Brunswick Rail

Full year 2012 financial and operational results

26 March 2013

BRUNSWICK RAIL

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Presentation of information

The financial information presented in this presentation is derived from the audited consolidated financial statements the Group as at and for the years ended 31 December 2012 and 2011 and prepared in accordance with International Financial Reporting Standards.

The Group's consolidated financial statements for the reporting period along with the management's discussion and analysis are available at Brunswick Rail corporate website (www.brunswickrail.com).

The consolidated financial statements are presented in US Dollars, which the Group's management believes to be better understood by the principal users of the financial statements. The functional currency of the Company and its subsidiaries is the Rouble. The balance sheets of the Group's companies are translated into US Dollars, at the exchange rate prevailing at the date of the relevant balance sheet, whereas income and expense items are translated into US Dollars at the average monthly exchange rates using the official exchange rates of the Central Bank of the Russian Federation, which approximate the exchange rate existing at the date of the transactions, in accordance with IAS 21 ''The Effects of Changes in Foreign Exchange Rates''. All resulting foreign currency exchange rate differences are recognized in other comprehensive income.

In this presentation the Group has used certain non-IFRS financial information and operating measures as supplemental measures of the Group's operating performance. If this information requires additional explanation, definitions are provided at the end of this presentation.

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

All non-IFRS financial and operational information presented in this presentation should be used only as an analytical tool, and investors should not consider such information in isolation or in any combination as a substitute for analysis of the Group's consolidated financial statements under IFRS, which are available at Brunswick Rail corporate website (www.brunswickrail.com).

Presenting team

Paul Ostling
Chairman of the Board of Directors

Vladimir Lelekov
CEO

Nicolas Pascault
Managing Director / CFO

Key highlights in 2012

Prudent growth of fleet

- In 2012 Total Fleet increased to 24 189 railcars, including:
  - 3 295 railcars added via organic growth - 87% specialized cars (tank cars, LPG carriers, box cars) and 13% gondolas
  - 865 gondolas disposed of mainly through finance lease maturity
- Portfolio Utilization Rate at 100% in 2012
- All newly acquired railcars placed on lease with customers
- All prior year acquisitions successfully integrated

Further improvement in financial performance

- Gross Revenue increased by USD 122.3 mln or 67% to USD 306.2 mln
- Adjusted EBITDA increased by USD 101.3 mln or 73% to USD 240.9 mln
- Adjusted EBITDA Margin improved from 75.9% in 2011 to 78.7% in 2012

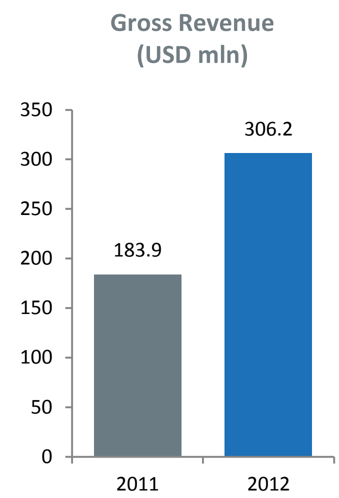
Capital structure optimized

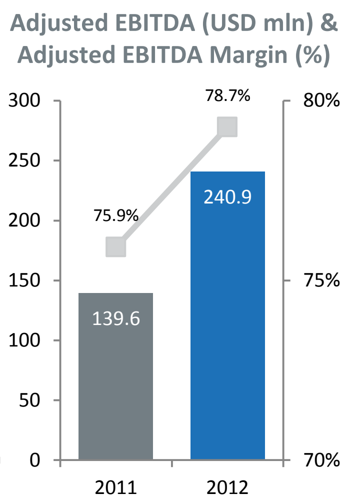
- Successful debut USD 600 mln Eurobond issue in Q4'12
- Eurobond proceeds used to refinance existing syndicated loan facilities and for growth of fleet
- Corporate ratings reaffirmed and equivalent instrument ratings assigned at time of Eurobond placement
- Debt/Adjusted EBITDA lowered to 3.1x from 5.0x at end of 2011

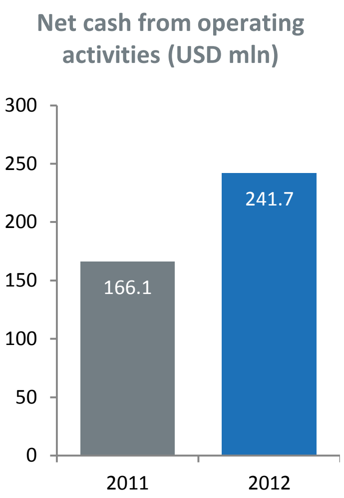
Key market trends

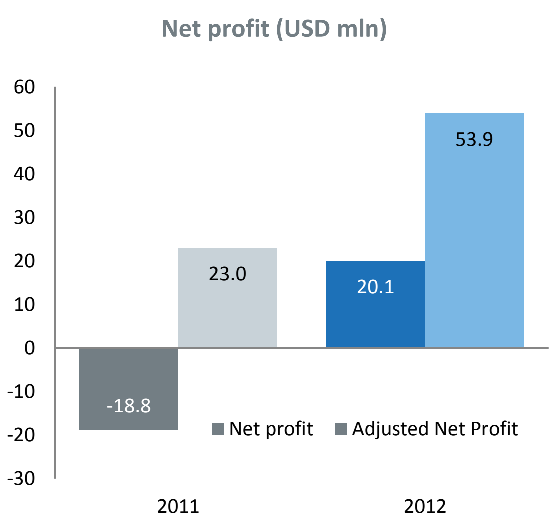
- Transportation volumes softened toward end of year
- Ongoing gondola production surplus contributed to further market weakness
- Gondola daily lease rates have continued to decline at the start of 2013, but are showing signs of stabilization

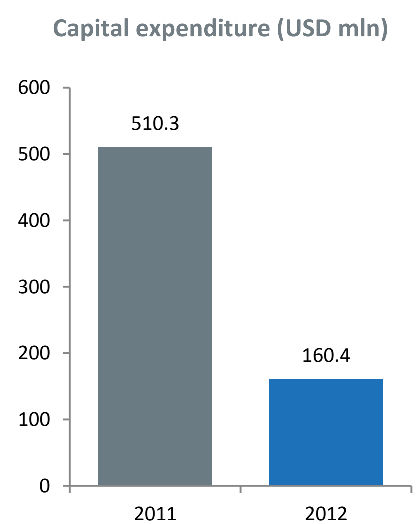
Summary of financial results









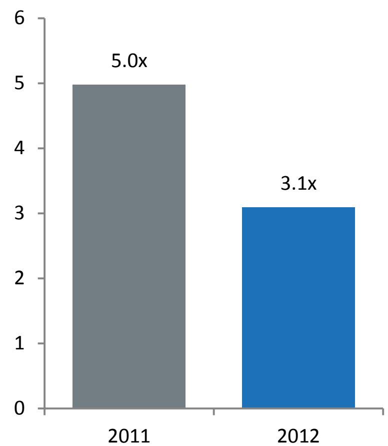


(USD mln)	2011	2012
P&L items		
Gross Revenue	**183.9**	**306.2**
Direct Expenses	-27.9	-39.6
Professional fees	-3.6	-3.5
Provision for bad debts	-	-3.9
Other Overheads	-14.8	-18.7
Other income	2.0	0.3
Adjusted EBITDA	**139.6**	**240.9**
Depreciation and amortization	-66.6	-105.9
Finance income	0.3	1.4
Finance costs	-41.1	-85.3
Foreign exchange losses	-61.5	26.3
Share-based compensation	-3.1	-12.5
Gain on acquisition of subsidiary	10.4	-
Impairment loss/reversal on revaluation of railcars	2.2	-12.9
Fair value losses on embedded derivatives	-	-12.1
Hedging with non-derivatives effect	-	-2.3
Profit/(loss) before income tax	-19.6	37.6
Income tax (expense)/credit	0.8	-17.5
Net profit/(loss)	**-18.8**	**20.1**
Adjusted Net Profit	**23.0**	**53.9**

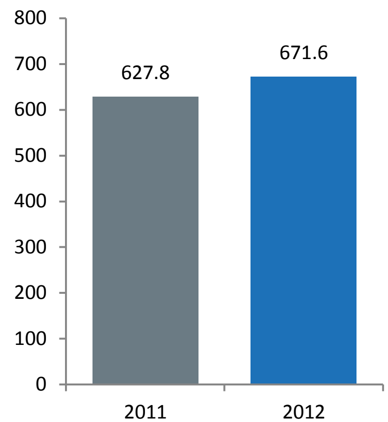
Source: Company's IFRS financial statements

Summary of financial results (continued)

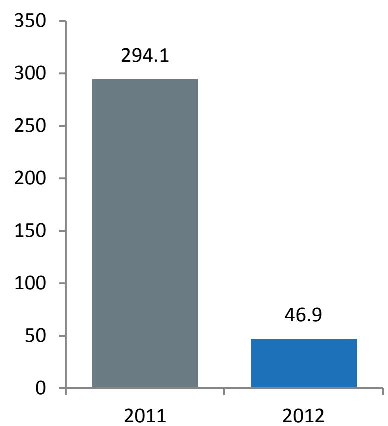
Leverage (Debt to Adjusted EBITDA)



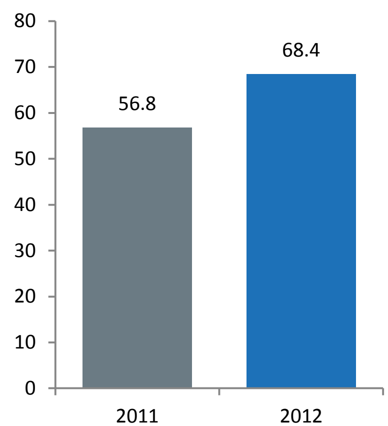
Net Debt (USD mln)



Current liabilities (USD mln)



Working capital (USD mln) *



* Including cash (USD 67 mln in 2011 and USD 72 mln in 2012)

(USD mln)	2011	2012
Balance sheet items		
Non-current assets	**1 415.6**	**1 509.9**
Equipment	1 382.6	1 428.3
Prepayments	19.6	68.4
Other non-current assets	13.4	13.2
Current assets	**100.8**	**106.7**
Total assets	**1 516.4**	**1 616.6**
Non-current liabilities	**605.2**	**904.5**
Mezzanine	64.4	64.6
Borrowings	455.1	734.7
Other non-current liabilities	85.6	105.2
Current liabilities	**294.1**	**46.9**
Borrowings	239.5	8.9
Other current liabilities	54.6	38.0
Total liabilities	**899.3**	**951.5**
Total equity	**617.1**	**665.1**
Total equity and liabilities	**1 516.4**	**1 616.6**
Leverage		
Debt/EBITDA	5.0x	3.1x
Debt/Equity	1.1x	1.1x

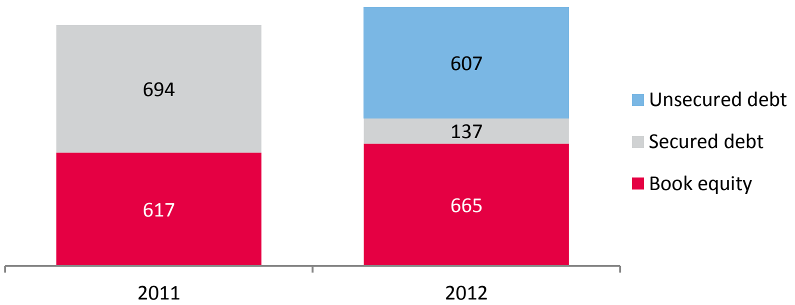
Source: Company's IFRS financial statements

Capital structure

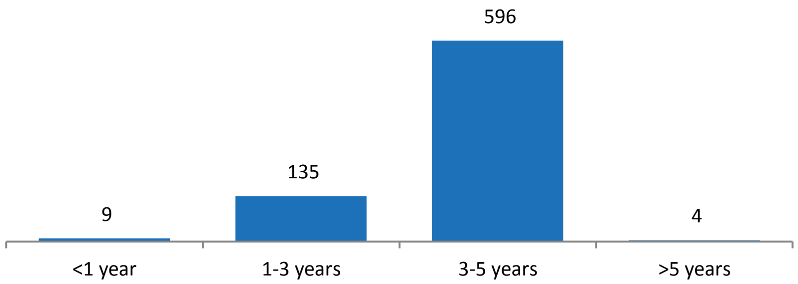
Highlights of post-Eurobond capital structure

- Existing debt is non-amortising, long-dated and unsecured, except for finance lease financing
- 82% of debt is USD-denominated with the remainder in RUR
- Free cash flows are available for reinvestment into the business
- Bulk of debt maturities has been moved out to 3-5 years
- Greatly reduced risks through the absence of maintenance covenants and reduced reliance on bank financing

Capital structure evolution (USD mln)



Debt maturity profile as of 31 December 2012 (USD mln)



Source: Company's IFRS financial statements

Stable credit ratings

- In October 2012 rating agencies reaffirmed Brunswick Rail corporate rating and assigned an equivalent instrument rating for the Eurobond

Brunswick Rail credit ratings

Agency	Rating	Outlook
S&P	BB-	Stable
Moody's	Ba3	Stable

Key operational highlights

Improved portfolio indicators

- Total Fleet increased by 2 430 railcars or 11%
- Client Retention Rate was 88% in 2012
- Average Remaining Lease Tenor was 2.9 years as of end year 2012
- Full fleet utilization maintained throughout 2012
- Average Fleet Age of 5.0 years as of end year 2012
- Overall number of clients held steady as 3 finance lease contracts expired
- 4 new clients were added in 2012 with 1 625 leased railcars (incl. Transoil)

Operational KPIs

	2011	2012
Total Fleet	21 759	24 189
Operating Lease Fleet	19 208	19 759
Finance Lease Fleet	1 070	208
Transportation Fleet	1 481	2 252
Total Existing Fleet	21 759	22 219
Committed undelivered railcars	0	1 970
Operating Lease Fleet metrics		
Number of lease clients	28	28
Average Remaining Lease Tenor (years)	3.4	2.9
Retention Rate	84.1%	88.3%
Utilization Rate	100%	100%
Share of contracts in USD	81%	79%
Full-service Lease share	49.6%	52.2%
Triple-net Lease share	50.4%	47.8%
Total Existing Fleet metrics		
Average Fleet Age (years)	4.4	5.0

Top - 5 clients	Cars leased	BR client since
SUEK	3 351	Nov-07
Zarechnaya	2 124	Nov-11
SOVFRACHT	2 000	Mar-11
URALCHEM	1 849	Apr-08
ЗапСиб-Транссервис	1 786	Mar-10

Cars split by type (Total Fleet)

Railcar type	2011	2012
Gondola	71.8%	63.4%
Box Car	1.3%	2.0%
Flat Car	3.1%	2.6%
Hopper	15.6%	14.0%
Tank Cars	8.3%	17.9%
Total	**100.0%**	**100.0%**

Clients split by industry (Total Fleet less Transportation Fleet)

Industry	2011	2012
Chemicals & mineral fertilizer	11.7%	10.8%
Coal & coke	34.5%	25.7%
Construction material	0.0%	0.5%
Ferrous metals	11.5%	5.6%
Oil, gas & petrochemicals	3.0%	10.4%
Timber, pulp & paper	2.3%	2.6%
Transportation	36.9%	44.4%
Total	**100%**	**100%**

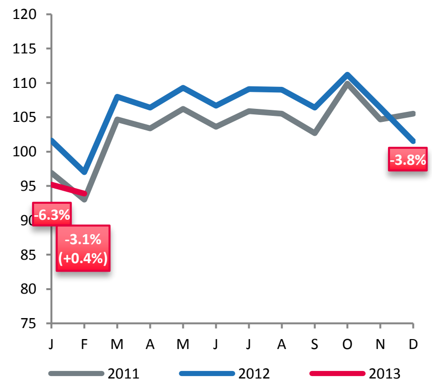
Source: Company information

Market trends through early 2013

Rail transportation volumes softened in Q4 2012

- End year volume weakness has continued into Jan-13
- Volumes have recently stabilized - Feb-13 showed a 3.1% decline y-o-y implying +0.4% after leap-year adjustment
- Current railcar demand uptick attributed to better commodity demand from China and EU

Rail transportation in Russia, mln t

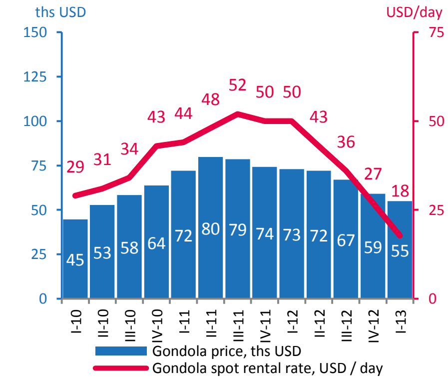


Source: Rosstat, RZD

Gondola new car prices and rental rates have trended lower…

- Gondola spot market daily rate has decreased from 50 USD/day in Q1 2012 to 18 USD/day in Q1 2013
- Gondola railcar prices have dropped to USD 55 ths – just above the average cost of production
- Both rental rates and new gondola prices have apparently stabilized during Feb-Mar 2013

Gondola spot market daily rate and average new gondola price

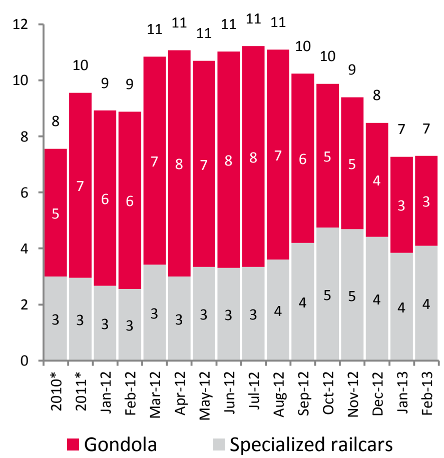


Source: Industrial Cargoes, INFOLine

Gondola production adjusts as orders slow

- Overall railcar production trending lower since Jul-12 driven by weaker gondola orders
- Large customers are continuing to scale back 2013 gondola purchase orders
- Railcar producers are in process of shifting output to specialized types

Railcar production in CIS, ths units



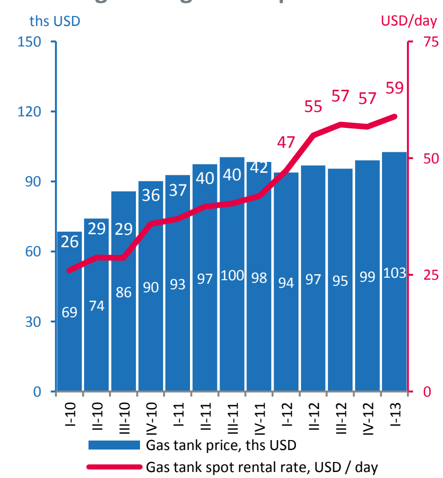
* Average monthly production

Source: Industrial Cargoes

…however demand for specialized railcars is healthy

- The market for specialized railcars has continued to benefit from stable railcar prices and improving rental rates

Gas tank spot market daily rate and average new gas tank price



Source: Industrial Cargoes

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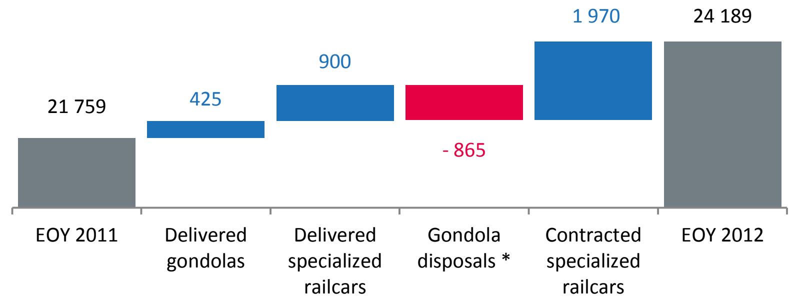
2012-2013 YTD portfolio evolution

Railcar acquisitions focus on high-demand specialized railcar segment

- Out of 3 295 railcars purchased only 425 were gondolas and 2 870 - specialized railcar types
- Oil and gas tanks are likely to remain focus of 2013 purchases with attractive opportunities for long-term lease

Brunswick Rail fleet dynamic in 2012



* 833 railcars – finlease maturity, 29 railcars – finlease early termination, 3 railcars – accidents

Source: Company information

Latest fleet update

- Over Q1 2012 - Q1 2013 a substantial portion of operating lease gondola contracts were renewed, with 90% retention levels
- Some downward pressure on renewal rates, partially offset by maintained pricing on specialized cars
- Expected further additions of contracted specialized railcars should positively affect average portfolio rates
- Management remains focused on maintaining full utilization of the fleet

Source: Company information

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Corporate governance developments

Current Board composition

- Active 9 member Board with an independent Chairman
- Targeting 3 independent directors
- 5 Board committees:
  - Strategy
  - Audit
  - Compensation
  - Credit
  - Governance and Positions

Board member	Bio highlights
Paul J.Ostling, Chairman	Ex E&Y global COO, Uralkali Board member
Martin Andersson	Founder
Charles Brown *	Chairman of Asiarails Limited
Andrey Burlinov	VTB-Capital
Gerard De Geer	Founder
Vladimir Lelekov	CEO – Brunswick Rail
Anders Lidefelt	Ex ABB Financial Services
Kazuo Omori	EVP Sumitomo Corporation
Damian Secen	Co-Chairman of MRIF

Management and Board recent developments:

- *CEO transition*
- *new INED*

- **Vladimir Lelekov** will step down as CEO but stay on the Board and chair the strategy committee, serving as CEO until a successor is appointed
- **Ruben Aganbegyan** - the former MICEX CEO and current head on Otkritie Financial Corporation - has agreed to become an independent non-executive director (INED)

Ruben Aganbegyan *	CEO Otkritie, ex MICEX CEO

* Charles Brown's term on the Board is completed as of 04/18/13 (date of next Board). He will be replaced by Mr. Aganbegyan, whose 3 year term commences as of that date

Q&A

Appendix

Definitions for operational metrics

Adjusted EBITDA is defined as net profit/(loss) of the Company before taking into account finance costs, finance income, income tax expense/(credit), net foreign exchange translation gains and losses, depreciation and amortization, impairment gains and losses on revaluation of railcars, share-based compensation, gain on acquisition of subsidiary and hedging with non-derivatives effect.

Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by gross revenue.

Adjusted Net Profit is defined net profit/(loss) of the Company before taking into account items Management believes are non-recurring and non-operating items such as gain on acquisition of subsidiary, finance costs incurred on loan prepayment and refinancing, share based compensation, reversal of impairment/ (impairment loss) on revaluation of railcars, fair value gains/ (losses) on embedded derivatives, net foreign exchange translation gains/ (losses), hedging with non-derivatives and related tax effect.

Average Fleet Age is the average age of the Existing Fleet from the production date of the railcars.

Average Remaining Lease Tenor is the average time to the expiry of the operating lease contract in the Operating Lease Fleet.

Debt is defined as total borrowings, including the current portion.

Direct Expenses include property tax, subcontracted transportation services, depot repairs, railcar insurance and other railcar expenses.

Finance Lease Fleet is the part of Existing Fleet which was leased under finance lease contracts.

Full-service Lease is the operating lease contract where the Company is responsible for depot repairs, wheel set replacements, and capital repairs. Current repairs are still performed by the lessee.

Gross Revenue is the revenue of the Company before any adjustment for hedging with non-derivatives effect, after which the Company derives net revenue. The Company has adopted the hedge accounting with non-derivatives financial liabilities since 2Q 2012.

Net Debt is defined as total borrowings less Cash and cash equivalents.

Operating Lease Fleet is the part of Existing Fleet of the Company which is used for leasing under operating lease contracts.

Other Overheads comprise staff cost, office repairs, office rent expenses and other expenses.

Retention Rate is the share of operating lease contracts which at the expiry of the operating lease contract was extended with the same client.

Total Existing Fleet is the total fleet delivered to Brunswick Rail at specific date. Brunswick Rail leases the fleet under operating and finance lease and uses the fleet in the transportation arm.

Total Fleet is the Total Existing Fleet of Brunswick Rail plus any railcars which have been contracted, but not yet delivered to the Company.

Transportation Fleet is the part of Existing Fleet of the Company deployed in the Company's transportation business in subsidiary Proftrans.

Triple-net Lease is the operating lease contract where the lessee is responsible for current and depot repairs. Capital repairs and wheel set replacement can still be obligation of the lessor.

Utilization Rate is the share of Operating Lease Fleet which is leased under operating lease contracts.

Definitions for operational metrics (continued)

Adjusted EBITDA

- Adjusted EBITDA is a measure used by the Board to assess the performance of operating segments of the Group, since Adjusted EBITDA is a key performance indicator in terms of how the business is perceived by investors and how much cash it is generating. Adjusted EBITDA is defined as the profit/(loss) before tax of the Group before taking into account finance costs, finance income, net foreign exchange translation gains and losses, depreciation and amortization, impairment gains and losses on revaluation of railcars, share-based compensation, gain on acquisition of subsidiary, fair value losses on embedded derivatives and hedging with non-derivatives effect.
- Adjusted EBITDA increased by USD 101 268 ths or 72.5% from USD 139 634 ths in 2011 to USD 240,902 ths in 2012. The increase is mainly due to the increase in Gross Revenue due to the growth of railcar fleet and increase in daily rates in 2012 in comparison with 2011.

(in USD ths)	2011	2012
Profit/ (loss) before income tax	(19 623)	37 599
Depreciation and amortization	66 566	105 940
Finance income	(338)	(1 365)
Finance costs	41 086	85 255
Net foreign exchange translation gains/(losses)	61 481	(26 342)
Share-based compensation	3 052	12 484
Gain on acquisition of subsidiary	(10 421)	-
Fair value losses on embedded derivatives	-	12 087
Reversal of impairment /(impairment loss) on revaluation of railcars	(2 169)	12 918
Hedging with non-derivatives effect	-	2 326
Adjusted EBITDA	139 634	240 902

Adjusted Net Profit

- Adjusted Net Profit is a measure used by the Board to assess the inherent profitability of the Group. It is defined as the profit/(loss) after tax before taking into account items management believes are non-recurring and non-operating items.
- Adjusted Net Profit increased by USD 30 929 ths or 134.6% from USD 22 982 ths in 2011 to USD 53 911 ths in 2012 what demonstrates solid financial performance of the Group.

(in USD ths)	2011	2012
Net profit/ (loss) for the year	(18 797)	20 065
Gain on acquisition of subsidiary	(10 421)	-
Finance costs incurred on loan prepayments and refinancing	-	22 228
Share-based compensation	3 052	12 484
Reversal of impairment /(impairment loss) on revaluation of railcars	(2 169)	12 918
Fair value losses on embedded derivatives	-	12 087
Net foreign exchange translation gains/(losses)	61 481	(26 342)
Hedging with non-derivatives effect	-	2 326
Related tax effect	(10 164)	(1 855)
Adjusted Net Profit	22 982	53 911

Source: Company's IFRS financial statements

Detailed financial statements

Consolidated income statement

(in USD ths)	2011	2012
Operating lease income	159.083	264.954
Finance lease income	5.360	1.985
Transportation income - operator's services	19.467	39.293
Gross revenue	**183.910**	**306.232**
Effect of hedging with non-derivatives	-	(2.326)
Net revenue	**183.910**	**303.906**
Railcar depreciation	(66.393)	(105.674)
Property tax	(13.592)	(16.419)
Depot repairs	(2.847)	(9.414)
Transportation services subcontracted	(9.899)	(10.484)
Other transportation services expenses	(617)	(2.449)
Railcar insurance	(214)	(208)
Other railcar expenses	(698)	(588)
Professional fees	(3.583)	(3.496)
Staff costs	(9.477)	(12.933)
Share-based compensation	(3.052)	(12.484)
Other operating expenses	(5.540)	(6.041)
Provision for bad debts	-	(3.894)
Other income	2.018	330
(Impairment loss)/ reversal of impairment on revaluation of railcars	2.169	(12.918)
Losses on embedded derivatives on mezzanine loan	-	(12.087)
Gain on acquisition of subsidiary	10.421	-
Finance income	338	1.365
Finance costs	(41.086)	(85.255)
Net foreign exchange translation gains /(losses)	(61.481)	26.342
Profit/(loss) before income tax	**(19.623)**	**37.599**
Income tax (expense)/credit	826	(17.534)
Net profit/(loss) for the year	**(18.797)**	**20.065**
Attributable to:		
Owners of the Company	(18.621)	19.597
Non-controlling interest	(176)	468
	(18.797)	**20.065**

Source: Company's IFRS financial statements

Consolidated balance sheet

(in USD ths)	2011	2012
Assets		
Non-current assets		
Equipment	1.382.596	1.428.250
Finance leases receivables	12.445	10.464
Deferred income tax asset	993	2.767
Prepayment for acquisition of railcars	19.608	68.391
	1.415.642	**1.509.872**
Current assets		
VAT recoverable	20.772	12.690
Advances to customs	194	3.405
Advances paid for rail tariffs	1.332	2.979
Trade and other receivables	3.596	14.051
Finance leases receivables	8.082	1.047
Current income tax prepayment	-	523
Cash and cash equivalents	66.797	71.975
	100.773	**106.670**
Total assets	**1.516.415**	**1.616.542**
Equity and liabilities		
Capital and reserves		
Share capital	211.321	211.088
Share premium	150.330	142.290
Treasury shares	-	(6.467)
Other reserves	265.848	309.954
Retained earnings / (accumulated losses)	(11.390)	8.269
	616.109	**665.134**
Non-controlling interest	1.027	-
Total equity	**617.136**	**665.134**
Non-current liabilities		
Borrowings	455.126	734.658
Mezzanine loan	64.432	64.624
Derivative financial instruments	-	-
Deferred income tax liabilities	85.636	105.249
	605.194	**904.531**
Current liabilities		
Trade and other payables	12.887	13.489
Current income tax liabilities	152	638
VAT payable	5.438	7.133
Taxes payable other than income tax	4.686	4.284
Borrowings	239.466	8.928
Derivative financial instruments	4.386	12.405
Consideration payable on business combination	27.070	-
	294.085	**46.877**
Total liabilities	**899.279**	**951.408**
Total equity and liabilities	**1.516.415**	**1.616.542**

Detailed financial statements (continued)

Consolidated statement of cash flows

(in USD ths)	2011	2012
Cash flows from operating activities		
Profit/(loss) before tax	(19.623)	37.599
Adjustments for:		
Depreciation of equipment	66.530	105.940
Amortisation charge of intangible assets	37	-
Gain on disposal of assets	(1.604)	(115)
Gain from sale of doubtful debt	(373)	-
Provision for bad debts	-	3.894
Interest income	(338)	(1.365)
Interest expense and other borrowing costs accrued	31.778	72.744
Loan prepayment fees	-	2.613
Fair value loss on interest rate swap and other financial instruments	8.516	9.053
Impairment/(reversal of impairment)/ loss on revaluation of railcars	(2.169)	12.918
Gain on acquisition of subsidiary	(10.421)	-
Hedging with non-derivatives effect	-	2.326
Fair value losses on embedded derivatives	-	12.087
Non-operating net foreign exchange translation (gains) / losses	61.481	(26.342)
Share-based compensation	3.052	12.484
	136.866	**243.836**
Changes in working capital:		
Trade and other receivables	3.747	(13.059)
Finance leases receivable	14.057	9.402
Trade and other payables	(2.893)	247
Taxes payable other than income tax	2.391	(683)
VAT received	13.248	5.541
Cash generated from operations	**167.416**	**245.284**
Income tax paid	(1.347)	(3.589)
Net cash from operating activities	**166.069**	**241.695**

Source: Company's IFRS financial statements

(in USD ths)	2011	2012
Cash flows from investing activities		
Acquisition of subsidiaries (net of cash acquired)	(52.946)	-
Deferred consideration paid on past business combination	-	(26.985)
Purchase of equipment including prepayments for equipment	(457.341)	(160.359)
Purchase of intangible assets	-	-
Proceeds from disposal of assets	16.612	1.144
Interest received	338	1.365
VAT received from VAT authorities	22.167	23.169
Advances to customs/VAT paid on railcars	(46.866)	(13.848)
Net cash used in investing activities	**(518.036)**	**(175.514)**
Cash flows from financing activities		
Share buy back	-	(14.740)
Issue of shares	-	-
Equity raising transaction costs	(4.395)	-
Proceeds from bank borrowings/mezzanine loan	465.685	250.000
Repayments of bank borrowings	(115.554)	(824.306)
Proceeds from shareholder loan	-	14.740
Proceeds from Eurobond	-	600.000
Transaction costs paid on Eurobond	-	(6.000)
Transaction costs paid on borrowings	(7.830)	(17.369)
Transfers to restricted cash balances	(8.000)	15.950
Interest and commitment fees paid on borrowings	(18.306)	(31.925)
Amounts paid on derivative financial instruments	(8.518)	(9.113)
Finance leases liabilities – principal repayments	(4.163)	(21.315)
Dividends paid	-	(496)
Net cash (used in)/from financing activities	**298.919**	**(44.574)**
Net increase/(decrease) in cash and cash equivalents	(53.048)	21.607
Cash and cash equivalents at beginning of year	104.500	50.847
Exchange losses on cash and cash equivalents	(605)	(479)
Cash and cash equivalents at end of year [(1)]	**50.847**	**71.975**

(1) At 31 December 2011 an amount of USD 15.95 mln (2010: USD 7.95 mln) related to restricted cash balances were not available for general use by the Group and has therefore been excluded from cash and cash equivalents above. There are no restricted cash balances at the year-end.

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