First Half 2008 Earnings Release

Investor Conference Call - September 15th, 2008

Globaltrans

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Sergey Maltsev

Chief Executive Officer

1. Key highlights
2. Positive changes in railway market environment
3. Operating highlights

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Key highlights

Positive industry trends

- Above expectation increase in RZD[e] regulated tariff in 2008 used as the benchmark by the private operators
- Positive outlook for RZD[e] regulated tariff development in 2009-2011

Operating excellence

- Empty-run ratio[a] for gondola cars improved to 19% in 1H08 vs. 24% in 1H07
- Average price per trip[b] increased 32% to USD 812.2
- Strong focus on class 3 high margin cargo – approximately 1/2 of Adjusted Revenue[c] in 1H08

Expansion of railcar fleet

- 76% of the fleet expansion target for 2008 met as of 1-Sep-2008
  - ✓ 1,455 railcars already delivered and 602 railcars paid and to be delivered in 2008

Strong financial performance

- Adjusted Revenue[c] up 30% to USD 219 mln
- Adjusted EBITDA[d] up 56% to USD 117 mln
- Net income up 97% to USD 65 mln

(a) Empty run ratio is calculated as total empty trips in kilometres divided by total ''loaded trips'' in kilometres.
(b) Average price per trip (USD) is calculated as Adjusted Revenue divided by total number of loaded trips during the relevant period.
(c) Adjusted Revenue defined as "revenue from railway transportation – operators services" less "infrastructure and locomotive tariff" of "loaded trips".
(d) Adjusted EBITDA represents EBITDA less gains from sale of joint ventures, gain from sale of subsidiaries, recognised deferred gains, net foreign exchange gains/(losses), other gains and share of profit of joint ventures.
(e) RZD defined as OJSC "Russian Railways".

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Positive changes in railway market environment

Key highlights

Tariff environment

- Higher than expected increase in RZD[a] regulated tariff[b] – 14.8% since 01.01.08, 1.26% since 01.04.08, 10% since 01.07.08
- MED[c] presented a positive outlook for RZD[a] average regulated tariff[d] development in 2009-2011:
  - ✓ in 2009 from 17.1% to 18.7%;
  - ✓ in 2010 from 9.7% to 13.7%;
  - ✓ in 2011 from 10% to 14%.

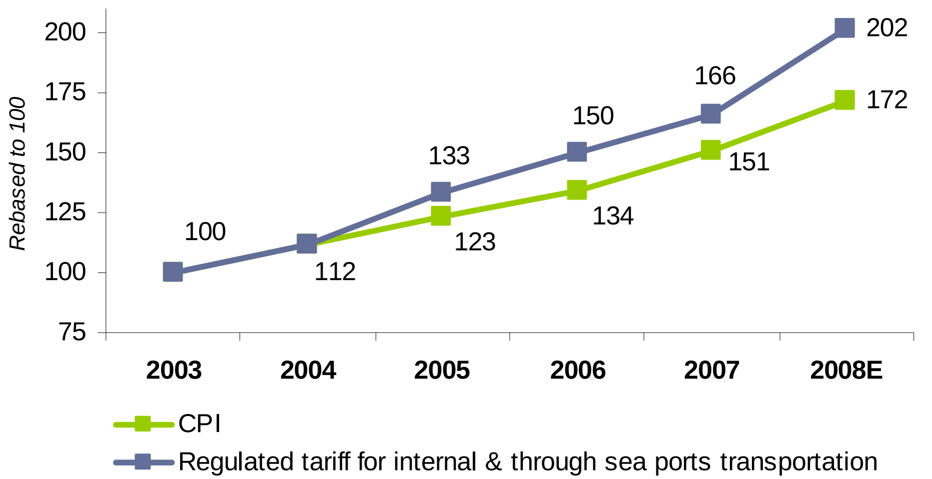
Liberalization of locomotive traction

- New draft of the “Law on Rail Transportation” is under discussion at the ministry level.
- Several important operational decrees on locomotive traction were approved.
- Special working group between RZD[a] and private operators set up to discuss critical issues on locomotive traction.

Other developments

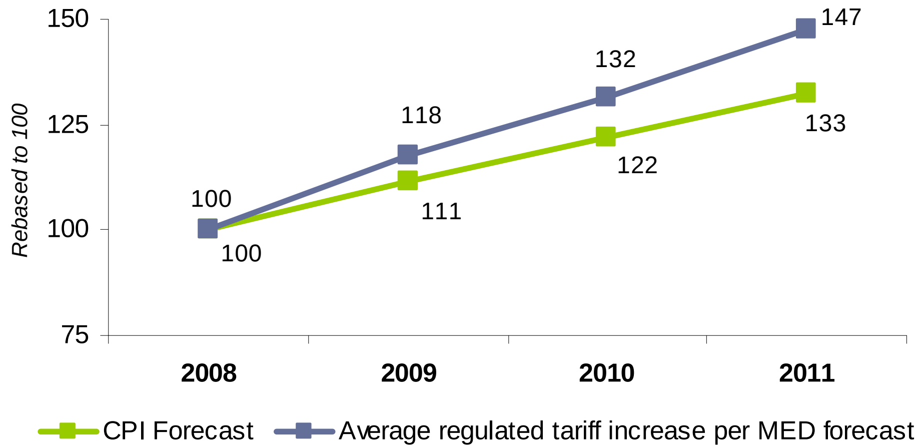
- Competitive environment for maintenance services is being introduced – RZD[a] announced sale of 22 repair and maintenance depots.

Historical development of RZD[a] regulated tariff



Source: A.T. Kearney

MED[c] outlook for RZD[a] average regulated tariff



Source: MED forecast (tariff), Global insight (CPI)

(a) RZD defined as OJSC “Russian Railways”.
(b) Part II (internal and external transportation via sea ports) tariff.
(c) MED defined as Russian Ministry of Economic Development.
(d) Average regulated tariff is based on internal and external transportation via sea ports tariff and land border crossing tariff.

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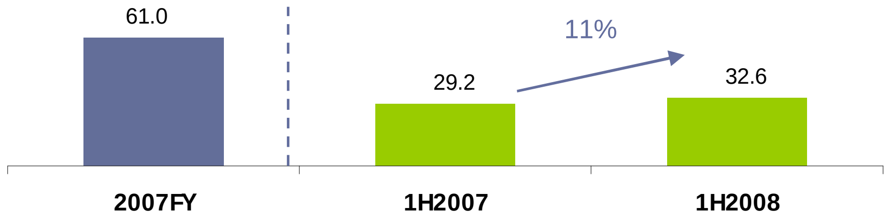
Operational excellence

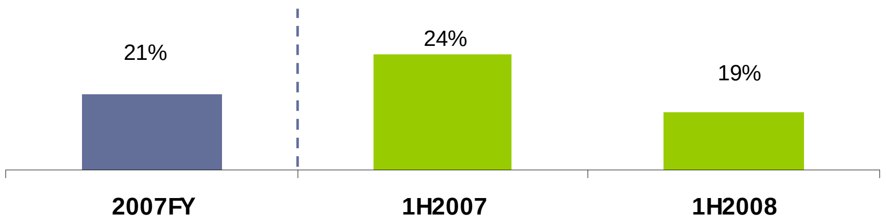
Freight rail turnover[a] (bn tonnes-km)



Key drivers

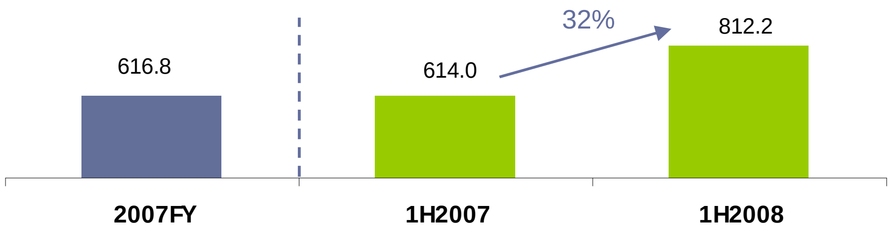
- 12% increase in average distance for loaded trips.
- Relatively stable transportation volume at 16.8 mln tonnes.

Empty-run ratio[b] for gondola cars



- Improved logistics planning and dispatch.
- Further routes optimisation.

Average price per trip[c] (USD)

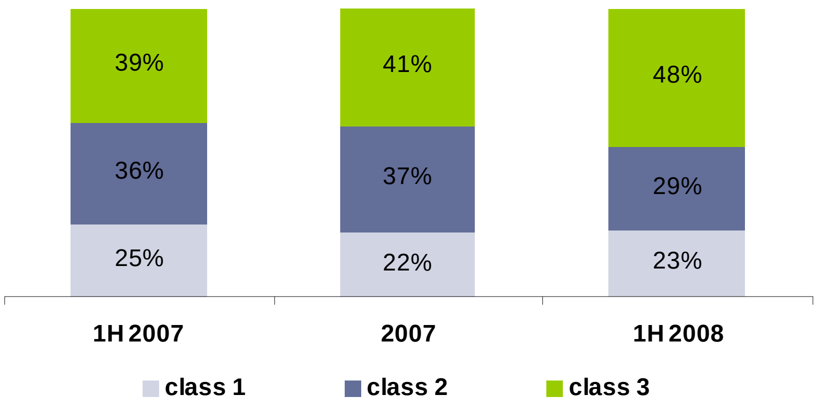


- Increase in RZD regulated tariff used as the benchmark.
- Growth in high margin cargo sales.
- Increase in average distance for loaded trips.

(a) Freight rail turnover calculated as tonnage of freight carried multiplied by distance carried, measured in tonne-kilometres.
(b) Empty run ratio is calculated as total empty trips in kilometres divided by total ‘‘loaded trips’’ in kilometres.
(c) Average price per trip (USD) is calculated as Adjusted Revenue divided by total number of loaded trips during the relevant period.

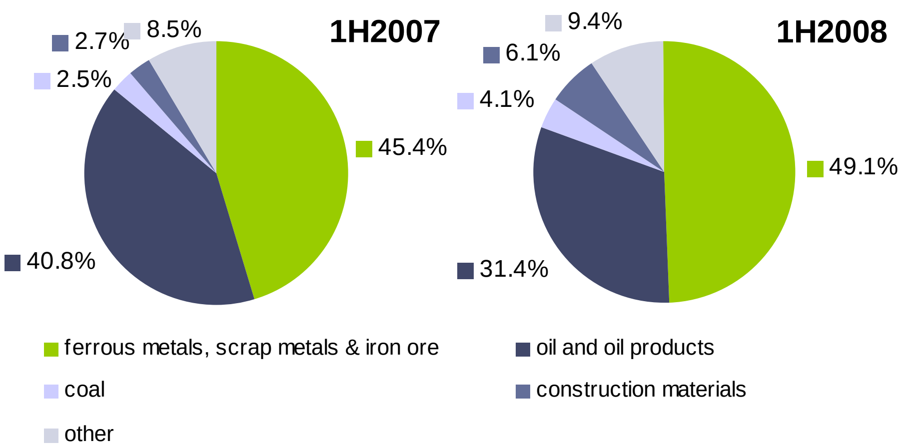
Successful targeting of high margin transportation market segments

Adjusted Revenue(a) by cargo class breakdown



Source: Globaltrans management accounts (can not be directly derived from IFRS accounts)

Adjusted Revenue(a) by cargo type breakdown



Source: Globaltrans management accounts (can not be directly derived from IFRS accounts)

Highlights

- Continued focus on class 3 high margin cargo – approximately 1/2 of Adjusted Revenue(a) in 1H08.
- Focus on higher-priced metals and mining cargo transportation sector contributed to a 4% increase in the sector's share in Adjusted Revenue(a) in 1H2008 compared with 1H2007 which was mostly driven by an increase in sales to MMK (including its affiliates and suppliers).
- Adjusted Revenue(a) generated by sales to oil/oil product clients remained stable at USD 68.8 mln, while the sectors' share in Group's Adjusted Revenue(a) declined 9% due to accelerated growth in sales to other sectors.
- Further diversification of the client base and increase in share of small and medium sized clients from 29% in 1H07 to 34% from Adjusted Revenue(a) in 1H08.
- Substantial increase in sales to Lukoil on the back of decline in the volume of Rosneft cargo driven by Rosneft's intention to consolidate its transportation volumes under one service provider.

(a) Adjusted revenue defined as "revenue from railway transportation – operators services" less "infrastructure and locomotive tariff" of "loaded trips".

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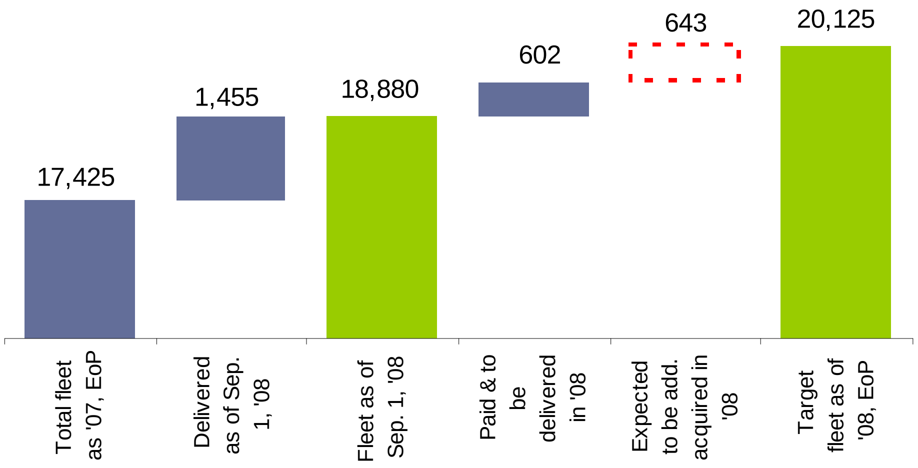
Rolling stock fleet expansion is on track

Highlights

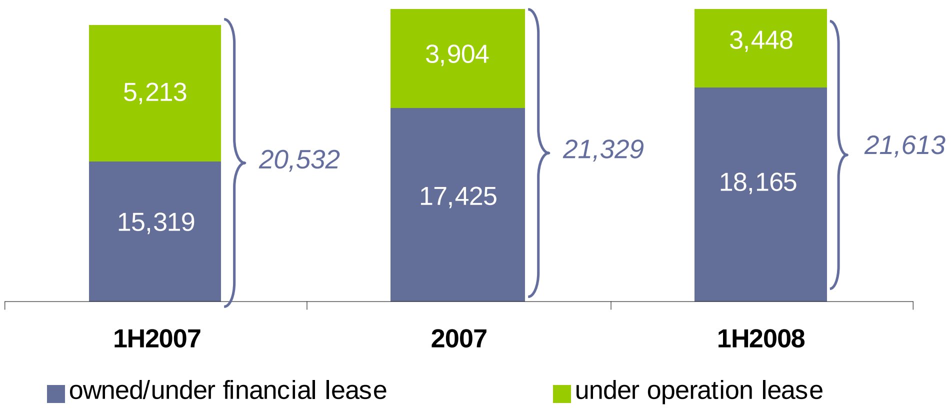
- Rolling stock fleet[(a)] increased to 21,613 railcars by 30-Jun-2008.
- Rolling stock owned[(b)] increased 4% in 1H08 vs. end of 2007 and reached 18,165 railcars.
- 740 railcars had been already delivered as of 30-June-2008.
- As of 1-Sep-2008, 76% of the 2008 expansion target met with:
  - 856 gondola and 599 hopper cars already delivered by 1-Sep-2008.
  - Additional 602 gondola cars paid and expected to be delivered between 1-Sep-2008 and 31-Dec-2008.
- Average price for railcars purchased in the first 8 months of 2008 ranged from USD 67,000 to 74,000.
- Currently railcars are being already bought on the market at USD 100,000.

Status of owned[(b)] fleet expansion (1-Sep-2008)



Source: Globaltrans management accounts (can not be directly derived from IFRS accounts)

Rolling stock fleet[(a)], EoP



Source: Globaltrans management accounts (can not be directly derived from IFRS accounts)

(a) Rolling stock fleet calculated as the sum rolling stock owned and leased from third parties under financial and operating leases (at the end of the period).
(b) Rolling stock owned calculated as the sum of rolling stock owned and leased from third parties under financial lease (at the end of the period).

Alexander Shenets

Chief Financial Officer

4. Financial highlights

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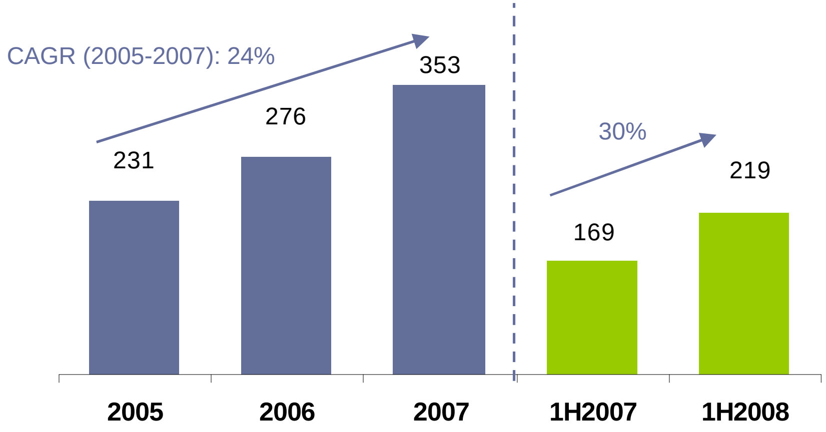
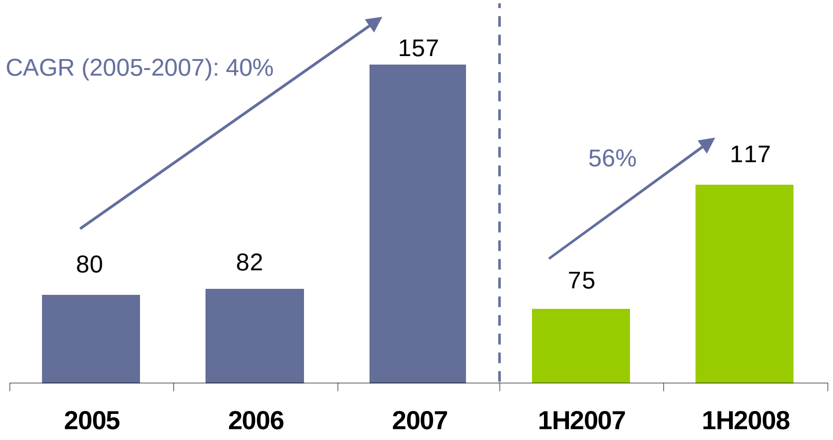
Strong financial performance

Adjusted Revenue[a] (mln USD)



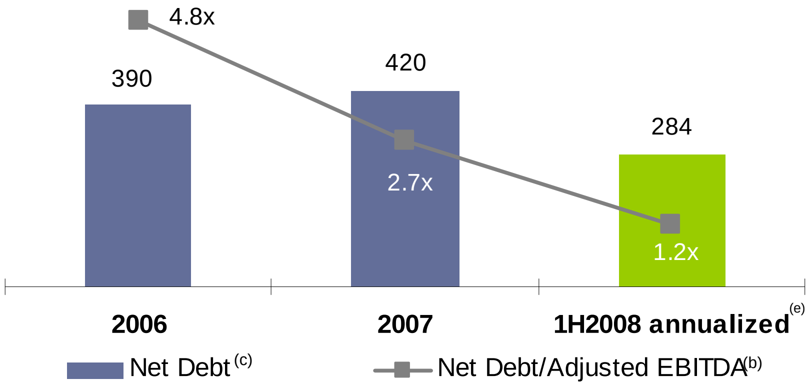
Source: *Globaltrans IFRS accounts*

Adjusted EBITDA[b] (mln USD)



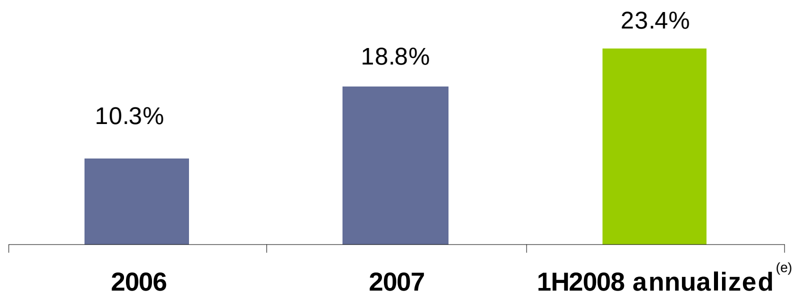
Source: *Globaltrans IFRS accounts*

Financing capacity (mln USD)



Source: *Globaltrans IFRS accounts*

RoCE[d]



Source: *Globaltrans IFRS accounts*

(a) Adjusted Revenue defined as “revenue from railway transportation – operators services” less “infrastructure and locomotive tariff” of “loaded trips”.
(b) Adjusted EBITDA represents EBITDA less gains from sale of joint ventures, gain from sale of subsidiaries, recognised deferred gains, net foreign exchange gains/(losses), other gains and share of profit of joint ventures.
(c) Net Debt is calculated as sum of current and non-current borrowings minus cash and cash equivalents.
(d) RoCE is defined as adjusted EBIT divided by average capital employed; average capital employed is defined as a sum of average balances between balance sheet dates of total equity, total borrowings and minority interest; adjusted EBIT is defined as adjusted EBITDA less depreciation and amortization.
(e) Annualized Adjusted EBITDA or EBIT derived by multiplying the Adjusted EBITDA or EBIT of the first half of the respective year by two.

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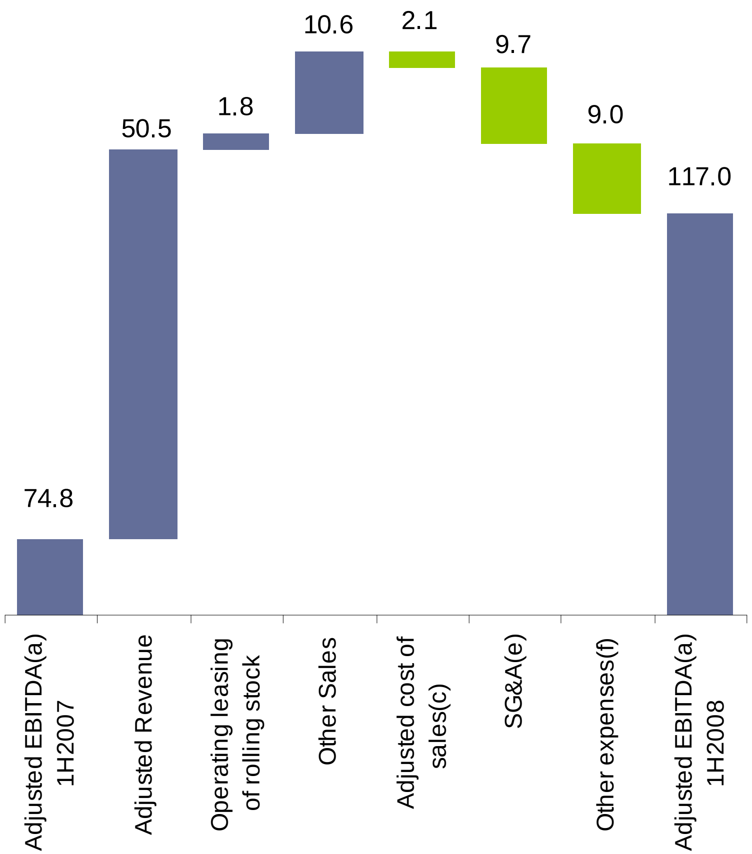
Adjusted EBITDA[a] analysis

Adjusted EBITDA[a] bridge (USD mln)



Key financial metrics (USD mln)

	2007FY	1H2007	1H2008	Growth, %	Change, USD mln
Revenue					
Adjusted revenue[b]	352.8	168.8	219.3	30%	50.5
Loaded railway charges	172.4	96.7	73.7	-24%	
Operating leasing of rolling stock	20.5	11.1	12.9	17%	1.8
Other sales	3.1	1.7	12.3		10.6
Cost of sales					
Empty run costs	82.5	44.7	39.3	-12%	
Leasing costs – rolling stock	38.4	21.3	16.2	-24%	
Repairs and maintenance	31.7	13.0	25.5	96%	
Other cost of sales	18.9	8.8	8.8	0%	
Adjusted cost of sales[c]	**171.5**	**87.7**	**89.8**	**2%**	-2.1
D&A attributable to CoS	31.6	15.3	19.3	27%	
Loaded railway charges	172.4	96.7	73.7	-24%	
Total cost of sales[d]	**375.5**	**199.7**	**182.8**	**-8%**	
Employee benefit expense[e]	26.1	9.4	13.4	43%	
Other administrative expenses	21.1	9.4	15.1	61%	
SG&A[f]	**47.2**	**18.7**	**28.5**	**52%**	-9.7
D&A attributable to SG&A	0.8	0.4	0.4	-5%	
Total operating costs	**423.5**	**218.8**	**211.7**	**-3%**	
Other expenses[g]	0.4	0.3	9.3		-9.0
Total costs	**423.9**	**219.1**	**221.0**	**1%**	
Adjusted EBITDA	**157.4**	**74.8**	**117.0**	**56%**	42.2

(a) Adjusted EBITDA represents EBITDA less gains from sale of joint ventures, gain from sale of subsidiaries, recognised deferred gains, net foreign exchange gains/(losses), other gains and share of profit of joint ventures.
(b) Adjusted Revenue defined as "revenue from railway transportation – operators services" less "infrastructure and locomotive tariff" of "loaded trips".
(c) Adjusted cost of sales defined as cost of sales less "infrastructure and locomotive tariff" for loaded trips transferred by Globaltrans to OJSC Russian Railways on behalf of clients (excluding D&A, and employee benefit expense assigned in IFRS statement to cost of sales, cost of railcars sold in trading transactions).
(d) Total cost of sales excluding cost of railcars sold in trading transactions and employee benefit expense assigned in IFRS statement to cost of sales.
(e) Employee benefit expense – staff costs (including employee benefit expense assigned in IFRS statement to cost of sales).
(f) SG&A (excluding D&A; including employee benefit expense assigned in IFRS statement to cost of sales).
(g) Other expenses (cost of rolling stock sold in trading transactions, not part of PP&E).

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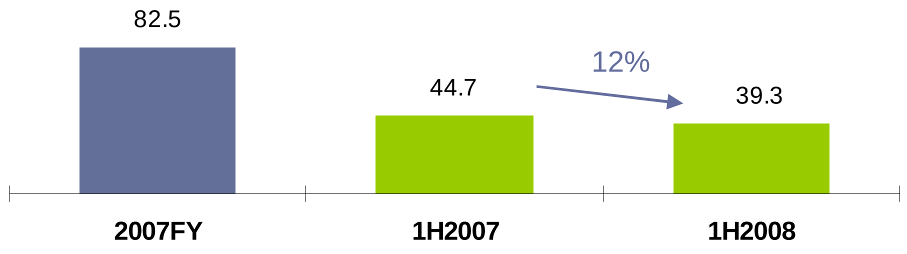
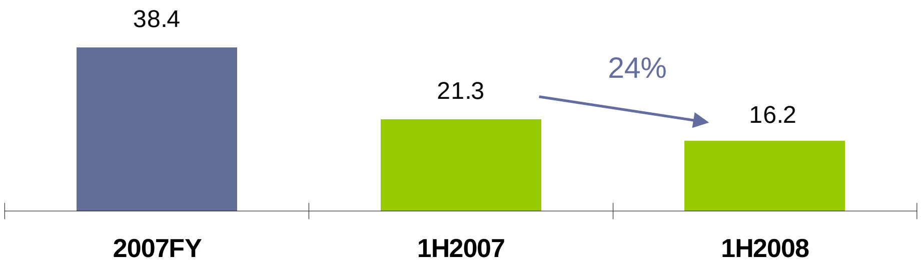
Rigorous cost management: Adjusted Cost of Sales[(a)] increased by insignificant 2%

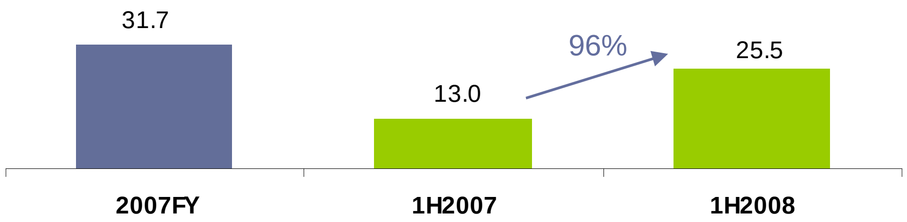
Empty run cost[(b)] (USD mln)



Leasing costs – rolling stock (USD mln)



Repairs and maintenance (USD mln)



Key drivers

- Continued improvements in destination management and route optimisation (decrease in empty run ratio);
- Increased share of clients paying empty run costs.

- Decrease in number of railcars under operating lease driven by continued substitution by owned[(c)] fleet and high lease prices;
- For certain number of railcars under operating lease Group managed to negotiate discounted lease payments in exchange for paying repair expenses itself.

- Significant increase in number of repairs given the part of Group's fleet reached an age of three years at which scheduled ("depot") repairs are required for the first time;
- For certain number of railcars under operating lease repairs were undertaken at the Group's expense in exchange for discounted lease payments;
- Proportionally more scheduled ("depot") repairs conducted (of the annual plan, compared to 1H2007);
- Increase in market prices for repair services in 1H2008 compared to 1H2007.

(a) Adjusted cost of sales defined as cost of sales less "infrastructure and locomotive tariff" for loaded trips transferred by Globaltrans to OJSC Russian Railways on behalf of clients (excluding D&A, and employee benefit expense assigned in IFRS statement to cost of sales, cost of railcars sold in trading transactions).
(b) Management accounts (can not be directly derived from IFRS accounts)
(c) Owned rolling stock includes rolling stock owned and leased from third parties under financial lease (at the end of the period).

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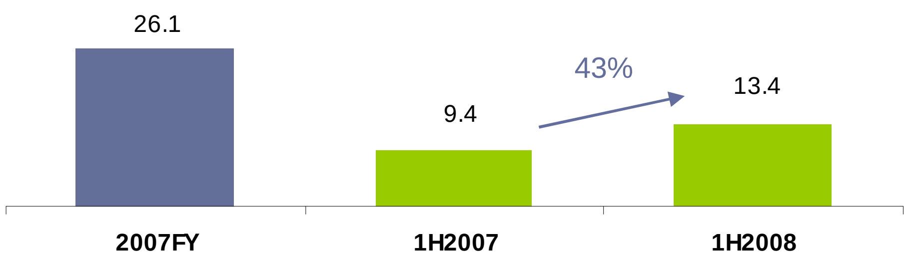
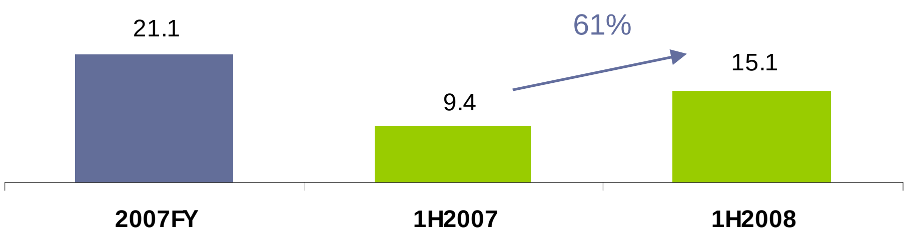
SG&A[a] and other expenses analysis

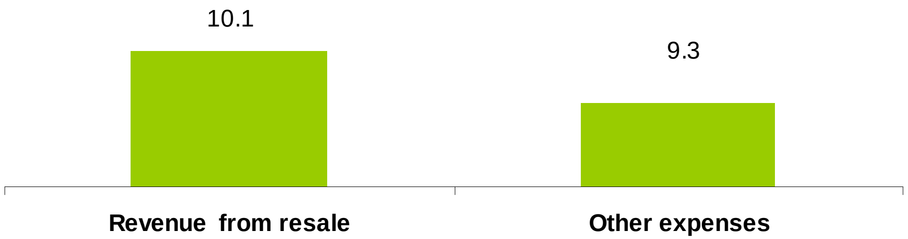
Employee benefit expense[b] – staff costs (USD mln)



Other administrative expenses (USD mln)



Other expenses analysis (USD mln, for 1H2008)



Key drivers

- Increase in employee benefit expense driven by 14% increase in average headcount, inflation indexed growth in salaries and expansion of incentive plan for additional employees.

- IPO related expenses in amount of USD 5 mln.

- Other expenses including cost of rolling stock sold in trading transactions, not part of PP&E; corresponding revenue from resale of USD 10.1 mln is included in “other sales”.

(a) SG&A (excluding D&A; including employee benefit expense assigned in IFRS statement to cost of sales).
(b) Employee benefit expense (including employee benefit expense assigned in IFRS statement to cost of sales).
(c) Revenue from resale of wagons and locomotives sold in trading transactions (the Group sold a number of new wagons and locomotives acquired during the period which were not part of property, plant in equipment).

Sergey Maltsev

Chief Executive Officer

5. Key takeaways

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Key takeaways

Promises made….	… Delivered
Continued strong financial performance	■ Adjusted Revenue up 30% in 1H08 vs. 1H07 ■ Adjusted EBITDA up 56% in 1H08 vs. 1H07
Focus on high margin cargo	■ Class 3 high margin cargo accounts for approximately 1/2 of Adjusted Revenue in 1H08
Extraction of further operating efficiency	■ Empty-run ratio for gondola cars improved to 19% in 1H08 vs. 24% in 1H07
Expanding rolling stock fleet	■ 76% of the fleet expansion target for 2008 met as of 1-Sep-2008
Diversification of client base	■ Share of small and medium sized clients increased from 29% in 1H07 to 34% from Adjusted Revenue in 1H08.

Q&A session

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Appendix

Extracts from Interim financial information for the six months ended 30 June 2008

(which has been subject to review by PricewaterhouseCoopers, but not audited)

Full set of financial information is available at www.globaltrans.com

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Condensed Consolidated Income statement

	Six months ended 30 June 2008 US$'000	Six months ended 30 June 2007 US$'000
Revenue	**318,295**	278,292
Cost of sales	**(196,228)**	(201,977)
Gross profit	**122,067**	76,315
Selling and marketing costs	**(1,178)**	(629)
Administrative expenses	**(23,581)**	(16,528)
Other gains/(losses) – net	**1,364**	(925)
Operating profit	**98,672**	58,233
Finance income	**1,504**	3,608
Finance costs	**(11,120)**	(17,816)
Finance cost – net	**(9,616)**	(14,208)
Profit before income tax	**89,056**	44,025
Income tax expense	**(24,160)**	(11,155)
Profit for the period	**64,896**	32,870
Attributable to:		
- equity holders of the Company	**64,896**	33,198
- minority interest	**-**	(328)
	64,896	32,870
	US$ per Share	US$ per Share
Earnings per share for profit attributable to the equity holders of the Company		
- basic and diluted	**0.59**	0.33
Weighted average number of ordinary shares for basic earnings per share	***109,597,712***	*100,000,000*

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Condensed Consolidated Balance sheet

	As at 30 June 2008 US$'000	As at 31 December 2007 US$'000
Assets		
Non-current assets		
Property, plant and equipment	**653,152**	602,812
Trade and other receivables	**74,644**	20,360
Total non-current assets	**727,796**	623,172
Current assets		
Inventories	**938**	544
Trade and other receivables	**122,135**	122,332
Current income tax assets	**2,424**	852
Cash and cash equivalents	**194,249**	31,103
Total current assets	**319,746**	154,831
Total assets	**1,047,542**	778,003
Equity and liabilities		
Capital and reserves		
Share capital	**11,696**	10,000
Share premium	**277,727**	61,560
Capital contribution	**90,000**	90,000
Common control transactions reserve	**-95,620**	-95,620
Retained earnings	**185,519**	129,523
Translation reserves	**41,294**	27,195
Total equity	**510,616**	222,658

	As at 30 June 2008 US$'000	As at 31 December 2007 US$'000
Non-current liabilities		
Borrowings	**283,580**	301,726
Trade and other payables	**-**	427
Deferred gains	**78**	124
Deferred tax liabilities	**31,450**	22,751
Total non-current liabilities	**315,108**	325,028
Current liabilities		
Borrowings	**194,855**	149,447
Trade and other payables	**26,744**	78,115
Deferred gains	**112**	136
Current income tax liabilities	**107**	2,619
Total current liabilities	**221,818**	230,317
Total liabilities	**536,926**	555,345
Total equity and liabilities	**1,047,542**	778,003