unsecured commitments from banks.

In connection with the MIT Acquisition, in April 2012, the Group entered into and drew down in full a three-year floating rate USD 400 million secured credit facility with Sberbank. In addition, in the period between 1 April 2012 and 5 July 2012, in connection with the acquisition of new railcars the Group has borrowed a total of USD 502,557 thousand from financial institutions under existing and new facilities.

The Group's bank borrowings include a loan from International Finance Corporation (“IFC”), a subsidiary of the World Bank, amounting to USD 25,949 thousand as at 31 March 2012 (excluding accrued interest). In connection with the IFC loan, there is a share retention agreement in place whereby Transportation Investments Holding Limited, a company organised and existing under the laws of Cyprus (“TIHL”) is obliged to retain at least 26 per cent. of the share capital of the Company free and clear of any lien, and the Company is obliged to maintain 100 per cent. of the share capital of Sevtekhnotrans LLC (“Sevtekhnotrans”) free and clear of any lien.

The Group's ratio of net debt to Adjusted EBITDA for the last twelve months amounted to 0.9x 31 March 2012. Net debt is defined as the sum of current and non-current borrowings less cash and cash equivalents. As at 31 March 2012, 77 per cent. of the Group's borrowings were fixed rate, and the remaining 23 per cent. were floating rate.

The Group's borrowings consist of bank overdrafts, bank borrowings, loans from third parties and finance lease liabilities in an aggregate amount of USD 809,231 thousand (including accrued interest of USD 5,051 thousand) as at 31 March 2012.

The following table sets forth the maturity profile and other characteristics of the Group's borrowings (including accrued interest of USD 5,051 thousand) as at 31 March 2012.

	As at 31 March 2012 (USD in thousands)
2nd quarter 2012	87,815
3rd quarter 2012	45,893
4th quarter 2012	56,882
2013	103,923
2014	106,669
2015 to 2017	408,048
Total	**809,231**

Note: This table does not include the indebtedness incurred since 31 March 2012 in connection with the MIT Acquisition and the acquisition of additional rolling stock. See *"—Recent Developments"* and *"Unaudited Pro Forma Financial Information and Other Information Relating to the MIT Acquisition — Unaudited Pro Forma Financial Information"* in Appendix 3.

As at 31 March 2012, the weighted average interest rate for bank overdrafts was 2.2 per cent., bank borrowings was 8.3 per cent., non-convertible bonds was 9.9 per cent. and finance lease liabilities was 3.8 per cent.

As at 31 March 2012 the carrying amounts (including accrued interest of USD 5,051 thousand) of the Group's borrowings were denominated in the following currencies:

	As at 31 March 2012 (USD in thousands)
US Dollar	148,415
Euro	658,437
Rouble	2,379
Total	**809,231**

Note: This table does not include the indebtedness incurred since 31 March 2012 in connection with the MIT Acquisition and the acquisition of additional rolling stock. See *"—Recent Developments"* and *"Unaudited Pro Forma Financial Information and Other Information Relating to the MIT Acquisition — Unaudited Pro Forma Financial Information"* in Appendix 3.

As at 31 March 2012, the Group had the following undrawn borrowing facilities:

	As at 31 March 2012 (USD in thousands)
Floating rate:	
Expiring within 1 year	6,241
Expiring beyond 1 year	--
Fixed rate:	
Expiring within 1 year	345,403
Total	**351,644**

Contractual commitments and contingent liabilities

Contractual commitments

The following table summarises the Group's operating lease obligations required under non-cancellable operating leases.

Future aggregate minimum operating lease payments	**As at 31 March 2012 (USD in thousands)**
Not later than 1 year	49,523
Later than 1 year and not later than 5 years	12,062
Total	**61,585**

As at 31 March 2012, the Group had capital expenditure contracted for but not yet incurred in the amount of USD 426,951 thousand, representing the acquisition of railcars as part of property plant and equipment.

As at 31 March 2012, no member of the Group had any material obligation as a guarantor or surety of the obligation of any person, not being a member of the Group, which are not reflected on the balance sheet.

As at 31 March 2012, the Group was not aware of any contingent tax, litigation or other liabilities, which could have a material effect on the result of operations or financial position of the Group and which have not been accrued or disclosed in the Interim Condensed Consolidated Financial Information.

APPENDIX 2

BUSINESS AND FINANCIAL INFORMATION OF MIT

MIT ACQUISITION

In May 2012, the Group acquired a 100 per cent. Interest in MIT, the "captive" freight rail transportation operator of the Metalloinvest group of companies ("Metalloinvest") for USD 540 million on a cash and debt free basis, assuming normalised working capital and capital commitments. As at 31 March 2012, Total Fleet consisted of 8,943 railcars (including Owned Fleet of 8,256 railcars), of which 8,453 were gondola (open top) railcars. Historically, MIT has predominantly served the metallurgical cargo flows of Metalloinvest using its Total Fleet as well as a significant amount of Engaged Fleet, and after the MIT Acquisition, Metalloinvest will increase in significant amount of Engaged Fleet, and after the MIT Acquisition, Metalloinvest will increase in significance as a key customer of the Group. In line with its strategy, the Group has acquired MIT to expand its railcar fleet as well as to obtain access to significant new cargo flows pursuant to the freight service arrangements with Metalloinvest described below, as a supplement to its own organic growth.

In connection with the MIT Acquisition, MIT has entered into an arrangement with Metalloinvest under which Metalloinvest's main production entities, which produce and trade iron ore and hot briquetted iron ("HBI"), will use MIT for freight rail transportation services (the "MIT Freight Service Contracts"). These arrangements provide for MIT to manage 100 per cent. of Metalloinvest's rail transportation volumes for the year ended 31 May 2013 and give MIT a right of first refusal over 60 per cent. of such volumes for each of the years ended 31 May 2014 and 2015, subject to certain conditions. The price of these services is fixed for different cargoes and routes for the year ended 31 May 2013 but will be determined by reference to market prices (established from a tender among large operators) in the subsequent two years. The volume of these cargoes is expected to be larger than the capacity of MIT's Owned Fleet. As a result, MIT will lease-in rolling stock under operating leases or use Engaged Fleet to service these cargoes in part.

The MIT Acquisition was financed in part by the proceeds of a USD 400 million three-year floating rate secured credit facility provided by Sberbank, entered into April 2012.

BUSINESS

MIT, specialising in the transportation of iron ore and other metallurgical products in Russia, was formerly owned by Metalloinvest and was its "captive" railway transportation services operator, managing all of that group's freight rail transportation. As at 31 March 2012, had a total of 8,943 railcars (including Owned Fleet of 8,256 railcars), of which 8,453 were gondola (open top) cars. MIT's Adjusted Revenue for the year ended 31 December 2011 was RUB 10,122,665 thousand. Net Revenue from Operation of Rolling Stock for the year ended 31 December 2011 was RUB 9,983,095 thousand. Its Adjusted EBITDA for the year ended 31 December 2011 was RUB 4,106,745 thousand.

As the "captive" freight rail operator for Metalloinvest, the largest iron ore producer in Russia, MIT arranged the logistical solutions required to transport iron ore and other metallurgical cargoes produced by Metalloinvest that needed to be transported by rail to steel production facilities and customers. MIT has historically used both its Total Fleet and Engaged Fleet to service these cargoes, and together with the Group's Owned Fleet, will continue to do so pursuant to the MIT Freight Service Contracts.

The aggregate Transportation Volume for MIT's Total Fleet and its Engaged Fleet amounted to 44.2 million tonnes in the year ended 31 December 2011 and accounted for approximately 16 per cent. of metallurgical cargo volumes and 23 per cent. of iron ore volumes shipped by rail in Russia in that year, according to Rosstat. In the years ended 31 December 2011 and 2010, MIT handled 100 per cent. of Metalloinvest's cargoes carried by rail, with 38 per cent. (or 16.8 million tonnes) and 39 per cent. (or 16.8 million tonnes), respectively, of MIT's aggregate Transportation Volume carried by its Total Fleet and the remainder by Engaged Fleet. MIT's core activity is providing a "one-stop" logistics solution for servicing all of Metalloinvest's metallurgical cargo flows through its Total Fleet and Engaged Fleet.

MIT is a significant railway operator in Russia by number of gondola (open top) cars in operation. The size of its Total Fleet enables MIT to service a substantial share of Metalloinvest's rail transportation requirements. The table below sets out information on the number and source of MIT's Total Fleet by category as at 31 March 2012.

	Owned Fleet(1)	**Leased –in Fleet**	**Total Fleet**
Units			
Gondola (open top) cars	7,851	602	8,453
Rail tank cars	61	—	61
Hopper cars	343	85	428
Flat cars	1	—	1
Total	**8,256**	**687**	**8,943**

(1) For definitions of Owned Fleet and Leased-in Fleet, see "*Presentation of Financial and Other Information—Other Data and Information—Fleet terminology*".

Since 31 December 2011, MIT has returned the majority of its Leased-in Fleet of gondola (open top) cars.

The average age of MIT's Owned Fleet as at 31 March 2012 was 9.1 years for its gondola (open top) cars, 7.9 years for its rail tank cars, 6.4 years for its hopper cars and 16.9 years for its flat car.

For Metalloinvest's metallurgical cargo flows that cannot be accommodated by its Owned Fleet, MIT leases in fleet or arranges logistical solutions through the use of Engaged Fleet. For Engaged Fleet, MIT subcontracts to or engages a third party operator for a single loaded trip from the point of origination to the cargo's destination, at which point the railcar is then released to its owner. The principal differences between Engaged Fleet and Leased-in Fleet is that the Engaged Fleet is only engaged for a particular loaded trip and not leased for a fixed period of time and there are no Empty Run Costs or repair and maintenance costs in connection with Engaged Fleet.

MIT manages its Total Fleet and Engaged Fleet from its main office in Moscow and four offices in key regions of operation: Zheleznogorsk, Stariy Oscol, Voronezh and Novotroitsk.

Key customers of MIT are Metalloinvest's entities producing and trading in iron ore and steel, including JSC ''Mikhailovsky GOK" ("MGOK"), JSC ''Ural Steel'' ("Ural Steel"), Metalloinvest Trading AG, JSC ''Lebedinskiy GOK'' ("LGOK") and JSC ''OEMK'' ("OEMK"), which resulted in the majority of MIT's revenue being received from Metalloinvest's entities in the year ended 31 December 2011.

Iron ore raw materials are MIT's primary cargo, accounting for approximately 50 per cent. of 16.8 million tonnes volumes by or using its Total Fleet in the year ended 31 December 2011.

MIT had 175 employees as at 31 December 2011. MIT's managers have extensive experience in the railway industry. Under the terms of the MIT Acquisition, although there are certain non-solicitation and non-hiring restrictions, Metalloinvest is permitted to hire certain key employees of MIT in the first three months after the date of the agreement entered into on 26 April 2012 between New Forwarding Company and Metalloinvest Transport (Cyprus) Limited in relation to the acquisition of 100 per cent. of the participatory interests in MIT (the "MIT Acquisition Agreement").

SELECTED FINANCIAL AND OPERATING INFORMATION

The following table sets forth the principal components of MIT's income statement extracted from the financial statements of MIT as at and for the year ended 31 December 2011 (with 2010 comparatives) (the "MIT Financial Statements") in Roubles for the years ended 31 December 2011 and 2010. The information contained in such income statement below the operating profit line is not set out below as the MIT Acquisition has been done on a debt-free basis and accordingly, an analysis of that additional information is not considered relevant to its business in future periods. See *"—MIT Acquisition"* above.

	Years ended 31 December	
	2011	**2010**
	(RUB in thousands)	
Revenue	17,163,512	19,769,436
Cost of sales	(13,003,196)	(16,330,992)
Gross profit	**4,160,316**	**3,438,444**
General and administrative expenses	(327,064)	(199,513)
Other operating expenses	(238,422)	(5,220)
Operating profit	**3,594,830**	**3,233,711**

Because MIT was acquired by the Group on a debt-free basis and subject to certain adjustments that materially affect its balance sheet as at 31 December 2011, extracts from that balance sheet have not been included in this section. For further information on MIT's balance sheet, see the MIT Financial Statements.

Additional (Non-GAAP) Financial Information

The following table sets forth additional unaudited non-GAAP financial information for MIT in Roubles for the years ended 31 December 2011 and 2010.

	Years ended 31 December	
	2011	2010
	(RUB in thousands, unless otherwise indicated)	
Adjusted Revenue[1] [2]	10.122,665	8,779,859
Net Revenue from Operation Rolling Stock-operated fleet [1] [3]	6,233,455	4,852,681
Net revenue from engaged fleet [1] [3]	3,749,640	3,811,204
EBITDA [1] [5]	4,110,414	3,747,361
Adjusted EBITDA [1] [6]	4,106,745	3,752,581
Adjusted EBITDA Margin (%)[1][6]	40.6%	42.7%
Adjusted Profit for the Period[1][7]	2,579,886	2,085,079
Empty run Costs[1][7]	1,322,205	1,009,013
ROCE (%)[1][9]	37%	28%

Operating Information

	Years ended 31 December	
	2011	2010
Freight Rail Turnover (billion tones-km)[10]	34.4	41.6
Transportation Volume (million tones)[11]	16.8	16.8
Average Price Per Trip (USD)(12)	859.2	646.5
Empty Run Ratio for gondola (open top) cars[13]	34	24
Empty run Ratio for other cars[13]	33	34
Total Empty Run Ratio[14]	34	24
Share of Empty Run Kilometres Paid by MIT[15]	100	100
Average Number of Loaded Trips Per Railcar[16]	26.3	30.9
Average Distance of Loaded Trips (kilometers)[17]	2,038.3	2,465.0
Average Rolling Stock Operated[18])	9,399	8,005
Owned Fleet (at period end)	8,256	8,266
Leaded-in Fleet (at period end)	946	729
Total Fleet (at period end)	9,202	8,995

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(1) Adjusted Revenue, Net Revenue from Operation of Rolling Stock—operated fleet, Net revenue from engaged fleet, EBITDA, Adjusted EBITDA, Adjusted Profit for the Period, Empty Run Costs and ROCE are non-GAAP measures presented as supplemental measures of MIT's operating performance. These supplemental measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, as a substitute for analysis of MIT's results as reported under IFRS. Reconciliations of Adjusted Revenue to revenue, Net Revenue from Operation of Rolling Stock to revenue from transportation services, EBITDA and Adjusted EBITDA to change in net assets attributable to participants, and Adjusted Profit for the Period to change in net assets attributable to participants are set out below.

Reconciliation of Adjusted Revenue to Revenue

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Revenue from transportation services....................	17,047,726	19,677,154
Other revenue..	115,786	92,282
Infrastructure and locomotive tariffs: loaded trips*...	(2,372,384)	(5,041,905)
Infrastructure and locomotive tariffs: engaged fleet*	(4,668,463)	(5,947,672)
Adjusted Revenue..	10,122,665	8,779,859

* Derived from management accounts.

Reconciliation of Net Revenue from Operation of Rolling Stock and Net Revenue from Engaged Fleet to Revenue from Transportation Services

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Revenue from transportation services...............	**17,047,726**	**19,677,154**
Infrastructure and locomotive tariffs: loaded trips*...	(2,372,384)	(5,041,905)
Infrastructure and locomotive tariffs: engaged fleet*	(4,668,463)	(5,947,672)
Net Revenue from Operation of Rolling Stock....	**10,006,879**	**8,687,577**

* Derived from management accounts.

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Revenue from transportation services – operated fleet	**8,605,839**	**9,894,586**
Infrastructure and locomotive tariffs: loaded trips*.........	(2,372,384)	(5,041,905)
Net Revenue from Operation of Rolling Stock – operated fleet	**6,233,455**	**4,852,681**

* Derived from management accounts.

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Revenue from transportation services – engaged fleet	**8,418,103**	**9,758,876**
Infrastructure and locomotive tariffs: engaged fleet*......	(4,668,463)	(5,947,672)
Net Revenue from engaged fleet...............................	**3,749,640**	**3,811,204**

* Derived from management accounts.

Reconciliation of EBITDA and Adjusted EBITDA to Change in Net Assets Attributable to Participants

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Change in Net Assets Attributable to Participants...	**(3,030,436)**	**2,085,079**
Plus (Minus)		
Income tax change..	652,290	532,621
Finance income...	(221,144)	(171,003)
Finance costs	6,194,120	787,014
Depreciation...	515,584	513,650
EBITDA	**4,110,414**	**3,747,361**
Plus (Minus)		
Loss/(gain) on disposal of property, plant and equipment	(4,751)	3,193
Net foreign exchange loss/(gain) on operating activities, net...	(15,559)	8,722
Social costs...	194	2,953
Other (income)/expenses..	16,447	(9,698)
Adjusted EBITDA	**4,106,745**	**3,752,581**

Reconciliation of Adjusted Profit for the period to Change in Net Assets Attributable to Participants

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Change in Net Assets Attributable to Participants...	**(3,030,436)**	**2,085,079**
Plus		
Distribution to participants..	5,610,322	-
Adjusted Profit for the Period	**2,579,886**	**2,085,079**

(2) Adjusted Revenue is calculated as revenue less infrastructure and locomotive tariffs: loaded trips (derived from management accounts) and infrastructure and locomotive tariffs: engaged fleet (derived from management accounts).

(3) Net Revenue from Operation of Rolling Stock—operated fleet is defined as revenue from transportation services—operated fleet (represented as part of transportation services and derived from management accounts) less infrastructure and locomotive tariffs: loaded trips (represented as part of railway tariff and derived from management accounts).

(4) Net Revenue from engaged fleet is defined as revenue from transportation services—engaged fleet (represented as part of transportation services and derived from management accounts) less infrastructure and locomotive tariffs: engaged fleet (represented as part of railway tariff and derived from management accounts).

(5) EBITDA is calculated as the sum of change in net assets attributable to participants, income tax charge, finance income, finance costs and depreciation.

(6) Adjusted EBITDA represents EBITDA excluding foreign exchange gain/(loss) on operating activities, net, gain/(loss) on disposal of property, plant and equipment, social costs and other (expenses)/income. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Adjusted Revenue, expressed as a percentage.

(7) Adjusted Profit for the Period is calculated as change in net assets attributable to participants excluding distribution to participants.

(8) Empty Run Costs (which show the costs payable to Russian Railways for forwarding empty railcars) is derived from management accounts and presented as part of the railway tariff component of cost of sales.

(9) ROCE is defined as Adjusted EBITDA less depreciation divided by the sum of average balances between balance sheet dates of total equity, total borrowings and total finance lease liability and total borrowings.

(10) 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-kilometres.

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

(12) 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 applicable currency.

(13) Empty Run Ratio is calculated as the total of empty trips in kilometres by relevant 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).

(14) Total Empty Run Ratio is calculated as total kilometres travelled empty divided by total kilometres travelled loaded by the fleet operated by MIT (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.

(15) Share of Empty Run Kilometres paid by MIT is defined as the percentage of Empty Run kilometres paid by MIT divided by the total amount of Empty Run kilometres incurred by the fleet operated by MIT (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.

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

(17) 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.

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

Recent Developments

In February 2012, a new participant of MIT a related party at that time, made a cash contribution to MIT in the amount of RUB 1,778,000 thousand. In March 2012, MIT paid RUB 2,117,478 thousand to a lessor of rolling stock and settled certain finance lease liabilities in their entirety ahead of the scheduled maturity using, in part, the proceeds of such cash contribution.

In April 2012, prior to the MIT Acquisition, MIT disposed of a partially constructed railcar depot. This was shown on the balance sheet as at 31 December 2011 with a carrying value of RUB 162,746 thousand as assets held for sale. The profit recognised on the sale was not material.

FACTORS AFFECTING MIT'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MIT's financial results have been affected, and results are likely to be affected in the future by a wide variety of factors including the factors affecting the results and future results of the Group.

RESULTS OF OPERATIONS FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

Revenue and Adjusted Revenue

The following tables set forth revenue and adjusted revenue, broken down by type of revenue-generating activity of MIT for the years ended 31 December 2011 and 2010.

	Years ended 31 December	
	2011	**2010**
	(RUB in thousands)	
Revenue		
Transportation services..	17,047,726	19,677,154
Other revenue...	115,786	92,282
Total Revenue	**17,163,512**	**19,769,436**

Revenue decreased by RUB 2,605,924 thousand, or 13.2 per cent., from RUB 19,769,436 thousand for the year ended 31 December 2010 to RUB 17,163,512 thousand for the year ended 31 December 2011. This decrease was primarily due to a change in the terms of MIT's export oriented transportation contracts, whereby the infrastructure and locomotive tariffs were no longer paid by MIT; as also reflected in the table below.

	Years ended 31 December	
	2011	**2010**
	(RUB in thousands)	
Adjusted Revenue		
Transportation services..	17,047,726	19,677,154
Other revenue..1	115,786	92,282
Infrastructure and locomotive tariffs: loaded trips*.........	(2,372,384)	(5,041,905)
Infrastructure and locomotive tariffs: engaged fleet*	(4,668,463)	(5,947,672)
Adjusted Revenue..	**10,122,665**	**8,779,859**

* Derived from management accounts.

For the purposes of the below discussion, Adjusted Revenue has been broken down to show, (i) net revenue from operation of rolling stock relating to operated fleet, (ii) net revenue from operation of rolling stock relating to engaged fleet, and (iii) other revenues generated by the Group's non-core business activities, including operating lease of rolling stock, freight forwarding and other.

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Net revenue from operation of rolling stock – operated fleet	6,233,455	4,852,681
Net revenue from engaged fleet..................................	3,749,640	3,811,204
Operating leasing of rolling stock	113,660	107,597
Railway transportation – freight forwarding	4,961	5,153
Other..	20,949	3,224
Adjusted Revenue...	**10,122,665**	**8,779,859**

Adjusted Revenue increased by RUB 1,342,806 thousand, or 15.3 per cent., from RUB 8,779,859 thousand for the year ended 31 December 2010 to RUB 10,122,665 thousand for the year ended 31 December 2011. This increase was primarily due to an increase in net revenue from operation of rolling stock relating to operated fleet of 28.5 per cent, from RUB 4,852,681 thousand for the year ended 31 December 2010 to RUB 6,233,455 thousand for the year ended 31 December 2011.

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Revenue from transportation services – operated fleet .	8,605,839	9,894,586
Infrastructure and locomotive tariffs: loaded trips*.........	(2,372,384)	(5,041,905)
Net revenue from operation of rolling stock – operated fleet	**6,233,455**	**4,852,681**

* Derived from management accounts.

Net revenue from operation of rolling stock—operated fleet is the major component of Adjusted Revenue and accounted for 62 per cent. of Adjusted Revenue in 2011. Net revenue from operation of rolling stock—operated fleet in 2011 increased by RUB 1,380,774 thousand, or 28.5 per cent., from RUB 4,852,681 thousand for the year ended 31 December 2010 to RUB 6,233,455 thousand for the year ended 31 December 2011. The increase was primarily due to an increase in the average number of rolling stock in operation by 17.4 per cent. or 1,394 railcars for the year ended 31 December 2011 as compared to the year ended 31 December 2010 and an increase in the Average Price Per Loaded Trip of 28.6 per cent. for the year ended 31 December 2011 partially offset by a 14.9 per cent. decrease in the Average Number of Loaded Rips Per Railcar by 4.6 trips to 26.3 loaded trips per railcar for the year ended 31 December 2011.

	Years ended 31 December	
	2011	2010
	(RUB in thousands)	
Revenue from transportation services – engaged fleet..	8,418,103	9,758,876
Infrastructure and locomotive tariffs: engaged fleet*......	(4,668,463)	(5,947,672)
Net revenue from operation of rolling stock – operated fleet	**3,749,640**	**3,811,204**

* Derived from management accounts.

Net revenue from engaged fleet accounted for 37 per cent. of Adjusted Revenue in 2011. Net revenue from engaged fleet decreased by RUB 61,564 thousand, or 1.6 per cent., from RUB 3,811,204 thousand for the year ended 31 December 2010 to RUB 3,749,640 thousand for the year ended 31 December 2011. This decrease was primarily due to a decrease in the total number of loaded trips using Engaged Fleet as a result of a decrease in the use of Engaged Fleet partially offset by an increase in the Average Price Per Loaded Trip for Engaged Fleet.

Revenue from operating leasing of rolling stock increased by or RUB 6,063 thousand, or 5.6 percent., for the year ended 31 December 2011. This increase was primarily due to an increase of average lease rates per car per day in 2011 compared to 2010. During this period, the average number of rolling stock leased-out was stable.

Other revenue increased by RUB 17,725 thousand, or 549.8 per cent. from RUB 3,224 thousand for the year ended 31 December 2010 to RUB 20,949 thousand for the year ended 31 December 2011. This increase was primarily due to an increase in revenue subleasing surplus office space.

Cost of sales

The following table sets forth a breakdown of cost of sales for the years ended 31 December 2011 and 2010.

	Years ended 31 December	
	2011	**2010**
	(RUB in thousands)	
Railway tariff	8,363,052	11,998,590
Transportation operator services	2,816,601	3,295,619
Rolling stock operating lease rentals	780,112	35,619
Depreciation	512,955	508,751
Repairs and maintenance	371,172	369,464
Labour costs	107,515	72,260
Property and other taxes	26,567	28,088
Other	25,222	22,601
Total	**13,003,196**	**16,330,992**

Cost of sales decreased by RUB 3,327,796 thousand, or 20.4 per cent., from RUB 16,330,992 thousand for the year ended 31 December 2010 to RUB 13,003,196 thousand for the year ended 31 December 2011.

For the purpose of presenting the dynamics and nature of the Group's cost base, the railway tariff line item of cost of sales has been divided as presented below.

	Years ended 31 December	
	2011	**2010**
	(RUB in thousands)	
Infrastructure and locomotive tariffs: loaded trips*	2,372,384	5,041,905
Infrastructure and locomotive tariffs: engaged fleet*	4,668,463	5,947,672
Empty Run Costs	1,322,205	1,009,013
Railway Tariff	**8,363,052**	**11,998,590**

* Derived from management accounts.

Infrastructure and locomotive tariff: loaded trips and infrastructure and locomotive tariff: engaged fleet are "pass-through" cost items for MIT and are reflected in equal amounts in MIT's revenue as well as in cost of sales. In 2011, the aggregate of these line items decreased by RUB 3,948,730 thousand, or 35.9 per cent, from RUB 10,989,577 thousand for the year ended 31 December 2010 to RUB 7,040,847 thousand for the year ended 31 December 2011. This decrease was primarily due to a change in the terms of MIT's export-oriented transportation contracts, where the infrastructure and locomotive tariffs were no longer paid by MIT.

Empty Run Costs increased by RUB 313,192 thousand, or 31.0 per cent., from RUB 1,009,013 thousand for the year ended 31 December 2010 to RUB 1,322,205 thousand for the year ended

31 December 2011. This increase was primarily due to an 8 per cent. increase in Russian Railways' regulated tariff for the traction of empty railcars, an increase in Average Rolling Stock Operated by 1,394 railcars, or 17.4 per cent., for the year ended 31 December 2011 as compared to the year ended 31 December 2010, and an increase in the Total Empty Run Ratio from 24 per cent. for the year ended 31 December 2010 to 34 per cent. for the year ended 31 December 2011.

transportation operator services decreased by RUB 479,018 thousand, or 143 per cent. from RUB 3,295,619 thousand for the year ended 31 December 2010 to RUB 2,816,601 thousand for the year ended 31 December 2011. This decrease was primarily due to a decrease in the total number of loaded trips for Engaged Fleet, which was driven by a decrease in the use of Engaged Fleet, partially offset by an increase in the average price of operator services due to market conditions.

Rolling stock operating lease rentals increased by RUB 744,493 thousand or 2,090.2 per cent., from RUB 35,619 thousand for the year ended 31 December 2010 to RUB 780,112 thousand for the year ended 31 December 2011. This increase was primarily due to a significant increase in the average number of leased-in railcars over the period, along with an increase in average lease rates per car per day in 2011 as compared to 2010.

Labour costs increased by RUB 35,255 thousand, or 48.8 per cent., from RUB 72,260 thousand for the year ended 31 December 2010 to RUB 107,515 thousand for the year ended 31 December 2011. This increase was primarily due to staff and management incentive payments related to 2010 and 2011 accrued and paid in 2011, and increase in the average level of salaries and an increase in unified social tax in Russia.

General and administrative expenses

The following table is a breakdown of selling, general and administrative expenses for the years ended 31 December 2011 and 2010

	Years ended 31 December	
	2011	**2010**
	(RUB in thousands)	
Management fees	126,000	98,500
Office operating lease rental	70,706	30,067
Labour costs	65,179	39,625
Bank charges	18,410	3,243
Materials and fuel	5,415	3,579
Provision for impairment of accounts receivable	3,626	-
Depreciation	2,629	4,899
Business trips	2,505	2,064
Other	32,594	17,536
Total	**327,064**	**199,513**

General and administrative expenses increased by RUB 127,551 thousand, or 63.9 per cent., from RUB 199,513 thousand for the year ended 31 December 2010 to RUB 327,064 thousand for the year ended 31 December 2011. This increase was primarily due to increases in management fees, office operating lease rental expenses, labour costs and bank charges.

Management fees increased by RUB 27,500 thousand, or 27.9 per cent., from RUB 98,500 thousand for the year ended 31 December 2010 to RUB 126,000 thousand for the year ended 31 December 2011. This increase was primarily due to special arrangements between MIT and its managing company, which is a part of Metalloinvest. Following the MIT Acquisition, this management fee will no longer be incurred. However, similar services relating to the management of MIT; to the extent incurred, will likely be reflected in the Group's employee benefits expense line item, which may increase as a result.

Office operating lease rental expenses increased by RUB 40,639 thousand, or 135.2 per cent., from RUB 30,067 thousand for the year ended 31 December 2010 to. RUB 70,706 thousand for the year ended 31 December 2011. This increase was primarily due to MIT's leasing new office space in Moscow in the beginning of 2011. A portion of this office space was sublet, which contributed to the increase in other revenue as discussed above.

Labour costs increased by RUB 25,554 thousand, or 64.5 per cent., from RUB 39,625 thousand for the year ended 31 December 2010 to RUB 65,179 thousand for the year ended 31 December 2011. This increase was primarily due to staff and management incentive payments related to 2010 and 2011 accrued in 2011, an increase in the average level of salaries and an increase in social insurance costs due to changes in the legislation and an increase in the effective tax rate.

Bank charges increased by RUB 15,167 thousand, or 467.7 per cent., from RUB 3,243 thousand for the year ended 31 December 2010 to RUB 18,410 thousand for the year ended 31 December 2011. This increase was primarily due to bank charges incurred in 2011 in relation to the early settlement of a credit facility.

Other operating expenses

Other operating expenses increased by RUB 233,202 thousand, or 4,467.5 per cent., from RUB 5,220 thousand for the year ended 31 December 2010 to RUB 238,422 thousand for the year ended 31 December 2011. This increase was primarily due to penalties incurred by MIT in 2011, which amounted to RUB 242,091 thousand, as a result of railcars provided by other operators not being loaded on time and staying on stations waiting for the loading, and not providing other operators all the necessary documents to evidence that no VAT should be applied.

Operating profit

MIT's operating profit increased by RUB 361,119 thousand, or 11.2 per cent., from RUB 3,233,711 thousand for the year ended 31 December 2010 to RUB 3,594,830 thousand for the year ended 31 December 2011 as a result of the factors discussed above.

Related party arrangements

MIT is required to report all related party transactions, as defined in IAS 24 "Related Party Disclosures," in accordance with IFRS. During 2011 and 2010, as a part of Metalloinvest, MIT entered into a number of transactions with parties under common control with, or otherwise related to, it at that time and in the ordinary course of business. The Group believes that the freight rail transportation services provided by MIT to the relevant Metalloinvest entities in the period under review were on arm's length terms in all material respects. These related party transactions are described in the MIT Financial Statements.

APPENDIX 3

UNAUDITED PRO FORMA FINANCIAL INFORMATION AND OTHER INFORMATION RELATING TO THE MIT ACQUISITION

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma financial information (the "Unaudited Pro Forma Financial Information") has been prepared to illustrate the effect of the MIT Acquisition on the Group's condensed consolidated income statement for year ended 31 December 2011 and condensed consolidated balance sheet as at 31 December 2011, as if the MIT Acquisition had occurred on 1 January 2011 for the income statement and on 31 December 2011 for the balance sheet.

The Unaudited Pro Forma Financial Information has been prepared based on the Group's historical financial information which has been extracted from, and should be read in conjunction with: (i) the Interim Condensed Consolidated Financial Information and the Group's audited consolidated financial statements as at and for the years ended 31 December 2009, 2010 and 2011 (the "Consolidated Financial Statements"), prepared in accordance with EU IFRS and (ii) the MIT Financial Statements, prepared in accordance with IFRS.

The Unaudited Pro Forma Financial Information is provided for illustrative purposes only and does not purport to represent what the actual results of operations or the financial position of the Group would have been had the MIT Acquisition occurred on the dates specified above, nor is it necessarily indicative of the operating results or financial position of the Group for any future periods. The Unaudited Pro Forma Financial Information reflects management's best estimates. Because of its nature, the Unaudited Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of operations of the Group. It also does not reflect the financial position of MIT as at the date of the MIT Acquisition. Any purchase price adjustments provided for in the MIT Acquisition Agreement or the final allocation of the purchase price could be different to what is reflected herein. The actual consolidated financial position and results of operations of the Group may differ significantly from the pro forma amounts reflected herein because of these and other factors.

The Unaudited Pro Forma Financial Information has been prepared in a form consistent with the accounting policies adopted in the Group's latest annual accounts. The differences in accounting policies applied by the Group, which uses EU IFRS, and MIT, which uses IFRS are not material.

All pro forma adjustments are directly attributable to the transactions, factually supportable and are expected to have a continuing impact on the Group.

The Unaudited Pro Forma Financial Information does not reflect any transactions subsequent to 31 December 2011, except for the cash contribution made to MIT by its participant on 2 February 2012 and repayment of finance lease liabilities by MIT in March 2012. See ''*Business and Financial Information of MIT—Recent Developments"* in Appendix 2 and *''Unaudited Condensed Consolidated Interim Financial Information and Other Information as at and for the Three Months Ended 31 March 2012 for Globaltrans—Recent Developments*" in Appendix 1.

UNAUDITED PRO FORMA FINANCIAL INFORMATION - CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Group[1]	**MIT as adjusted[2]**	**Adjustments for the MIT Acquisition[3]**	**Notes**	**Pro Forma for the MIT Acquisition**
			(USD in thousands)		
Revenue[4]	1,733,056	583,896	(33,367)	A	2,283,585
			34,295	A	
			(25,925)	B	
Cost of sales[4]	(1,210,827)	(449,487)	8,370		(1,651.944)
Gross profit	**522,229**	**134,409**	**(24,997)**		**631,641**
Selling and marketing costs	(3,088)	-	-		(3,088)
Administrative expenses	(90,317)	(12,078)	-		(102,395)
Other gains/(losses)-net	3,140	(37)	-		3,103
Operating profit	**431,964**	**122,294**	**(24,997)**		**529,261**
Finance income	7,362	7,523	(7,253)	C	7,632
Finance costs	(39,935)	(19,861)	(8,821)	D	(68,617)
Finance costs-net	**(32,573)**	**(12,338)**	**(16,074)**		**(60,985)**
Share of profit of associates	428	**-**	**-**		428
Profit before tax	**399,819**	**109,956**	**(41,071)**		**468,704**
Income tax expense	(82,593)	(22,190)	8,400	E	(96,383)
Profit for the year	**317,226**	**87,766**	**(32,671)**		**372,321**
Attributable to:					
Owners of the Company	266,423	87,766	(32,671)		321,518
Non-controlling interest	50,803	-	-		50,803
	317,226	**87,766**	**(32,671)**		**373,321**
Basic and diluted earnings per share for profit attributable to the equity holders of the Company					
Weighted average number of ordinary shares in issue (in thousands)	158,136				158,136
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the year (in USD per share)	1.68				2.03

(1) The condensed consolidated income statement of the Group for the year ended 31 December 2011 has been extracted from the Consolidated Financial Statements for the year ended 31 December 2011.

(2) See "*—Notes to Unaudited Pro Forma Financial Information-Adjustments to MIT historical financial information*".

(3) For details of the adjustments for the MIT Acquisition, see "*—Notes to Unaudited Pro Forma Financial Information—MIT Acquisition and assumptions"* and *"—Notes to Unaudited Pro Forma Financial Information—Pro forma adjustments to the condensed consolidated income statement for the year ended 31 December 2011*".

(4) See "*—Supplemental Schedule of Revenue and Cost of Sales for the year ended 31 December 2011*".

SUPPLEMENTAL SCHEDULE OF REVENUE AND COST OF SALES FOR THE YEAR ENDED 31 DECEMBER 2011

	Group(1)	MIT as adjusted(2)	Adjustments for the MIT Acquisition(3)	Notes	Pro Forma Supplemental for the MIT Acquisition
			(USD in thousands)		
Revenue					
Railway transportation-operators services ...	1,651,795	579,148	(33,327)	A	2,197,616
Railway transportation-freight forwarding.....	3,422	169	(40)	A	3,551
Operating leasing of rolling stock................	76,555	3,867	-		80,422
Other	1,284	712	-		1,996
Total revenue	**1,733,056**	**583,896**	**(33,367)**		**2,283,585**
Cost of sales					
Infrastructure and locomotive tariffs: loaded trips	556,030	239,527 (5)	(928)	A	794,629
Infrastructure and locomotive tariffs: empty runs	233,790(4)	44,981(5)	(1,559)	A	277,212
Other tariffs and services provided by other transportation organisations........................	65,594(4)	104,056(5)	(31,808)	A	137,842
Infrastructure, locomotive and other tariffs and services provided by other transportation organisations	**855,414**	**388,564**	**(34,295)**		**1,209,683**
Operating lease rentals-rolling stock...........	132,570	26,539	-		159,109
Employee benefit expense..........................	19,561	3,658	-		23,219
Repair and maintenance.............................	76,243	12,627	-		88,870
Depreciation of property, plant and equipment..	73,991	17,451	12,562	B	104,004
Amortisation of intangible assets	179	-	13,363	B	13,542
Fuel and spare parts-locomotives...............	27,708	-	-		27,708
Engagement of locomotive crews	12,684	-	-		12,684
Loss/(Gain) on sale of property, plant and equipment..	1,314	(209)	-		1,105
Reversal of impairment charge for property, plant and equipment	(172)	-	-		(172)
Other expenses	11,335	857	-		12,192
Total cost of sales	**1,210,827**	**449,487**	**(8,370)**		**1,651,944**

(1) The financial information of the Group for the year ended 31 December 2011 has been extracted from the Consolidated Financial Statements for the year ended 31 December 2011, except as indicated in Note (4) below.

(2) For details of the adjustments to the MIT historical financial information, see "*—Notes to the Unaudited Pro Forma Financial Information-Adjustments to M1T's historical financial Information*".

(3) For details of the adjustments for the MIT Acquisition, see "*—Notes to Unaudited Pro Forma Financial Information-MIT Acquisition and assumptions*" and "*—Notes to Unaudited Pro Forma Financial Information—Pro forma adjustments to the condensed consolidated income statement for the year ended 31 December 2011*".

(4) Derived from the Group's management accounts.

(5) Derived from MIT's management accounts.

UNAUDITED PRO FORMA FINANCIAL INFORMATION - CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2011

	Group(1)	MIT as adjusted(2)	Adjustments for the MIT Acquisition(3)	Notes	Pro Forma for the MIT Acquisition
			(USD in thousands)		
Assets					
Non-current assets					
Property, plant and equipment	1,106,171	209,605	194,974	H	1,510,750
Intangible assets	150	-	239,381	H	239,531
Trade and other receivables	75,777	298	-		76,075
Investment in associates	1,845	-	-		1,845
Total non-current assets	**1,183,943**	**209,903**	**434,355**		**1,828,201**
Current assets					
Inventories	8,002	730	-		8,732
Trade and other receivables	150,955	78,734	(4,059)	F	225,630
Current income tax assets	4,191	-	-		4,191
Cash and cash equivalents	120,757	35,046	(145,332)	G	10,471
Total current assets	**283,905**	**114,510**	**(149,391)**		**249,024**
Non-current assets held for sale	-	5,055	-		5,055
Total assets	**1,467,848**	**329,468**	**284,964**		**2,082,280**
Equity and liabilities					
			(115,323)	H	
			847	F	
Equity attributable to the owners of the Company	858,061	115,323	(114,476)		858,908
Non-controlling interests	130,994	-	-		130,994
Total equity	**989,055**	**115,323**	**(114,476)**		**989,902**
Non-current liabilities					
Borrowings	208,381	51,208	374,209	G	633,798
Deferred tax liabilities	35,247	17,971	51,195	H	104,413
Total non-current liabilities	**243,628**	**69,179**	**425,404**		**738,211**
Current liabilities					
Borrowings	170,731	25,355	(21,058)	G	175,028
Trade and other payables	63,959	113,591	(4,906)	F	172,644
Current tax liabilities	475	6,020	-		6,495
Total current liabilities	**235,165**	**144,966**	**(25,964)**		**354,167**
Total liabilities	**478,793**	**214,145**	**399,440**		**1,092,378**
Total equity and liabilities	**1,467,848**	**329,468**	**284,964**		**2,082,280**

(1) The condensed consolidated balance sheet of the Group as at 31 December 2011 has been extracted and calculated from the Consolidated Financial Statements for the year ended 31 December 2011.

(2) See "*—Notes to Unaudited Pro Forma Financial Information—Adjustments to MIT's historical financial information*".

(3) For details of the adjustments for the MIT Acquisition, see "*—Notes to Unaudited Pro Forma Financial Information—MIT Acquisition and assumptions*" and "*—Notes to Unaudited Pro Forma Financial Information—Pro forma adjustments to the condensed consolidated balance sheet as at 31 December 2011*".

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

MIT Acquisition and assumptions

In May 2012, the Group acquired a 100 per cent. interest in MIT, the "captive" freight rail transportation operator of Metalloinvest, for USD 540 million on a cash and debt free basis, assuming normalised working capital, no capital commitments and no loans to related party. The MIT Acquisition Agreement provides for a purchase price adjustment in the event that post-completion accounts reflect differences in these assumptions. Accordingly, the Unaudited Pro Forma Financial Information assumes that at the closing of the MIT Acquisition, MIT did not have any debt, capital commitments or related party loan receivables, and had a normalised working capital. It is expected that MIT's purchase price will be finalised by the end of July 2012. For further details of the MIT business, see "*Business and Financial Information of MIT*" in Appendix 2.

Cash and cash equivalents

The Unaudited Pro Forma Financial Information assumes that cash and cash equivalents upon the MIT Acquisition was USD 13,707 thousand, resulting in a corresponding increase in the preliminary purchase price (as the agreed purchase price assumes MIT is cash-free at completion) as set out below, taking into account the capital contribution of USD 55,224 thousand MIT received in February 2012 and the repayment of all of its outstanding finance lease liabilities of USD 76,563 thousand in March 2012.

Table 1	**USD in thousands**
Preliminary purchase consideration	**540,000**
Cash and cash equivalents of MIT as at 31 December 2011	35,046
February 2012 cash contribution to MIT by its participant ...	55,224
March 2012 repayment of finance lease liabilities	(76,563)
Total assumed cash balance on closing of MIT Acquisition	**13,707**
Adjusted preliminary purchase consideration................	**553,707**

Borrowings

The Unaudited Pro Forma Financial Information also assumes that the MIT Acquisition was financed by borrowings of USD 429,714 thousand (including a short-term portion of USD 4,297 thousand) and by USD 123,993 thousand of cash and cash equivalents. The amount of borrowings primarily comprises a USD 400,000 thousand floating rate three-year secured credit facility obtained specifically for the MIT Acquisition. The Unaudited Pro Forma Financial Information assumes that the shortfall in cash and cash equivalents as at 31 December 2012 required for the MIT Acquisition was financed from a RUB 1,000,000 thousand (USD 33,648 thousand) fixed rate long-term loan facility (which was obtained by the Group in February 2012). An arrangement fee in the amount of USD 3,934 thousand has been deducted from the amount of these borrowings.

Interest on the USD 400,000 thousand secured credit term facility is assumed to be at a floating rate and based on three-month LIBOR as at 30 April 2012.

Preliminary fair value of MIT's assets, liabilities and goodwill

The Unaudited Pro Forma Financial Information uses the preliminary fair values of MIT's assets and liabilities. The final fair values of identifiable assets, liabilities and contingent liabilities will be determined after the finalisation of the purchase price allocation and may be different.

For the purposes of the Unaudited Pro Forma Financial Information the excess of the preliminary purchase consideration over MIT's IFRS carrying amounts of net identifiable assets acquired has been allocated to property, plant and equipment (USD 194,974 thousand), identifiable intangible assets (USD 61,001 thousand, related tax effect (USD 51,195) and goodwill (USD 178,380 thousand).

<u>**Table 2**</u>	**USD in thousands**
Adjusted preliminary purchase consideration (see Table 1 above)	**553,707**
IFRS carrying value of the net assets at 31 December 2011	115,323
Excess of preliminary fair value of property, plant and equipment over their IFRS carrying amounts....................................	194,974
Preliminary fair value of identifiable intangible assets........	61,001
Deferred tax effect on the excess of preliminary fair value of property, plant and equipment over their IFRS carrying amounts and preliminary fair value of identifiable intangible assets.	(51,195)
February 2012 cash contribution into MIT by its participant	55,224
Adjusted preliminary fair value of the net indentifiable assets acquired..	**375,327**
Excess of the preliminary purchase consideration over the preliminary fair value of the net identifiable assets acquired.......	**178,380**

Intangible assets which were identified in respect of the MIT Acquisition comprise primarily the customer relationship in relation to the contract with Metalloinvest (see *''Business and Financial Information of MIT—MIT Acquisition''* in Appendix 2) which is amortised over 5 years.

However, it should be noted that the amounts allocated to property, plant and equipment and identifiable intangible assets may change as a result of the finalisation of the purchase price allocation.

The following sections set out in further detail the adjustments made to the condensed consolidated balance sheet and the condensed consolidated income statement contained in the Unaudited Pro Forma Financial Information.

Pro forma adjustments to the condensed consolidated income statement for the year ended 31 December 2011

A. These adjustments effect the elimination of revenues/expenses between the Group and MIT. The resulting increase in gross profit is attributable to the penalties recorded as an expense by MIT and not recorded as income by the Group during 2011. The amounts for MIT have been translated from Roubles into US Dollars at the average exchange rate for the year ended 31 December 2011 of RUB 29.3948:USD 1.

B. This adjustment is to record additional depreciation and amortisation expense in relation to the fair values of tangible and intangible assets identified as a result of the preliminary purchase price allocation.

C. This adjustment effects the reversal of interest income generated by MIT on loans advanced to related parties. By 31 December 2011, all loans were settled ahead of their stated maturity in the course of the preparation for the sale/acquisition.

D. This adjustment is to accrue the interest expense on the assumed borrowings incurred to finance the MIT Acquisition (in the amount of USD 28,682 thousand) as described above, and to reverse MIT's interest expense on finance lease liabilities and borrowings (in the amount of USD 19,861 thousand), reflecting the debt-free acquisition assumption. Interest expense is calculated using a floating rate and based on three-month LIBOR as at 30 April 2012, consistent with the term credit facility relating to the MIT Acquisition. A change in the floating interest rate by 1⁄8 per cent. would result in a change of USD 500 thousand in interest expense and a change of USD 400 thousand in net income.

E. This adjustment is to the income tax effect of the adjustments above on the basis of a tax rate of 20 per cent. (the statutory income tax rate in Russia).

Pro forma adjustments to the condensed consolidated balance sheet as at 31 December 2011

F. These adjustments effect the elimination of trade and other receivables/payables between the Group and MIT. The adjustment to equity attributable to the owners of the Company of USD 847 thousand represents the penalties recorded as an expense by MIT and not recorded as income by the Group during 2011. The amounts for MIT have been translated from Roubles into US Dollars at the exchange rate as at 31 December 2011 of RUB 32.1961:USD 1.

G. These adjustments effect changes in cash and cash equivalents, non-current borrowings and current borrowings for the following:

(i) A cash contribution of USD 55,224 thousand made to MIT by a new participant in February 2012 and the repayment of all finance lease liabilities of MIT outstanding as at 31 December 2011 in the amount of USD 76,563 thousand in March 2012.

(ii) Additional funding needed by the Group to complete the MIT Acquisition by the Group in the amount of USD425,417 thousand of long-term borrowings and the amount of USD4,297 thousand current-term portion of borrowings.

(iii) Payment of the adjusted preliminary purchase price in connection with the MIT Acquisition.

As a result, cash and cash equivalents is adjusted as follows:

	USD in thousands
Cash contribution received by MIT from a new participant	55,224
Repayment made by MIT of finance lease liabilities	(76,563)
Adjustment to cash and cash equivalents for cash contribution and repayment of finance lease liabilities	**(21,339)**
Borrowings (non-current portion)	425,417
Borrowings (current portion)	4,297
Adjusted preliminary purchase consideration (see Table 1 above)	(553,707)
Total adjustment to cash and cash equivalents for MIT Acquisition	**(145,332)**

Non-current borrowings is adjusted as follows:

	USD in thousands
Repayment made by MIT of finance lease liabilities (long-term portion)	(51,208)
Borrowings (non-current portion)	425,417
Total adjustments to non-current borrowings	**374,209**

Current borrowings is adjusted as follows:

	USD in thousands
Repayment made by MIT of finance lease liabilities (short-term portion)	(25,355)
Borrowings (current portion)	4,297
Total adjustments to current borrowings	**(21,058)**

H. These adjustments record the excess of the preliminary purchase consideration over the preliminary fair value of net identifiable assets acquired, their related deferred tax effect and goodwill on acquisition of MIT, as set out in Table 2 above.

Adjustments to MIT's historical financial information

MIT's historical financial information was adjusted to: (a) translate amounts into US Dollars, as this is the Group's presentation currency, (b) reclassify several amounts to conform to the Group's presentation, and (c) to eliminate the inherent presentation differences due to the fact that MIT is a limited liability company under Russian law. See paragraph (g) in "—*Notes to MIT adjusted financial information*". The MIT's adjusted financial information below should be read in conjunction with MIT's Financial Statements.

Adjustments to MIT's historical financial information — Condensed statement of comprehensive income for the year ended 31 December 2011

	MIT Historical[1]	MIT (translated into USD)[2]	Reclassifications	Notes[3]	Changes in presentation	Notes[3]	Total Adjusted MIT
	(All amounts in USD except for MIT Historical, which are in Roubles, thousands)						
Revenue	17,163,512	583,896	—				583,896
Cost of sales	(13,003,196)	(442,364)	(7,123)	a, b, c			(449,487)
Gross profit	**4,160,316**	**141,532**	**(7,123)**				**134,409**
Selling, marketing costs	—	—	—				—
General and administrative expenses	(327,064)	(11,127)	11,127	c			—
Administrative expenses	—	—	(12,078)	b, c			(12,078)
Other operating expenses	(238,422)	(8,111)	8,111	a, b, c			—
Other gains/(losses)—net	—	—	(37)	d			(37)
Operating profit	**3,594,830**	**122,295**	**—**				**122,295**
Finance income	221,144	7,523	—				7,523
Finance costs	(6,194,120)	(210,722)	190,861	e			(19,861)
(Loss)/profit before income tax	**(2,378,146)**	**(80,905)**	**190,861**	e			**109,956**
Income tax charge	(652,290)	(22,190)	—				(22,190)
Change in net assets attributable to participants	**(3,030,436)**	**(103,904)**	**190,861**		**(87,766)**	g	**—**
Profit for the year					**87,766**	g	**87,766**

(1) The statement of comprehensive income of MIT for the year ended 31 December 2011 has been extracted from the MIT Financial Statements.

(2) The MIT Financial Statements are presented in Roubles. In the Unaudited Pro Forma Financial Information, the MIT financial information is presented in US Dollars in order to be consistent with the Group's presentation currency. Balance sheet items have been translated into US Dollars at the exchange rate prevailing at the date of the balance sheet of RUB32.1961:USD 1, whereas income and expense items have been translated into US Dollars at the average exchange rate for the year ended 31 December 2011 of RUB29.3948:USD 1, which approximates the exchange rates existing at the dates of the transactions.

(3) For details of the adjustments to MIT's financial information, see "—*Notes to MIT adjusted financial information*".

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Adjustments to MIT's historical financial information – Statement of financial position as at 31 December 2011

	MIT Historical(1)	MIT (translated into USD)(2)	Reclassifications	Notes(3)	Changes to presentation	Notes(3)	Total Adjusted MIT
	(All amounts in USD except for MIT Historical column, which are in Roubles, thousands)						
Assets							
Non-current assets							
Property, plant and equipment	6,748,474	209,605	-				209,605
Trade and other receivables	-	-	298	f			298
Other non-current assets	9,589	298	(298)	f			-
Total non-current assets	6,758,063	209,903	-				209,903
Current assets							
Inventories	23,492	730	-				730
Trade and other receivables	2,534,924	78,734	-				78,734
Cash and cash equivalents	1,128,330	35,046	-				35,046
Total current assets	**3,686,746**	**114,509**	-				**114,509**
Non-current assets held for sale	162,746	5,055	-				5,055
Total assets	**10,607,555**	**329,467**	-				**329,467**
Equity and Liabilities							
Equity attributable to the owners of the Company					**115,323**	g	**115,323**
Non-current liabilities			-				
Borrowings	-	-	51,208				51,208
Finance lease liability	1,648,682	51,208	(51,208)				
Deferred income tax liabilities	578,599	17,971	-				17,971
Total non-current liabilities	**2,227,281**	**69,179**	-				**69,179**
Current liabilities							
Borrowings	-	-	25,355				25,355
Finance lease liability	816,333	25,355	(51,208)				
Trade and other payables	3,657,189	113,591	-				113,591
Current income tax Liabilities	193,811	6,020	-				6,020
Total current liabilities, excluding net assets attributable to participants	**4,667,333**	**144,966**	-				**144,966**
Total net assets attributable to participants	**3,712,941**	**115,323**	-		**(115,323)**	g	-
Total liabilities	**10,607,555**	**329,467**	-		**(115,323)**		**214,144**
Total equity and liabilities							**329,467**

(1) The statement of financial position of MIT as at 31 December 2011 has been extracted from the MIT Financial Statements.

(2) The MIT Financial Statements are presented in Roubles. In the Unaudited Pro Forma Financial Information, the MIT financial information is presented in US Dollars in order to be consistent with the Group's presentation currency. Balance

sheet items have been transferred into US Dollars at the exchange rate prevailing at the date of the balance sheet of RUB 32.1961:USD 1, whereas income and expense items have been translated into US Dollars at the average exchange rate for the year ended 31 December 2011 or RUB 29.3948:USD 1, which approximate the exchange rates existing at the dates of the transactions.

(3) For details of the adjustments to MIT's financial information, see *"—Notes to MIT adjusted financial information"*.

Notes to MIT adjusted financial information

Certain reclassification adjustments have been made to the MIT financial information included in the Unaudited Pro Forma Financial Information from that as presented in the MIT Financial Statements for the year ended 31 December 2011, as summarised below.

a. Penalties of USD 8,236 thousand, which are part of rail tariffs and were included within other operating expenses, have been re-classified to cost of sales.

b. Gain on disposal of property, plant and equipment of USD 162 thousand, which was included within other operating expenses was re-classified to cost of sales in the amount of a USD 209 thousand gain and to administrative expenses in the amount of a USD 47 thousand loss.

c. Property and other taxes of USD 904 thousand, which were included within cost of sales were re-classified to administrative expenses and general and administrative expenses were re-classified as administrative expenses.

d. Social costs of USD 7 thousand, foreign exchange gain on operating activities of USD 529 thousand, and other expenses of USD 559 thousand, which were included within other operating expenses were re-classified to other gains/(losses)—net. The net amount of this reclassification is USD 37 thousand

e. MIT is a limited liability company incorporated in Russia. The equity participants in such companies have the right to withdraw and request redemption of their interests in the company in cash. The company's obligation to redeem the participant equity interest gives rise to a financial liability under IFRS. In its IFRS financial statements, MIT records the liability as net assets attributable to participants at the IFRS carrying value of the company's net assets that are or could become distributable to its participants. Net results for the period are accounted for as a change in net assets attributable to participants in the statement of comprehensive income. Distribution to participants is recorded as a finance cost in MIT's statement of comprehensive income. The distribution to participants included in finance costs in MIT's financial statements would be treated as dividends in the Group's financial statements. Therefore the finance costs related to the distributions to participants were reversed in an amount of USD 190,861 thousand.

f. Other non-current assets of USD 298 thousand were re-classified to non-current trade and other receivables.

g. As described in note e above, MIT, being a limited liability company, does not have equity. To conform the MIT presentation to that used by the Group, the change in net assets attributable to participants in an amount of USD 87,766 thousand has been presented as profit for the year in the pro forma consolidated income statement. Net assets attributable to participants in an amount of USD 115,323 thousand have been presented as equity attributable to the owners of the company in the pro forma condensed consolidated balance sheet.

ADDITIONAL PRO FORMA FINANCIAL AND OTHER INFORMATION

	Year ended 31 December 2011
	(USD in thousands, unless otherwise indicated)
Pro Forma Adjusted Revenue[(1) (2)]	1,488,956
Pro Forma Adjusted EBITDA[(1) (3)]	645,764
Pro Forma Adjusted EBITDA Margien............................	43:4%
Pro Forma Net Debt (at year end)[(1) (4)]............................	798,355
Pro Forma basic and diluted earnings per Ordinary Share[(5)]	2.03

	Three months ended 31 March 2012	Year ended 31 December 2011
Pro Forma Freight Rail Turnover (billion tonnes-km)[(6)] .	N/ A	144.9
Pro Forma Transportation Volume (million tonnes)[(7)] ...	N/A	86.4
Pro Forma Average Rolling Stock Operated[(8)].............	47,694	51,762
Pro Forma Owned Fleet (at period end)[(9)]	51,147[(10)]	48,166
Pro Forma Leased-in Fleet (at period end)[(9)]...............	6,314	8,616
Pro Forma Total Fleet (at period end)[(9)]	57,461[(10)]	56,782

(1) Pro Forma Adjusted, Pro Forma Adjusted EBITDA and Pro Forma Net Debt are non-GAAP measures presented as supplemental measures of the Group's operating performance on a Pro Forma basis. These supplemental measures have limitations as analytical tools, and investors should not consider any one of them in isolation, or any combination of them together, as a substitute for analysis of the Group's and MIT's results as reported under EU IFRS and IFRS, respectively. See *"—Unaudited Pro Forma Financial Information"*.

(2) Pro Forma Adjusted Revenue is calculated as revenue less infrastructure and locomotive tariffs: loaded trips for the relevant period as shown in the supplemental schedule of revenue and cost of sales for the year ended 31 December 2011. Certain information included in the calculation of Pro Forma Adjusted Revenue is derived from management amounts. See *"—Unaudited Pro Forma Financial Information—Supplemental Schedule of Revenue and Cost of Sales for the year ended 31 December 2011"*.

(3) Pro Forma Adjusted EBITDA is calculated as profit for the year less income tax expense, finance costs—net, amortisation of intangible assets, depreciation of property, plant and equipment (consisting of USD 91,442 thousand from cost of sales and USD 1,150 thousand from administrative expenses), share of profit of associates, other gains/(losses)—net, loss/(gain) on sale of property, plant and equipment and reversal of impairment charge for property, plant and equipment for the relevant period as shown in the unaudited Pro Forma condensed consolidated income statement for the year ended 31 December 2011 and the supplemental schedule of revenue and cost of sales for the year ended 31 December 2011. See "*—Unaudited ho Forma Financial Information—Unaudited Pro Forma Financial Information—Condensed Consolidated Income Statement for the year ended 31 December 2011"* and *"—Pro Forms Financial Information—Supplemental Schedule of Revenue and Cost of Sales for the year ended 31 December 2011"*. Pro Forma Adjusted EBITDA Margin is calculated as Pro Forma Adjusted EBITDA divided by Pro Forma Adjusted Revenue, expressed as a percentage.

(4) Pro Forma Net Debt is calculated as the sum of current and non-current borrowings less cash and cash equivalents as at the relevant period end as shown in the unaudited Pro Forma condensed consolidated balance sheet as at 31 December

2011. See *"—Unaudited Pro Forma Financial Information—Unaudited Pro Forma Financial Information—Condensed Consolidated Balance Sheet as at 31 December 2011"*.

(5) See *"—Unaudited Pro Forma Financial Information—Unaudited Pro Forma Financial Information—Condensed Consolidated Income Statement for the year ended 31 December 2011"*.

(6) Pro Forma Freight Rail Turnover is calculated as the sum of the Freight Rail Turnover for MIT's Owned Fleet and Leased-in Fleet and the Freight Rail Turnover for the Group for the relevant period.

(7) Pro Forma Transportation Volume is calculated as the sum of the Transportation Volume for MIT's Owned Fleet and Leased-in Fleet and the Transportation Volume for the Group for the relevant period.

(8) Pro Forma Average Rolling Stock Operated is calculated as the sum of the average weighted (by days) number of railcars available for operator services (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased-out) for each of the Group and MIT for the relevant period.

(9) Pro Forma Owned Fleet, Pro Forma Leased-in Fleet and Pro Forma Total Fleet are each calculated as the sum of the relevant item in respect of the Group and in respect of MIT as at the end of the relevant period.

(10) Does not include 6,616 railcars, which the Group bad taken delivery of as at 5 July 2012, nor an additional 817 railcars, which the Group expects to take delivery of by the end of August 2012.

APPENDIX 4

CERTAIN DEFINED TERMS

In this announcement, unless otherwise defined, the capitalised terms below have the following meanings:

Adjusted Revenue is calculated as set out in Note (2) under *"Selected Consolidated and Financial Information"* in Appendix 1.

Adjusted EBITDA is calculated as set out in Note (5) under *"Selected Consolidated and Financial Information"* in Appendix 1.

Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Adjusted Revenue, expressed as a percentage.

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

Engaged Fleet means the railcar fleet 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.

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

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

Leased-out Fleet means the rolling stock fleet leased to third parties under operating leases.

Net Revenue from Operation of Rolling Stock is calculated as set out in Note (3) under *"Selected Consolidated and Financial Information"* in Appendix 1.

Net Revenue from Operation of Rolling Stock per railcar is calculated Net Revenue from Operation of Rolling Stock divided by Average Rolling Stock Operated over the relevant period.

Owned Fleet means the rolling stock fleet owned and leased-in under finance leases, including both railcars and locomotives.

Pro Forma Adjusted Revenue is calculated as set out in Note (2) under *"Additional Pro Forma Financial and Other Information"* in Appendix 3.

Pro Forma Adjusted EBITDA is calculated as set out in Note (3) under *"Additional Pro Forma Financial and Other Information"* in Appendix 3.

Pro Forma Freight Rail Turnover is calculated as the sum of the Freight Rail Turnover for MIT's Owned Fleet and Leased-in Fleet and the Freight Rail Turnover for the Group for the relevant period.

Total Fleet means the Owned Fleet and the Leased-in Fleet, including both railcars and locomotives, but excludes the Engaged Fleet.

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