Globaltrans Investment PLC

Consolidated interim financial information (unaudited)
for the three months ended 31 March 2012

CONTENTS

Condensed consolidated interim financial information (unaudited)
for the three months ended 31 March 2012

CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2012

	Note	**2012 US$'000**	2011 US$'000
Revenue	7	**452,551**	440,903
Cost of sales	8	**(300,151)**	(317,599)
Gross profit		**152,400**	123,304
Selling and marketing costs	8	**(839)**	(694)
Administrative expenses	8	**(17,991)**	(17,785)
Other gains – net		**36**	879
Operating profit		**133,606**	105,704
Finance income	9	**(1,049)**	(4,978)
Finance costs	9	**(7,290)**	(3,620)
Finance costs – net		**(8,339)**	(8,598)
Share of profit of associate		**14**	126
Profit before income tax		**125,281**	97,232
Income tax expense	14	**(30,718)**	(21,539)
Profit for the period		**94,563**	75,693
Attributable to:			
Owners of the Company		**80,017**	61,355
Non-controlling interests		**14,546**	14,338
		94,563	75,693
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US$ per	15	**0.52**	0.39

The notes on pages 6 to18 are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2012

	2012 US$'000	2011 US$'000
Profit for the period	**94,563**	75,693
Other comprehensive income:		
Currency translation differences	**84,974**	64,097
Other comprehensive income for the period, net of tax	**84,974**	64,097
Total comprehensive income for the period	**179,537**	139,790
Total comprehensive income attributable to:		
- owners of the Company	**153,362**	117,699
- non-controlling interests	**26,175**	22,091
	179,537	139,790

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

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CONSOLIDATED INTERIM BALANCE SHEET
AT 31 MARCH 2012

	Note	**31-Mar-2012 US$'000**	31-Dec-2011 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	**1,398,890**	1,106,171
Intangible assets		**120**	150
Investment in associate		**1,919**	1,845
Trade and other receivables	11	**83,045**	75,777
Total non-current assets		**1,483,974**	1,183,943
Current assets			
Inventories		**9,539**	8,002
Trade and other receivables	11	**194,054**	150,955
Current income tax assets		**2,921**	4,191
Cash and cash equivalents		**346,247**	120,757
Total current assets		**552,761**	283,905
TOTAL ASSETS		**2,036,735**	1,467,848
EQUITY AND LIABILITIES			
Equity attributable to the owners of the Company			
Share capital	17	**15,814**	15,814
Share premium	17	**621,227**	621,227
Treasury shares	17	**(43,173)**	-
Common control transaction reserve		**(368,476)**	(368,476)
Translation reserve		**(66,442)**	(139,787)
Capital contribution		**90,000**	90,000
Retained earnings		**719,300**	639,283
Total equity attributable to the owners of the Company		**968,250**	858,061
Non-controlling interests		**153,329**	130,994
TOTAL EQUITY		**1,121,579**	989,055
Non-current liabilities			
Borrowings	13	**594,706**	208,381
Deferred tax liabilities		**46,585**	35,247
Total non-current liabilities		**641,291**	243,628
Current liabilities			
Borrowings	13	**214,525**	170,731
Trade and other payables	12	**58,250**	63,959
Current tax liabilities		**1,090**	475
Total current liabilities		**273,865**	235,165
TOTAL LIABILITIES		**915,156**	478,793
TOTAL EQUITY AND LIABILITIES		**2,036,735**	1,467,848

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2012

		Attributable to the owners of the Company									
	Note	Share capital US$'000	Share premium US$'000	Treasury shares US$'000	Common control transaction reserve US$'000	Translation reserve US$'000	Capital contribution US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total US$'000
Balance at 1 January 2011		**15,814**	**621,227**	**-**	**(368,476)**	**(90,281)**	**90,000**	**485,575**	**753,859**	**130,106**	**883,965**
Comprehensive income											
Profit for the period		-	-	-	-	-	-	61,355	61,355	14,338	75,693
Other comprehensive loss											
Currency translation differences		-	-	-	-	56,344	-	-	56,344	7,753	64,097
Total comprehensive income for the period ended 31 March 2011		-	-	-	-	56,344	-	61,355	117,699	22,091	139,790
Transactions with owners											
Interim dividend for 2011		-	-	-	-	-	-	-	-	(10,352)	(10,352)
Total transactions with owners		-	-	-	-	-	-	-	-	(10,352)	(10,352)
Balance at 31 March 2011		**15,814**	**621,227**	**-**	**(368,476)**	**(33,937)**	**90,000**	**546,930**	**871,558**	**141,845**	**1,013,40**
Balance at 1 January 2012		**15,814**	**621,227**	**-**	**(368,476)**	**(139,787)**	**90,000**	**639,283**	**858,061**	**130,994**	**989,055**
Comprehensive income											
Profit for the period		-	-	-	-	-	-	80,017	80,017	14,546	94,563
Other comprehensive income											
Currency translation differences		-	-	-	-	73,745	-	-	73,745	11,629	84,974
Total comprehensive income for the period ended 31 March 2012		-	-	-	-	73,745	-	80,017	153,362	26,175	179,537
Transactions with owners											
Interim dividend for 2012		-	-	-	-	-	-	-	-	(3,840)	(3,840)
Purchase of treasury shares	17	-	-	(43,173)	-	-	-		(43,173)	-	(43,173)
Total transactions with owners		-	-	(43,173)	-	-	-	-	(43,173)	(3,840)	(47,013)
Balance at 31 March 2012		**15,814**	**621,227**	**(43,173)**	**(368,476)**	**(66,442)**	**90,000**	**719,300**	**968,250**	**153,329**	**1,121,57**

The notes on pages 6 to 18 are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2012

	Note	**31-Mar-2012 US$'000**	31-Mar-2011 US$'000
Cash flows from operating activities			
Profit before tax		**125,281**	97,232
Adjustments for:			
Depreciation of property, plant and equipment	8	**19,379**	18,668
Amortisation of intangible assets	8	**44**	44
Loss/(gain) on sale of property, plant and equipment	8	**287**	(1,031)
Interest income	9	**(861)**	(1,447)
Interest expense	9	**11,361**	11,145
Share of profit of associate		**(14)**	(126)
Exchange (gains)/losses on finance income/cost	9	**(2,161)**	(1,626)
Finance cost on liability for minimum dividend distribution	9	**-**	526
Recognised deferred gain		**-**	(76)
		153,316	123,309
Changes in working capital:			
Inventories		**(764)**	1,182
Trade and other receivables		**(21,867)**	(4,605)
Trade and other payables		**(8,393)**	(2,424)
Cash generated from operations		**122,292**	117,462
Tax paid		**(20,766)**	(11,159)
Net cash from operating activities		**101,526**	106,303
Cash flows from investing activities			
Purchases of property, plant and equipment		**(220,868)**	(23,213)
Proceeds from disposal of property, plant and equipment		**749**	73
Interest received		**861**	715
Net cash used in investing activities		**(219,258)**	(22,425)
Cash flows from financing activities			
Proceeds from borrowings		**433,855**	36,058
Repayments of borrowings		**(30,580)**	(44,776)
Finance lease principal payments		**(11,074)**	(20,992)
Interest paid		**(10,500)**	(10,838)
Dividends paid to non-controlling interests in subsidiaries	16	**(3,840)**	(11,369)
Purchase of treasury shares	17	**(43,173)**	-
Fees paid on establishment of loan facilities		**(3,330)**	(78)
Net cash from/(used in) financing activities		**331,358**	(51,995)
Net increase in cash and cash equivalents		**213,626**	31,883
Exchange gains on cash and cash equivalents		**11,827**	6,653
Cash, cash equivalents and bank overdrafts at beginning of period		**119,720**	136,958
Cash, cash equivalents and bank overdrafts at end of period		**345,173**	175,494

The principal non cash transactions consist of finance leases as a lessee in the three months ended 31 March 2012 and 2011 (Note 13).

The notes on pages 6 to 18 are an integral part of these interim condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

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

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

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

This condensed consolidated interim financial information was approved by the Board of Directors of the Company on 6 July 2012.

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

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the three months ended 31 March 2012 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Cyprus Companies Law, Cap. 113.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2011, as described in those annual consolidated financial statements.

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

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

There are no new standards, amendments and interpretations that are effective for the first time for this interim period that have a material impact on the Group.

4. ESTIMATES

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011, with the exception of changes in estimates that are required in determining the provision for income and payroll related taxes and contributions (see Note 3) and the estimate of deferred tax on the unremitted earnings of subsidiaries (see Note 14).

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's financial statements as at and for the year ended 31 December 2011.

Liquidity risk

Management controls current liquidity based on expected cash flows and expected revenue receipts. In the long term perspective the liquidity risk is determined by forecasting future cash flows at the moment of signing new credit, loan or lease agreements and by budgeting procedures.

Compared to the year end, there was increase in borrowings which resulted in increase in contractual cash outflows for financial liabilities. Refer to Note 13 (Borrowings) for information relating to the maturities of non-current borrowings and finance lease liabilities.

6. SEGMENT INFORMATION

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

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

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

Segment assets consist of rolling stock. Unallocated assets comprise all the assets of the Group except for rolling stock as included within segment assets.

	Open wagons	Tank cars	Other	Total
Three months ended 31 March 2012				
Total revenue – operator's services	149,208	271,784	5,460	426,452
Total revenue – operating lease	4,382	19,499	1,042	24,923
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	153,590	291,283	6,502	451,375
less Infrastructure and locomotive tariffs: loaded trips	(346)	(146,907)	(447)	(147,700)
Adjusted revenue for reportable segments	**153,244**	**144,376**	**6,055**	**303,675**

	Open wagons	Tank cars	Other	Total
Three months ended 31 March 2011				
Total revenue – operator's services	151,460	265,483	5,672	422,615
Total revenue – operating lease	2,374	14,537	442	17,353
Inter-segment revenue	-	-	-	-
Revenue (from external customers)	153,834	280,020	6,114	439,968
less Infrastructure and locomotive tariffs: loaded trips	(1,219)	(149,543)	(499)	(151,261)
Adjusted revenue for reportable segments	**152,615**	**130,477**	**5,615**	**288,707**

	Open wagons	Tank cars	Other	Total
Additions to non-current assets (included in reportable segment assets)				
Three months ended 31 March 2012	168,774	40,305	-	209,079
Three months ended 31 March 2011	14,365	36,167	-	50,532
Reportable segment assets				
31 March 2012	860,115	479,496	31,527	1,371,138
31 December 2011	638,429	415,416	29,290	1,083,135
31 March 2011	684,303	485,450	34,723	1,204,476

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

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Adjusted revenue for reportable segments	**303,675**	288,707
Other revenues	**1,176**	935
Total adjusted revenue	**304,851**	289,642
Cost of sales (excl. Infrastructure and locomotive tariffs - loaded trips, impairments, depreciation of property, plant and equipment and amortisation of intangible assets)	**(133,260)**	(147,889)
Selling, marketing and administrative expenses (excl. depreciation and impairments)	**(18,722)**	(18,121)
Depreciation and amortisation	**(19,423)**	(18,712)
Reversal of impairment/(impairment charge)	**124**	(95)
Other gains – net	**36**	879
Operating profit	**133,606**	105,704
Finance income	**(1,049)**	(4,978)
Finance costs	**(7,290)**	(3,620)
Share of profit of associates	**14**	126
Profit before income tax	**125,281**	97,232

7. REVENUE

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Railway transportation – operators services (tariff borne by the Group) [(1)]	**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
	452,551	440,903

[(1)] Includes infrastructure and locomotive tariffs for loaded trips for the three months ended 31 March 2012 amounting to US$147,700 thousand (for the three months ended 31 March 2011: US$151,261 thousand)

8. EXPENSES BY NATURE

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Cost of sales		
Infrastructure and locomotive tariffs: loaded trips	**147,700**	151,261
Infrastructure and locomotive tariffs: empty run trips, other tariffs and services provided by other transportation organisations	**74,600**	71,697
Operating lease rentals – rolling stock	**19,750**	42,192
Employee benefit expense	**4,486**	4,193
Repair and maintenance	**18,929**	17,157
Depreciation of property, plant and equipment	**19,147**	18,405
Amortisation of intangible assets	**44**	44
Fuel and spare parts – locomotives	**9,229**	7,985
Engagement of locomotive crews	**3,065**	3,053
Loss/(gain) on sale of property, plant and equipment	**296**	(997)
Other expenses	**2,905**	2,609
Total cost of sales	**300,151**	317,599

Decrease in 'Operating lease rentals – rolling stock' expenses during the three months ended 31 March 2012 compared to the same period of the previous year was caused by a significant decrease in the fleet leased-in by the Group under operating leases as a large share of leased-in fleet was returned during the last months of 2011.

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Selling, marketing and administrative expenses		
Depreciation of property, plant and equipment	**232**	263
Gain on sale of property, plant and equipment	**(9)**	(34)
Employee benefit expense	**8,043**	7,770
(Reversal of)/impairment charge of receivables	**(124)**	95
Operating lease rental – office	**1,255**	1,243
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	**2,343**	2,067
Total selling, marketing and administrative expenses	**18,830**	18,479

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Total expenses		
Depreciation of property, plant and equipment (Note 10)	**19,379**	18,668
Amortisation of intangible assets	**44**	44
Loss/(gain) on sale of property, plant and equipment	**287**	(1,031)
Employee benefit expense	**12,529**	11,963
(Reversal of)/impairments charge for receivables	**(124)**	95
Operating lease rentals – rolling stock	**19,750**	42,192
Operating lease rentals – office	**1,255**	1,243
Repairs and maintenance	**18,929**	17,157
Fuel and spare parts – locomotives	**9,229**	7,985
Engagement of locomotive crews	**3,065**	3,053
Infrastructure and locomotive tariffs: loaded trips	**147,700**	151,261
Infrastructure and locomotive tariffs: empty run trips, other tariffs and services provided by other transportation organisations	**74,600**	71,697
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

9. FINANCE INCOME AND COSTS

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Interest expense:		
Bank borrowings	**(6,593)**	(7,026)
Finance leases	**(668)**	(1,730)
Non-convertible unsecured bonds	**(4,026)**	(2,271)
Other finance costs	**(74)**	(118)
Total interest expense	**(11,361)**	(11,145)
Net foreign exchange transaction gains on borrowings	**4,071**	8,051
Finance cost on liability for minimum dividend distribution	**-**	(526)
Finance costs	**(7,290)**	(3,620)
Interest income:		
Bank balances	**353**	65
Short term deposits	**508**	473
Finance leases – third parties	**-**	909
Total interest income	**861**	1,447
Net foreign exchange transaction losses on cash and cash equivalents and finance lease receivable	**(1,910)**	(6,425)
Finance income	**(1,049)**	(4,978)
Net finance costs	**(8,339)**	(8,598)

10. PROPERTY, PLANT AND EQUIPMENT

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Opening net book amount	**1,106,171**	1,112,212
Additions	**213,689**	54,191
Disposals	**(1,005)**	(3,283)
Depreciation charge (Note 8)	**(19,379)**	(18,668)
Currency translation differences	**99,414**	79,527
Closing net book amount	**1,398,890**	1,223,979

During the three months ended 31 March 2012 the Group has contracted 6,238 new rail cars of which 320 rail cars were delivered by 31 March 2012 (800 rail cars were delivered during the three months ended 31 March 2011).

During the three months ended 31 March 2012 the Group also received 2,666 rail cars which were contracted at the end of 2011. Refer to Note 21 (Subsequent events) for information on deliveries of rolling stock after 31 March 2012.

Acquisitions of rolling stock were financed with the use of bank loan facilities, finance lease arrangements and proceeds of the unsecured non-convertible bond issue (Note 13).

Strengthening of the Russian rouble exchange rate against the US Dollar during the three months of 2012 resulted in significant exchange differences on property, plant and equipment recognised in other comprehensive income.

11. TRADE AND OTHER RECEIVABLES

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Trade receivables – third parties	**56,592**	38,552
Trade receivables – related parties (Note 20)	**16,405**	15,129
Less: Provision for impairment of trade receivables	**(1,399)**	(1,467)
Trade receivables – net	**71,598**	52,214
Other receivables – third parties	**3,822**	1,427
Other receivables – related parties (Note 20)	**4**	33
Less: Provision for impairment of other receivables	**(502)**	(406)
Other receivables – net	**3,324**	1,054
Prepayments - related parties (Note 20)	**1,570**	2,848
Prepayments – third parties	**115,557**	116,558
VAT and other taxes recoverable	**85,050**	54,058
	277,099	226,732
Less non-current portion:		
Prepayments for property, plant and equipment	**83,045**	75,777
Total non-current portion	**83,045**	75,777
Total current portion	**194,054**	150,955

Increase in 'VAT and other taxes recoverable' as at 31 March 2012 compared to 31 December 2011 was due to the increase in VAT recoverable on the new rail cars acquired by the Group during the three months ended 31 March 2012.

12. TRADE AND OTHER PAYABLES

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Current		
Trade payables - third parties	**12,731**	10,620
Trade payables - related parties (Note 20)	**710**	454
Other payables - third parties	**19,024**	17,756
Other payables – related parties (Note 20)	**9**	-
Accrued expenses	**8,547**	6,954
Advances from third parties	**16,456**	26,796
Advances from related parties (Note 20)	**773**	1,379
	58,250	63,959

13. BORROWINGS

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Current		
Bank overdrafts	**1,074**	1,037
Bank borrowings	**164,014**	123,050
Non-convertible unsecured bonds	**24,209**	20,032
Finance lease liabilities	**25,228**	26,612
	214,525	170,731
Non-current		
Bank borrowings	**155,263**	131,180
Non-convertible unsecured bonds	**395,111**	55,661
Finance lease liabilities	**44,332**	21,540
	594,706	208,381
Total borrowings	**809,231**	379,112

Movements in borrowings are analysed as follows:

	US$'000
Three months ended 31 March 2012	
Opening amount as at 1 January 2012	379,112
Proceeds from bank borrowings	103,846
Proceeds from issue of non-convertible unsecured bonds	332,975
Repayments of bank borrowings	(28,551)
Repayment of non-convertible unsecured bonds	(4,995)
Repayments of finance leases	(11,074)
Interest charged	11,287
Interest paid	(10,500)
Net foreign exchange difference	37,131
Closing amount as at 31 March 2012	**809,231**

In March 2012, OJSC New Forwarding Company, a Russian subsidiary of the Company, has issued 3-year Russian rouble denominated exchange-traded bonds for a total amount of RUB10 billion (US$332,975 thousand) (three months ended 31 March 2011 US$NIL) at a coupon rate of 10.00% per annum. Bonds are traded on MICEX in Moscow. The Company acts as the guarantor for the bond issue.

Acquisition of new rolling stock by the Group during the three months ended 31 March 2012 (Note 10) were financed with bank borrowings, issue of non-convertible unsecured bonds and through finance lease arrangements.

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Maturity of non-current borrowings (excluding finance lease liabilities)		
Between 1 and 2 years	**88,588**	69,432
Between 2 and 5 years	**460,104**	115,111
Over 5 years	**1,682**	2,298
	550,374	186,841

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Finance lease liabilities – minimum lease payments		
Not later than 1 year	**25,944**	27,912
Later than 1 year and not later than 5 years	**47,724**	22,241
Future finance charges of finance leases	**(4,108)**	(2,001)
Present value of finance lease liabilities	**69,560**	48,152
The present value of finance lease liabilities is as follows:		
Not later than 1 year	**25,228**	26,612
Later than 1 year and not later than 5 years	**44,332**	21,540
	69,560	48,152

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

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
US Dollar	**148,415**	79,890
Russian Rouble	**658,437**	299,120
Euro	**2,379**	102
	809,231	379,112

The group has the following undrawn borrowing facilities:

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Fixed rate:		
- expiring within one year	**345,403**	86,452
Floating rate:		
- expiring within one year	**6,241**	26,012
Total undrawn borrowing facilities	**351,644**	112,464

Increase in undrawn borrowing facilities as at 31 March 2012 was due to the attraction of bank financing during the first three months of 2012 for the purposes of the acquisition of rail cars in early April 2012 (refer to Note 21).

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

	As at 31-Mar-2012 %	As at 31-Dec-2011 %
Bank overdrafts	**2.2**	2.2
Bank borrowings	**8.3**	8.8
Non-convertible bonds	**9.9**	9.3
Finance lease liabilities	**3.8**	5.0

14. INCOME TAXES

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2012 is 21.0% (2011: 22.2%).

Included within 'Deferred tax' is deferred tax provision of US$6,579 thousand due to the change in intention for distribution of profits of a Russian subsidiary of the Company (the applicable dividend tax rate is 5%) and it is no longer probable that dividend distributions would only be made from future profits of that subsidiary. This resulted in the recognition of one-off deferred tax provision in the amount of US$4,361 thousand (relates to the profits earned in the prior periods) and a further deferred tax provision of US$2,218 thousand for the current year profits. This change of intention for distribution of profits of this subsidiary is the main reason for the increase in deferred tax liability as at 31 March 2012 relative to 31 December 2011.

15. EARNINGS PER SHARE

Basic and diluted

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

	Three months ended 31-Mar-2012	Three months ended 31-Mar-2011
Profit for the period attributable to equity holders of the Company (US$'000)	**80,017**	61,355
Weighted average number of ordinary shares in issue (excluding treasury shares) (thousand)	**154,578**	158,136
Earnings per share for profit attributable to the equity holders of the company:		
- basic and diluted (expressed in US$ per share)	**0.52**	0.39

16. DIVIDENDS

No interim dividends were declared by the Company during the three months ended 31 March 2012.

At the Annual General Meeting which will take place on 4 May 2012, a final dividend in respect of the profit for the year ended 31 December 2011 of 64 US cents per ordinary share, amounting to a total dividend of US$98,878,986 based on the number of shares issued (excluding treasury shares) as of the date of authorisation of these financial statements is proposed. These interim financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in May 2012 when these dividends were approved by shareholders.

During the period ended 31 March 2012, the Group declared and paid US$3,840 thousand (2011: US$11,369 thousand) of dividends in favour of non-controlling interests.

17. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of shares	Share capital US$'000	Share premium US$'000	Total US$'000
At 31 December 2011/ 31 March 2012	**158,135,533**	**15,814**	**621,227**	**637,041**

In January 2012 the Company, in accordance with the decision of the Extraordinary General Meeting which took place on 20 December 2011, has completed the purchase of 3,637,117 own ordinary shares from Envesta Investments Limited at the price of US$11.87 per share for the total value of US$43,172,579 (Refer to Note 20).

The shares will be held in treasury for a maximum period of 24 months and may be re-issued or cancelled at the discretion of the Company.

18. CONTINGENCIES

Legal proceedings

During the 3 months ended 31 March 2012, the Group was involved as a claimant in a number of court proceedings.

In July 2011 the Group received a notice of a claim in relation to 240 railcars, which a subsidiary of the Company acquired through finance lease in July 2010. The claim suggests that such railcars were not released from pledge by the lessor upon transfer to the Group and due to the fact that the lessor defaulted on its obligations to the pledgee, the claim was brought against the subsidiary of the Company being the current owner of the pledged railcars by a third party who in turn purchased the rights of claim for the said obligations from the pledgee. Two law suits are in progress in relation to this matter, one in Moscow City Arbitration Court in Russia and a second one in the Moldova Republic. In February 2012 the subsidiary of the Company received a positive ruling from Moscow City Arbitration Court in respect of this claim, which was, however, set aside by the Court of Appeals in its decision of 2 July 2012. The subsidiary intends to contest this decision of the Court of Appeals in the cassation. The case in Moldova Republic is still pending in court.

The net book value of the railcars involved in the above claim as at 31 March 2012 was RR230,684 thousand (US$7,866 thousand at 31 March 2012 exchange rate).

In February 2012, the pledgee in the above case has also brought a similar claim against the same subsidiary of the Company. It is claimed that such subsidiary of the Company owes to the pledgee RR24,438 thousand (US$833 thousand at 31 March 2012 exchange rate) based on the fact that the right of claim in respect of 50 railcars remained with the pledgee. On 22 June 2012, the court of first instance dismissed the case.

Based on current facts and circumstances, management believes that it is not probable that the Group will incur outflow of economic resources as a result of the claims above, consequently, no provision has been recorded in these interim consolidated financial statements.

In the opinion of management, there are no other legal proceedings or other claims outstanding, as of 31 March 2012, which could have a material effect on the results of operations or financial position of the Group and which have not been accrued or disclosed in these interim condensed consolidated financial information.

19. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Property, plant and equipment	**426,951**	205,595

20. RELATED PARTY TRANSACTIONS

The Group is controlled by Transportation Investments Holding Limited incorporated in Cyprus, which owns 50.1% of the Company's shares. Envesta Investments Limited together with its affiliates owns 12.23% (including the holding of Global Depositary Receipts of the Company) of the Company's shares. Further, the Directors of the Company control 0.06% of the Company's shares through their holdings of Global Depositary Receipts. The Company holds 3,637,117 ordinary shares representing 2.30% of the issued share capital as treasury shares. The remaining 35.31% of the shares represent the free market-float and are held by external investors through the Global Depositary Receipts. The ultimate controlling party of the Group is Mirbay International Inc, registered in Bahamas.

The following transactions were carried out with related parties:

(a) Sales of goods and services

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Sales of services:		
Other related parties		
Entities under control of the Parent	**18,905**	10,208
Entities under significant influence/joint control of the Parent	**60**	3,966
Entities under significant influence of members of key management	**30,786**	28,399
	49,751	42,573

(b) Purchases of goods and services

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Purchases of services:		
Associate	**-**	392
Other related parties		
Entities under control of the Parent	**1,159**	1,415
Entities under control by parties with significant influence over the Group	**266**	
Entities under significant influence of the Parent	**-**	107
Entities under significant influence of members of key management	**5,668**	5,454
	7,093	7,368

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

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Additions:		
Other related parties		
Entities under control of the Parent	**289**	434
Entities under significant influence of members of key management	**168**	4
	457	438

(d) Key management compensation

	Three months ended 31-Mar-2012 US$'000	Three months ended 31-Mar-2011 US$'000
Key management salaries and other short term employee benefits[(1)]	**1,333**	1,051
	1,333	1,051

(1) Includes directors' remuneration paid to the directors of the Company both by the Company and subsidiaries of the Group in respect of services provided to such subsidiaries amounting to US$445 thousand for the three months ended 31 March 2012 (three months ended 31 March 2011: US$253 thousand).

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

	As at 31-Mar-2012 US$'000	As at 31-Dec-2011 US$'000
Trade receivables from related parties:		
Other related parties		
Entities under control of the Parent	**4,826**	7,738
Entities under significant influence/joint control of the Parent	**160**	-
Entities under significant influence of members of key management	**11,419**	6,991
	16,405	14,729
Other receivables from and prepayments to related parties:		
Associate	**44**	-
Other related parties		
Entities under control of the Parent	**348**	407
Entities under significant influence of members of key management	**1,182**	2,474
	1,574	2,881
Trade payables to related parties:		
Other related parties		
Entities under control of the Parent	**346**	212
Entities under significant influence of members of key management	**364**	242
	710	454
Other payables to and advances from related parties:		
Other related parties		
Entities under control of the Parent	**155**	98
Entities under significant influence of members of key management	**627**	1,281
	782	1,379

(f) Purchase of own shares

In January 2012 the Company, in accordance with the decision of the Extraordinary General Meeting which took place on 20 December 2011, has completed the purchase of 3,637,117 own ordinary shares from Envesta Investments Limited at the price of US$11.87 per share for the total value of US$43,172,579 (Note 17). The shares will be held in treasury for a maximum period of 24 months and may be re-issued or cancelled at the discretion of the Company.

21. SUBSEQUENT EVENTS

On 26 April 2012 the Group has signed an agreement to acquire 100 per cent interest in LLC Metalloinvesttrans from Metalloinvest Group, the largest iron ore producer in Russia, an unrelated party, for a base consideration of US$ 540,000 thousand on a cash and debt free basis, assuming normalised working capital and no capital commitments. The term credit facility for the finance of the acquisition of Metalloinvesttrans was attracted in USD at the floating rate with maturity of three years. Metalloinvesttrans was acquired through OJSC New Forwarding Company, a 100% subsidiary of the Group. Metalloinvesttrans is a freight rail operator owning 8,256 rail cars as at 31 December 2011, 95% of its fleet consists of universal open wagons. Metalloinvesttrans services 100 per cent of Metalloinvest's rail transportation volumes with owned and 3rd party subcontracted fleet. As part of the acquisition the Group has signed a three year framework contracts under which the relevant Metalloinvest entities are required to use the Group to manage the transportation of all of their cargo volumes in the first year and 60 per cent of those volumes in the second and third years (subject in the second and third years to agreement on pricing and conditions). The regulatory approval for the acquisition was obtained on 10 May 2012 and the acquisition was completed on 15 May 2012.

The acquisition will be recorded in accordance with the acquisition method of accounting. The initial accounting for the business combination has not been completed as of the date of authorisation of these consolidated interim financial information for issue, therefore further details are not yet available for disclosure.

Since 31 March 2012, the Group took delivery of 6,616 railcars. Under existing contractual arrangements, the Group expects to take delivery of the remaining 817 units by the end of August 2012.

Since 31 March 2012 to finance the acquisition of Metalloinvesttrans and the purchase of additional railcars, the Group attracted borrowings for a total amount of US$902,557 thousand.

22. SEASONALITY

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

Independent Auditors' Review Report
to Globaltrans Investment Plc

Introduction

We have been engaged by Globaltrans Investment Plc "the Company" to review the accompanying condensed consolidated interim financial information of the Company and its subsidiaries ("the Group") for the three months ended 31 March 2012, which comprises the condensed consolidated interim balance sheet as of 31 March 2012 and the condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and related notes.

Board of Directors' responsibilities

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

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

Our responsibility

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

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Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the three months ended 31 March 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Pricewaterhouse Coopers

PricewaterhouseCoopers Limited
Chartered Accountants

6 July 2012
Limassol
Cyprus

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