



Brunswick Rail Limited Management Presentation

15 April 2016

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Table of Contents

1. <i>Company Overview</i>	6
2. <i>Market Context & Industry in Turmoil</i>	18
3. <i>Business Model Under Threat</i>	29
4. <i>Market Projections</i>	33
5. <i>Market Projections</i>	37

Glossary of Sources – 3rd Party

Bloomberg

- Macroeconomic Shocks – Russian Economy
- Macroeconomic Shocks – Exchange Rate
- Historical Broker and Institution Overestimation – Russian GDP

Central Bank of Russia (CBR)

- Macroeconomic Shocks – Russian Economy
- Industry Shocks – Regulatory Changes

Focus Economics Website

- Macroeconomic Shocks – Exchange Rate

IMF October 2015 Outlook Database

- Macroeconomic Shocks – Russian Economy
- Industry Shocks – Railcar Transportation Volumes
- Historical Broker and Institution Overestimation – Russian GDP

IMF January 2016 Outlook Update

- Macroeconomic Shocks – Russian Economy
- Industry Shocks – Railcar Transportation Volumes
- Historical Broker and Institution Overestimation – Russian GDP

Industrial Cargoes

- Market Overview
- Industry Shocks – Railcar Oversupply
- Industry Shocks – Railcar Production
- Industry Shocks – Regulatory Changes
- End Result: Industry Wide Decline in Railcar Lease Rates
- Historical & Projected Lease Rates (Market Projections)
- Historical & Projected Lease Rates (Business Case and Conservative Case)

Infoline

- Market Overview
- Industry Shocks – Russian Railcar Production
- Industry Shocks – Regulatory Changes
- Industry Shocks – Next Generation Railcars
- Industry Shocks – Gondola Surplus Forecast
- Historical & Projected Lease Rates (Market Projections)
- Historical & Projected Lease Rates (Business Case and Conservative Case)

New Forwarding Company

- Industry Shocks – Railcar Transportation Volumes

Rail Soviet

- Industry Shocks – Railcar Oversupply

Rosstat

- Market Overview
- Industry Shocks – Railcar Transportation Volumes

RZD Rail Volume Press Releases

- Market Overview

UVZ Company Website

- Industry Shocks – Railcar Production

World Bank

- Macroeconomic Shocks – Russian Economy

Glossary of Sources – Company

2012 Annual Report

- Company Highlights

2013 Annual Report

- Company Highlights
- Historical Financial Summary
- Historical Performance Summary

2014 Annual Report

- Company Highlights
- Historical Financial Summary
- Historical Performance Summary

2015 Annual Report

- Company Highlights
- Historical Financial Summary
- Historical Performance Summary

Apr 2012 Management Presentation

- Historical Growth of Brunswick Rail

January 2014 Investor Presentation

“Bringing Railcar Operating Leasing to Russia”

- Company Highlights

Quarterly Financials

- Historical Financial Summary

“Russia’s New Generation Railcars” Research

- Industry Shocks – Next Generation Railcars

Section 1

Company Overview

Brunswick Rail is a private railcar operating lessor in Russia and the CIS, with a client base heavily concentrated in coal and oil

Company Highlights

Overview

- Established in 2004, Brunswick Rail Ltd (referred to sometimes herein, with its various related entities, as Brunswick) is a private railcar operating lessor providing freight railcars to corporate clients in Russia and the CIS
- Following the acquisition of ZAO ProfTrans Group (“Proftrans”) in 2011, the Company also provides fleet management and freight forwarding services within Russia
- From its peak in 2012, the Company’s financial performance has declined from EBITDA of \$257m to \$80m in 2015

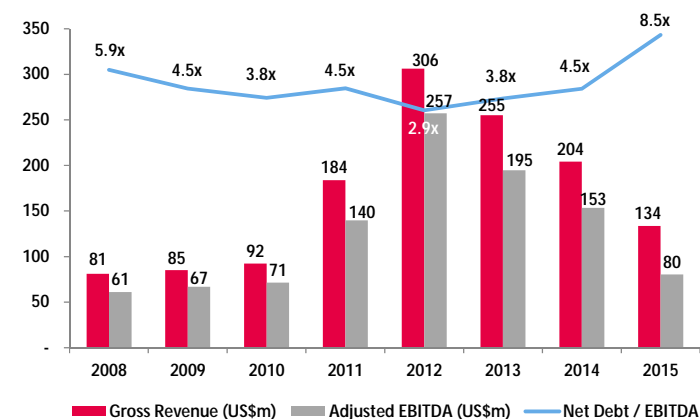
Leasing Operations

- Leasing comprised 85% of 2015 revenue. Brunswick provides railcars under long term contracts in a mix of Full Service Operating Lease (62% Revenue), Triple Net Operating Lease (21% Revenue) and Finance Lease (1% Revenue)⁽¹⁾
- Brunswick Rail’s leasing customer operations span transportation (61%), coal and coke (16%), chemicals and fertilisers (11%), oil and gas (6%) and other industries (6%)

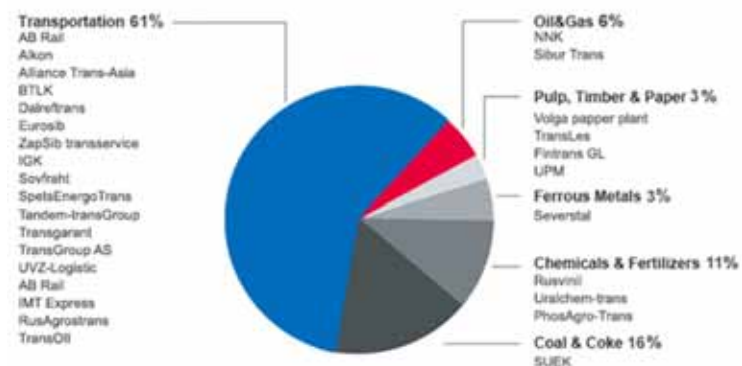
Transportation Services

- The transportation division (Proftrans) comprises \$20.5m or 15% of 2015 revenue. It provides transportation services to third party customers under short term agreements

Financial Snapshot



Leasing Fleet structure by Industry (Jun-15)



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7 Sources: January 2014 Presentation “Bringing Railcar Operating Leasing to Russia”, BRL 2012-15 Annual Reports, Company data

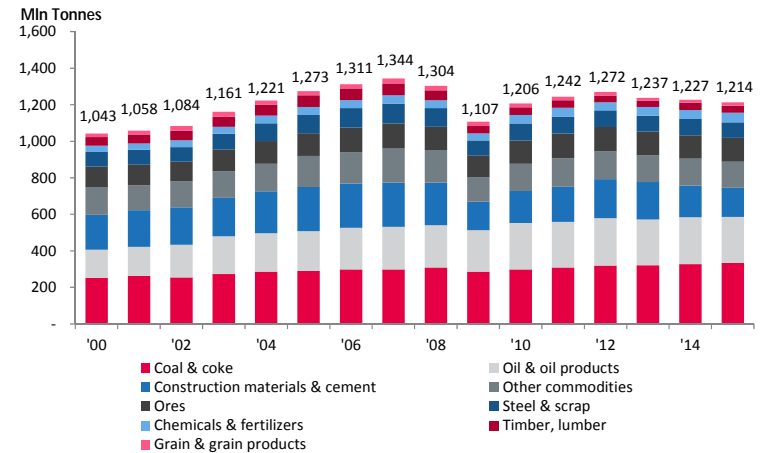
(1) Components do not sum to 85% due to rounding

Market Overview

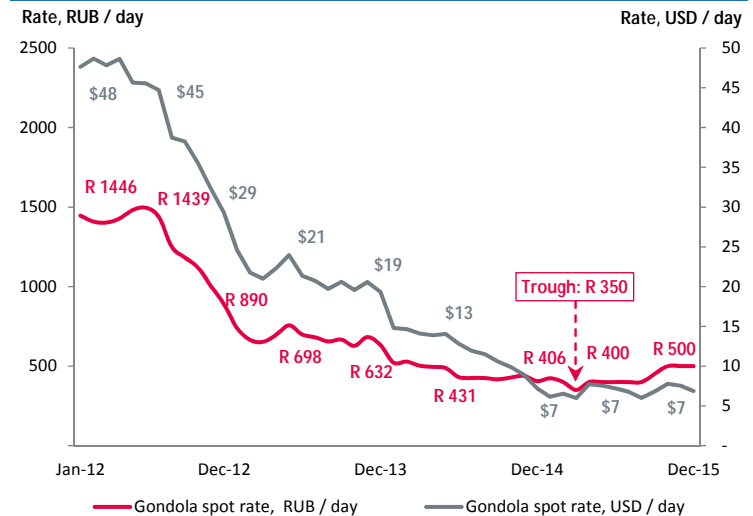
Overview

- In 2001 the Russian government began a process of liberalising the railway sector. Since that time government reforms have transformed the formerly vertically integrated government railway organisation into a regulated state owned enterprise (“RZD”), and hundreds of private supply companies and rail operators
- RZD retains a monopoly in the provision of rail infrastructure, and is the major player in the provision of locomotive services. However, the regulatory framework provides third-party operators access to infrastructure on a non-discriminatory basis alongside RZD and its subsidiaries
- Operating lease penetration remains low by international standards at c.10%. However, in recent times the large railcar producers have been actively growing their captive leasing fleet
- Brunswick is currently the largest operating lessor, however, its fleet only represents 2% of the total railcar market, which is dominated by two major players – Freight One (“PGK”) and Federal Freight (“FGK”) – which were established out of the wagon operations of RZD
- Daily lease rates in the market have decreased from a peak of c.RUB 1,446 in January 2012 to RUB 500 today, having reached a low of c.RUB 350 in March 2015

Market Size

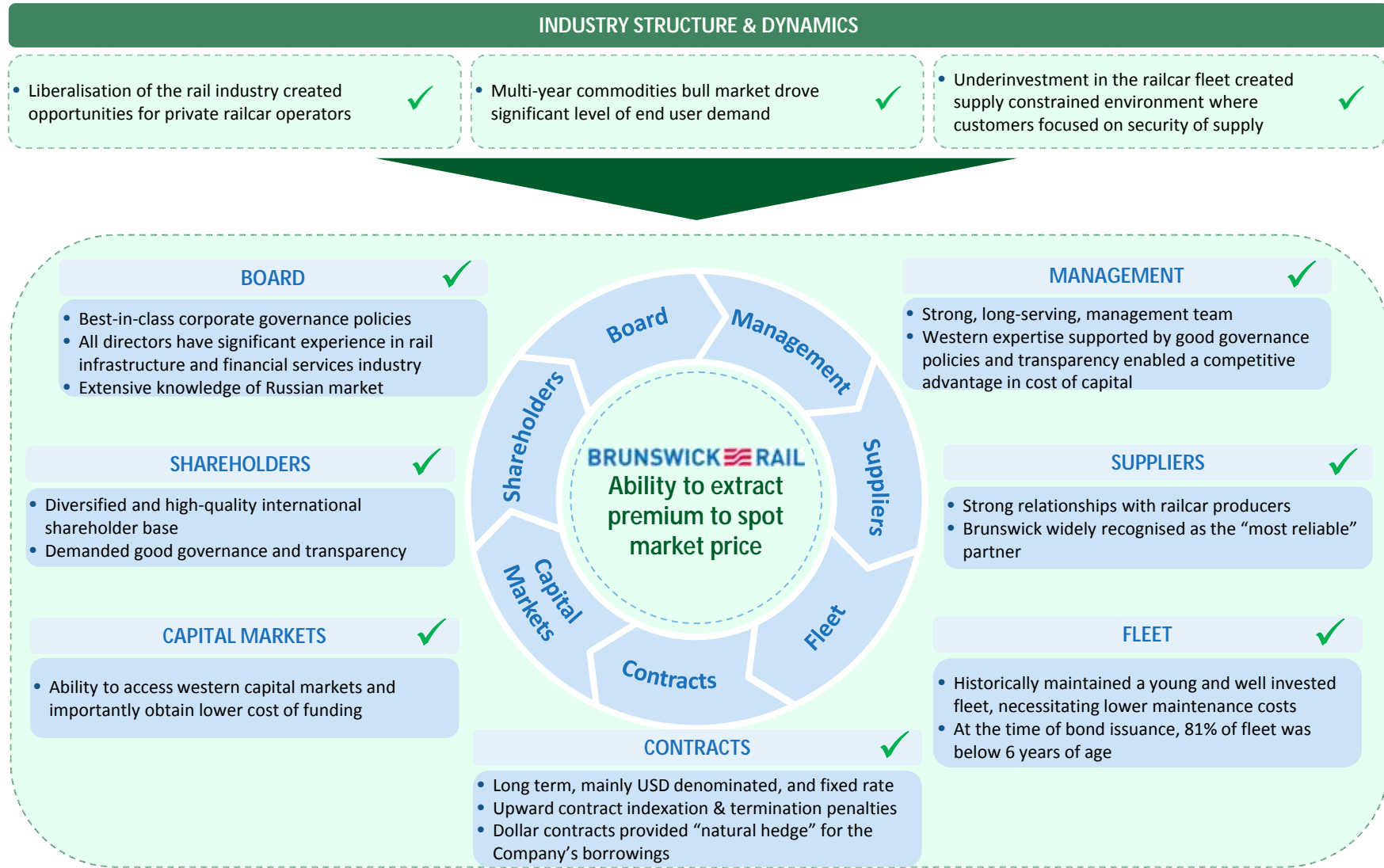


Old Generation Daily Gondola Spot Lease Rates⁽¹⁾



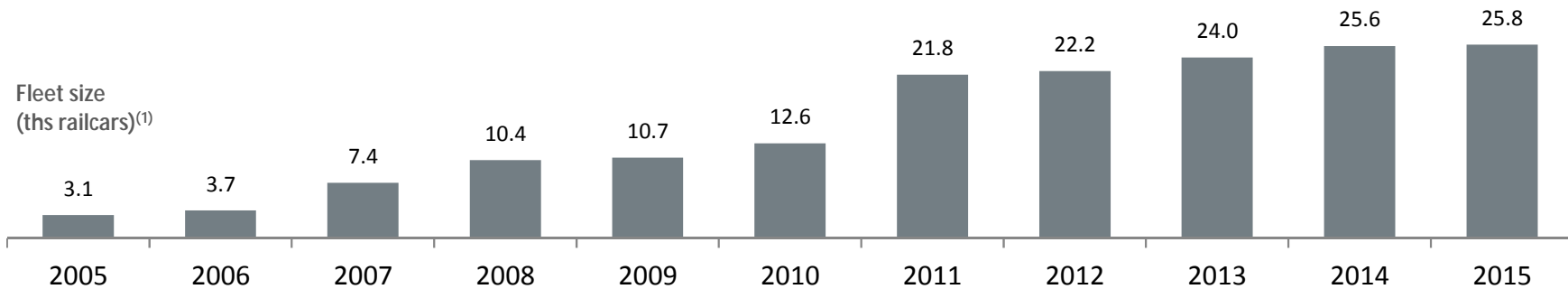
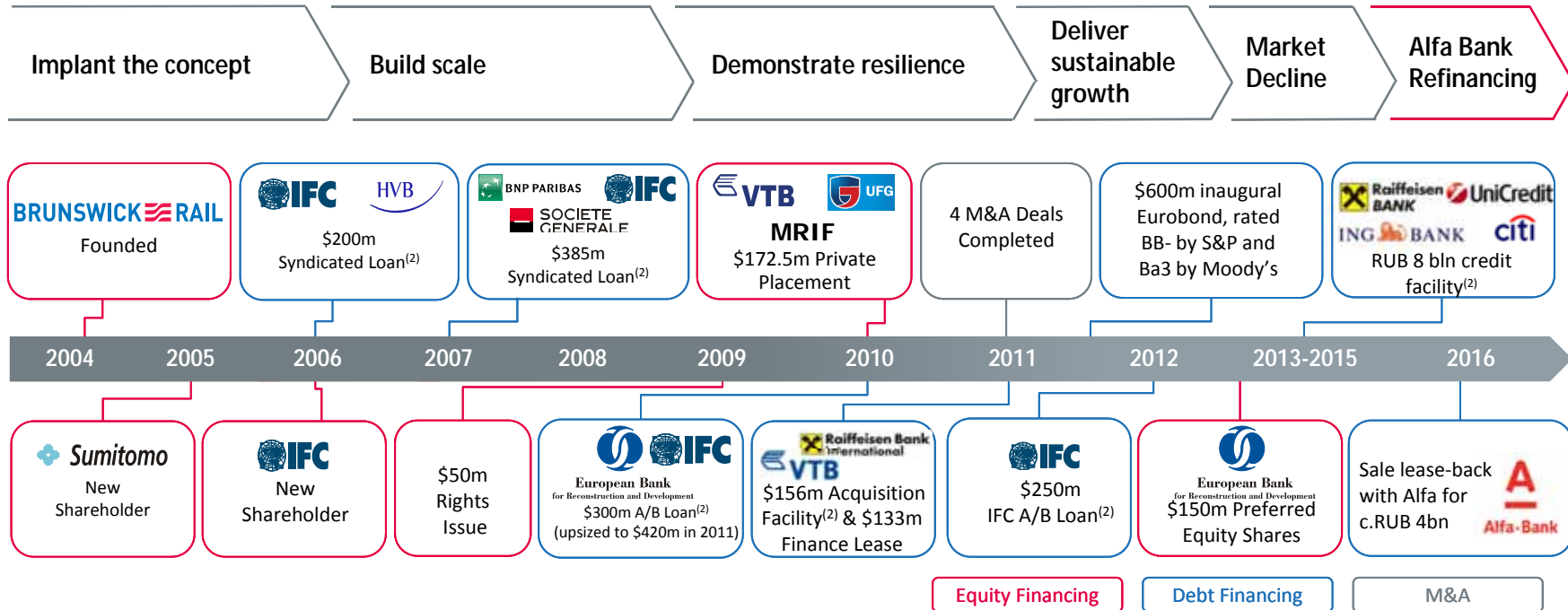
Brunswick Rail's business model had historically allowed Brunswick Rail to deliver attractive returns

Brunswick Business Model - Historical



...enabling rapid growth in the late 2000s and early 2010s

Historical Growth of Brunswick Rail



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10 Source: Company data, Apr 2012 Management Presentation

(1) End of period data

(2) Repaid in full

Business Founders

Martin Andersson



Founding Shareholder / Chairman

- Martin Andersson was re-appointed Chairman of Board of Directors of Brunswick Rail in September 2015, and has been a member of the Board of Directors since 2005. He was a co-founder of the Company in 2004
- Martin is currently also a board member of the Board of Directors of Cabo Delgado Investments and the Interface Financial Group. He manages an active investment portfolio with interests predominantly in real estate, financial services and information technology
- Previously Mr. Andersson was a shareholder and Board member at SUEK, Brunswick's key client, as well as MDM Bank
- Martin co-founded Brunswick Group in August 1993, and was appointed CEO of Brunswick Brokerage in November 1993. He became Chairman of Brunswick UBS Warburg in 1999, and has also previously chaired the Board of Directors of Brunswick Rail Leasing (2005-2007) and Brunswick Capital Limited (2002-2007)
- From 1992 to 1993 he was an advisor to the Russian Government's Privatisation Committee, and before that worked as a consultant at Booz Allen Hamilton specialising in Mergers & Acquisitions
- Martin Andersson graduated from the Stockholm School of Economics in 1989 and HEC Paris in 1990

Gerard de Geer



Founding Shareholder / Director

- Joined the Board of Directors of Brunswick Rail (2006) and was a co-founder of the company (2004)
- Co-founded and chaired the Brunswick Group with investments predominantly in emerging markets (1993-2007)
- Founding Partner and Executive Chairman of White Peak Real Estate
- Chairman of China Projects Holding Ltd
- Former Chief Executive Officer of the Enskilda Group
- Former Chairman of Banque Scandinave En Suisse
- Former Director of Hambros Bank London (1975 – 1982)
- Graduated from the Stockholm School of Economics with a B.Sc. in Economics

Senior management has significant experience both at Brunswick and in the Russian market

Senior Management

Paul Ostling
Group CEO



- Paul Ostling was named CEO of Brunswick Rail in October 2015. Prior to that he was Chairman of the Group's Board of Directors since 2012
- Before Brunswick Rail, from 2010-2011, Mr Ostling was a board member at Kungur Oilfield Equipment and Services, where he also served as CEO and General Director from 2007 to 2009
- From 1977 to 2007 he held various senior management positions at Ernst & Young, including Global Chief Operating Officer (2003-2007), Global Executive Partner (1994-2003), and Vice Chair and National Director for Human Resources (1985-1994). From 1997 to 2007 he was a member of Ernst & Young's Global Executive Council
- Paul Ostling has also held Board positions at a number of leading Russian corporates, including MTS, PromSvyazBank and UralChem
- Mr Ostling remains a member of the Board of Directors of Uralkali, which he joined in 2011. He is also a member of the Business Council for International Understanding, and Executive Vice President for Finance and a member of the Board of Directors at The Boy Scouts of America Transatlantic Council. In addition to being a member of the New York State Bar Association, Paul Ostling is a certified financial advisor under SEC and LSE Regulations
- Mr Ostling holds a Law Degree from Fordham University School of Law and a B.S. in Mathematics and Philosophy from Fordham University

Nicolas Pascault
First Deputy CEO



- Nicolas Pascault joined the Group in 2004 as Managing Partner and CFO
- In January 2015 Mr. Pascault assumed the position of Deputy CEO, reporting directly to the Chairman, and was asked by the Board to support a bond restructuring
- After the departure of the previous management team in October 2015, Mr. Pascault became First Deputy CEO
- Prior to joining the Group Mr. Pascault served for six years as CFO of Danone Group in Russia
- Prior to this, he worked for eight years at Ernst & Young in Moscow, St. Petersburg and Paris in the Audit and Corporate Finance Department
- Mr. Pascault graduated from the Institut d'Etudes Politiques of Paris and has a Master of Finance from the University of Paris II

Vladimir Khoroshilov
Business Development
Adviser



- Vladimir Khoroshilov joined Brunswick Rail in November 2010 and oversees new business development and the Group's commercial and technical activities and transportation services
- From 1997 to 2010 he worked at PhosAgro, where he held various positions including Director for Transport and Logistics. Vladimir started his career as a programmer at Moscow Institute of Electromechanics and Programming
- Vladimir Khoroshilov graduated from Moscow State University with a degree in Mathematics
- Vladimir left BR in November 2014, and was hired back into BR in September 2015, after the departure of the previous management team

Senior Management (cont.)

Alexey Mashchenkov
CFO



- Alexey Mashchenkov joined Brunswick Rail in January 2016
- Before joining the company he served as Group Chief Financial Officer of Russian Standard Corporation, a holding company with interests in banking, insurance and alcohol production and distribution. From 2008 to 2012 he was Country Manager at Alpcot Capital Management, an emerging markets focused asset manager, and served as CFO of Alpcot's portfolio company Agrokultura (2008-2010). He has also worked as a consultant at Bain & Co and PricewaterhouseCoopers, as well as Regional Controller at Russian telecoms major Megafon
- Alexey Mashchenkov graduated from St Petersburg State University, he holds an MBA from INSEAD. He is a member of the Association of Chartered Certified Accountants and holds the CFA Institute's Investment Management Certificate. He speaks fluent English

Elena Naumova
Managing Director /
General Counsel



- Elena Naumova joined the Group in January 2006 and is in charge of providing general legal support for the Company. Prior to joining she was a lawyer with Raiffeisen Leasing in 2005-2006 and was Legal Department Head at Interrosleasing from 2002 to 2005. From 1996 to 2001 Elena worked as an attorney and was a member of St. Petersburg Bar Association
- Elena Naumova graduated from St. Petersburg law school in 1996. She is fluent in English
- Elena left BR in October 2014 and was hired back into BR in September 2015, after the departure of the previous management team

Victor Koshkin
Managing Director /
Capital Markets, IR and
Marketing



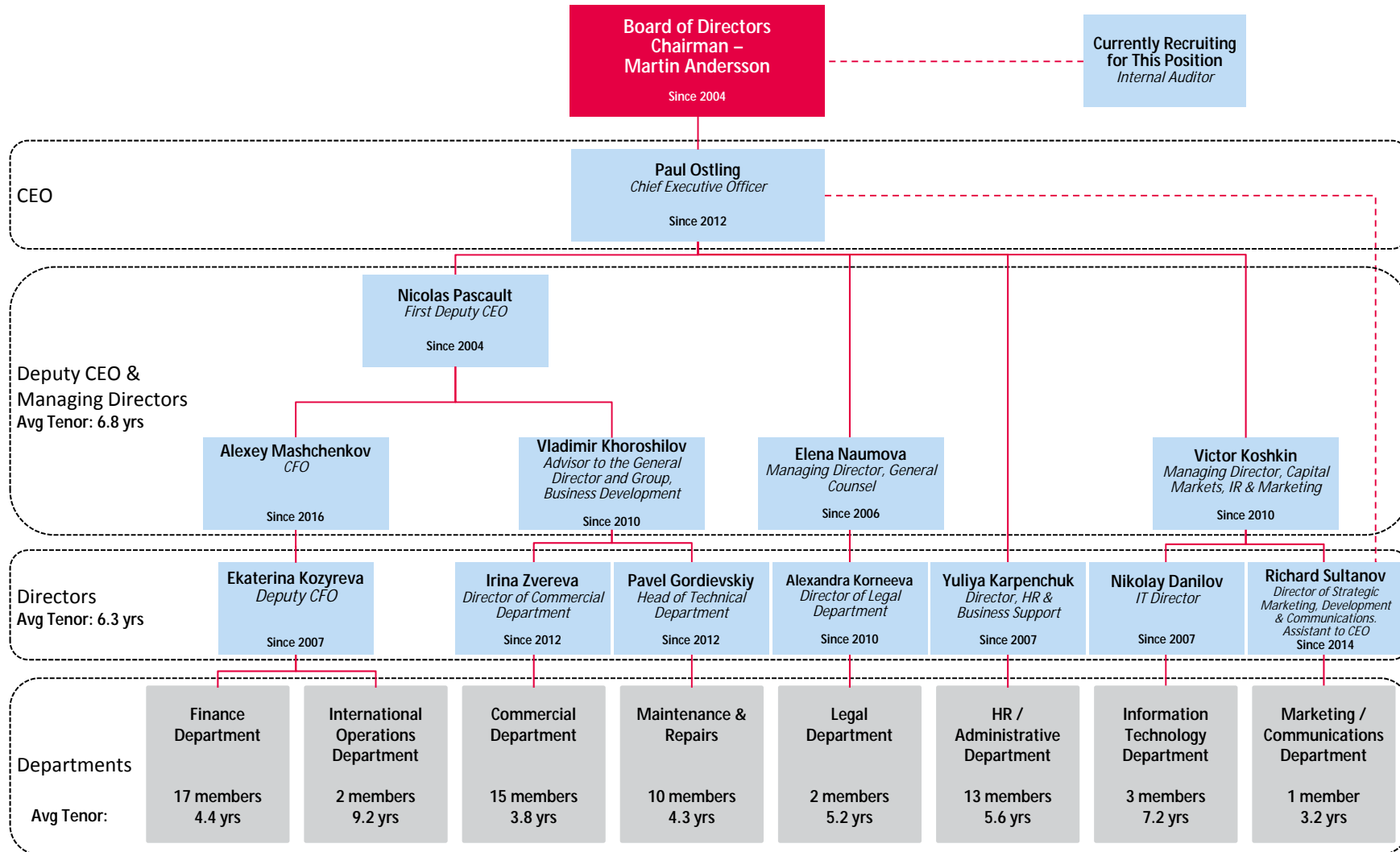
- Victor Koshkin joined the Group in 2010 and was in charge of M&A and equity transactions until January 2015 when he was asked to work with Nicolas Pascault to support a Bond restructuring
- In October 2015 Mr. Koshkin assumed the position of Managing Director – Capital Markets, IR and Marketing
- In 2003-2010 Mr. Koshkin worked in Moscow as CFO at Integrated Energy Technologies, Deputy Head of Business Development at SUAL, and adviser to shareholders of MDM Group
- In 1996-2001 Mr. Koshkin worked as an investment banker at JP Morgan and Lehman Brothers in New York
- Mr. Koshkin holds an MBA degree from Harvard Business School and a BA degree in Economics from Wabash College

Management Presentation 15 April 2016

Source: Company data

Despite recent changes, Brunswick Rail's management and staff have provided stability and continuity

Business Continuity



...which enabled the Company to deal effectively with legacy management challenges

Legacy Management Challenges

- The previous Brunswick Rail management team left the business with a number of legacy issues. While separate from the wider industry and business environment, these issues have placed a considerable burden on the Company and current management

Issue	Actions Taken
Business Management	<ul style="list-style-type: none">▪ During late spring and early summer 2015, it came to the attention of the Chairman and the Board that the payment discipline of certain clients had deteriorated▪ Concerns were raised at the Board level over the failure by incumbent management to reclaim railcars under defaulted contracts with the view that management had failed to act “tough enough and fast enough” to prevent further loss▪ It also became apparent that management had entered into contracts with poor credit quality clients and that a significant number of railcars had been placed into contracts where, from a logistics perspective, they would be difficult to recover in the event of an issue
Independent Review	<ul style="list-style-type: none">▪ On 15 September, the Board commissioned an independent investigation into managements actions▪ As a result of this investigation it became apparent that:<ul style="list-style-type: none">— Contracts were entered into that breached the Group’s credit policy— Contracts were entered into under which wagons would be used in the Crimea and Sevastopol region resulting in a breach of certain representations and warranties under the Company’s Secured Financing Agreement (“SFA”)▪ As a result of this investigation, the Board decided to terminate the employment contract of the CEO and suspend additional other staff members

Actions of previous management resulted in breaches under the Company's syndicated loan facility that had to be urgently resolved



Secured Facility Lender Negotiations

Issue	Commentary
Breach of Covenants	<ul style="list-style-type: none"> ▪ On the 18th September the Company received a waiver from lenders under its Secured Facility (the “Secured Lenders”) in relation to a breach of its Consolidated Leverage Maintenance Ratio in respect of the period ending 30 June 2015 ▪ Subsequent to this date and through the course of its internal review the board learned that a small number of the railcars provided as collateral under the SFA were used in Crimea and Sevastopol causing the Company to breach certain representations and warranties contained in the SFA ▪ The Company therefore sought a waiver in relation to this matter as announced to the market on 12th October. Without this waiver the auditors review report could not be issued necessitating a further waiver in relation to late delivery of the accounts
Negotiations with Secured Lenders	<ul style="list-style-type: none"> ▪ Failure to secure a further waiver, could have led to a mandatory prepayment notice being issued by the SFA lenders and a cross-default under the bond documentation. An acceleration or threat of acceleration of the bonds under the cross-default could have resulted in a Russian insolvency process ▪ During the ensuing period the Company continued to negotiate with the SFA lenders however a further waiver was not agreed
Alfa Refinancing	<ul style="list-style-type: none"> ▪ The Company continued to work with its lenders under the syndicated facility to address these issues however as the syndicated facility matured in July 2016, and having reference to the Company’s cashflow forecasts, the Company determined it was in the best interests of all of its stakeholders to pursue a refinancing option ▪ In December 2015, the Company and Alfa-Leasing LLC signed a term sheet for the provision of up to RUB 4 billion of financing pursuant to two new sale and leaseback facilities (for 3,398 and 2,700 railcars, respectively) ▪ On 18th of January the Company entered into the first agreement with Alfa-Leasing LLC for the provision of approximately RUB 2.3 billion of financing under a sale and leaseback facility in relation to 3,398 railcars which were previously subject to pledge under the syndicated facility. The Company used the proceeds of this facility, together with its own cash to effect a full repayment of the existing syndicated facility immediately upon the completion of the transaction ▪ On 26th January the Company announced that it had drawn down on the second Alfa tranche in an amount of RUB 1.6billion. All fees associated with the Alfa facility were paid at the drawdown of the first agreement and both tranches are able to repaid at anytime ▪ In doing so the Company created a stable platform from which it could negotiate a comprehensive restructuring of its capital structure without the threat of precipitous action from its secured lenders

In parallel, current management has worked hard to resolve legacy challenges it inherited

Current Management Responses to Challenges

- Subsequent to termination of previous CEO’s employment contract, new management was put in place and Paul Ostling, previously Chairman, became CEO
- Since that time, Management has taken a number of actions to deal with legacy issues and to create a framework of controls to ensure compliance with the Company’s policies and all applicable laws and regulations

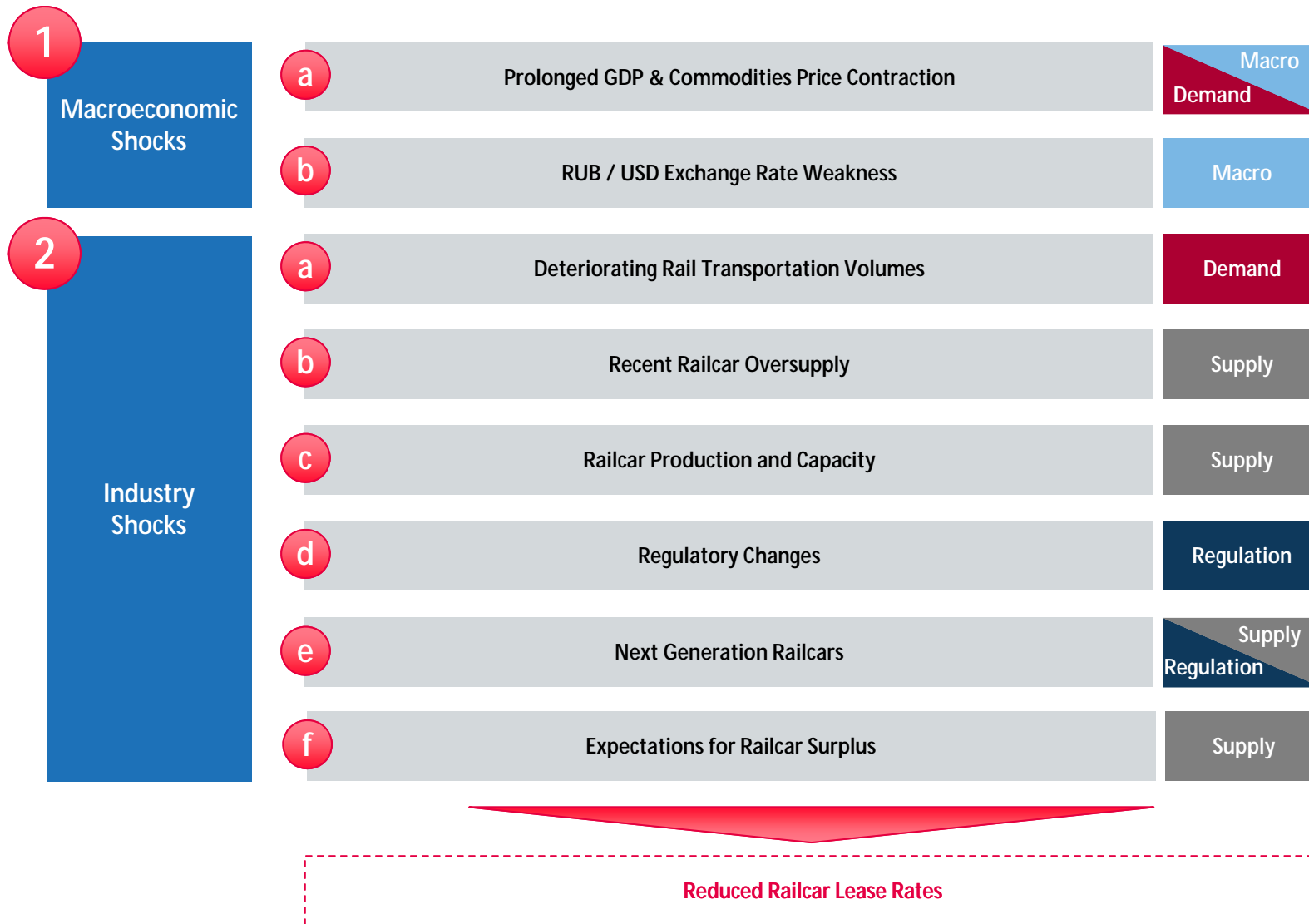
Issue	Actions Taken	Result
Business Management	<ul style="list-style-type: none"> ▪ CEO and Chairman worked to re-establish long term client relationships ▪ Certain legacy contracts were put on watch list and new strategies were developed for each, including rate increases where appropriate ▪ Crimea and Sevastopol region specific sanction policies were enforced to prevent fleet utilisation of railcars pledged in favour of the Secured Finance Facility lenders in this region ▪ The Company worked diligently to remove the railcars from Crimea and Sevastopol region ▪ Company implemented a railcar monitoring system to more effectively manage the logistics between the operating leasing and Proftrans businesses 	
Transparency	<ul style="list-style-type: none"> ▪ Clear communication channels established across management, local and Board credit committee levels ▪ Local credit minutes immediately made available to the Board credit committee ▪ Local credit committee meeting frequency increased to twice per month ▪ Board credit committee meeting frequency increased to once per month 	

Section 2

Market Context & Industry in Turmoil

Russian railcar sector has been severely hit by a series of game-changing shocks

Macroeconomic & Industry Shocks – An Industry Derailed

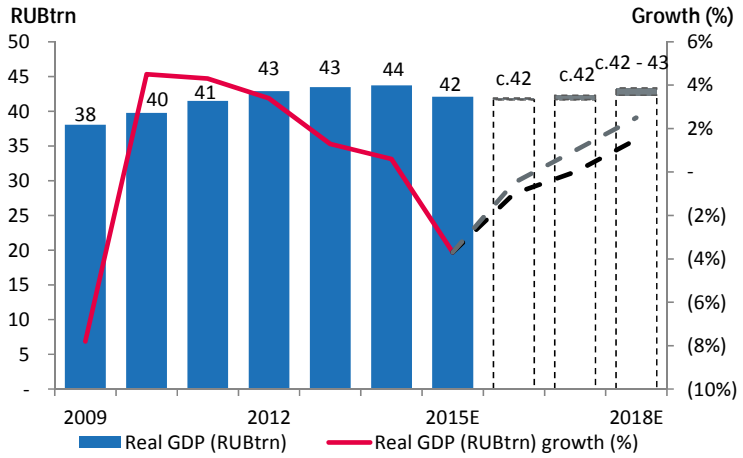


1a Macroeconomic Shocks – Russian Economy

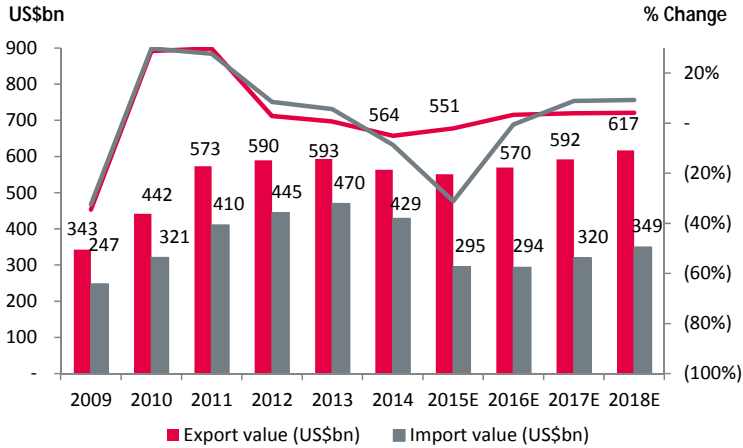
Commentary

- The Russian economy is officially in recession and expected to contract c.(3.7%) for 2015. The future of the economy is unclear however CBR forecasts negative GDP growth in 2016 of c.(0.5%) to (1.0%) with c.0% - 1% in 2017⁽¹⁾
- The economy has been impacted by:
 - Over 63% fall in Brent crude oil price between 1 Jan 2014 and 7 March 2016, reaching a trough of \$27.90. Oil production rents⁽²⁾ account for 13.7% of Russian GDP
 - Western sanctions on goods and financial services starting in March 2014, with reciprocal import bans by the Russian government
 - Consumer price inflation of 15.8% coupled with high benchmark rate (11.0% as of March 2015) reducing real incomes
 - Capital outflows and severe reduction in available financing for small and medium-sized businesses, especially from western institutions
 - Continuing political tensions and uncertainty on the back of Ukraine and Syrian conflicts

GDP Outlook and CBR forecast range⁽¹⁾



Russian Exports / Imports

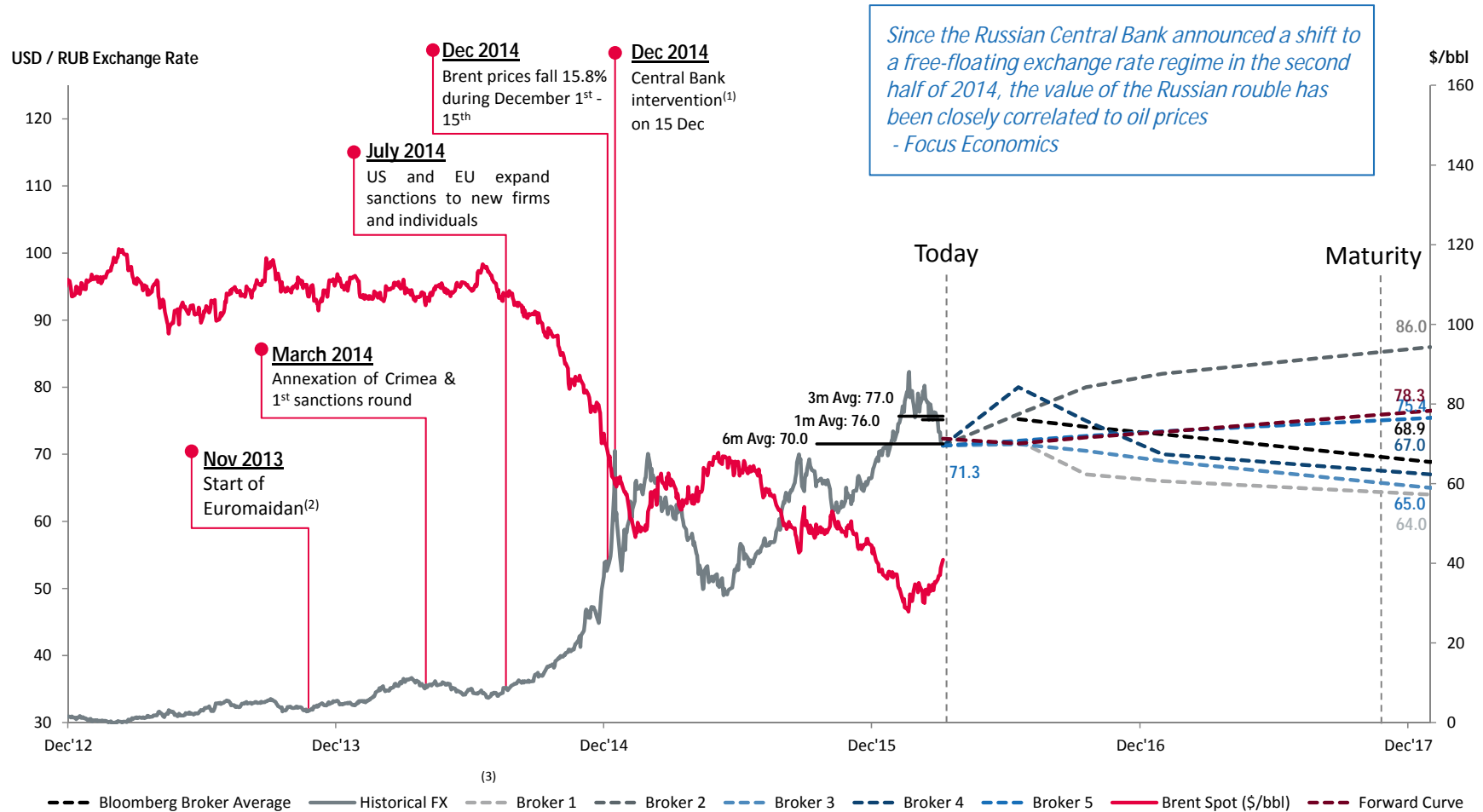


20 Management Presentation 15 April 2016
 Sources: IMF World Economic Outlook & January Update, World Bank, Bloomberg, CBR
 (1) Based on CBR base scenario range of projections assuming average oil price at USD 50 per barrel over the whole period
 (2) Oil rents are the difference between the value of crude oil production at market prices and total costs of production

Rouble depreciated by over 50% against the Dollar between the Nov 2012 bond issue and now

1b Macroeconomic Shocks – Exchange Rate

USD/RUB Historical Performance and Broker Outlook



(1) On 16 December 14, the Central Bank of Russia raised the benchmark rate from 10.5% to 17%
 (2) Widespread protests in Ukraine culminating in February 2014
 (3) Represents average of brokerage forecasts compiled by Bloomberg

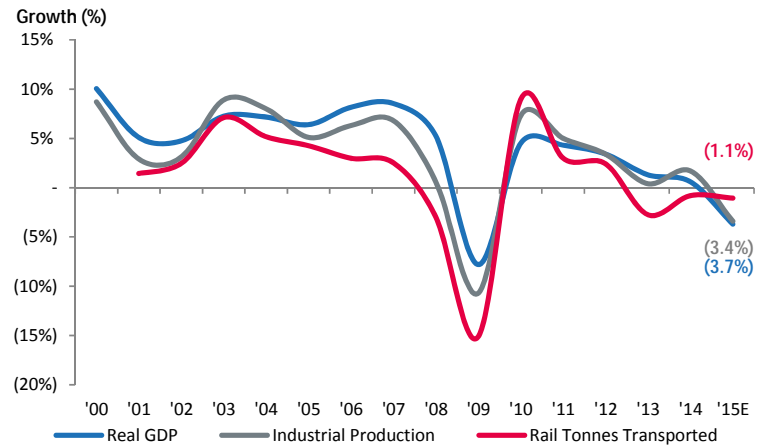


2a Industry Shocks – Railcar Transportation Volumes

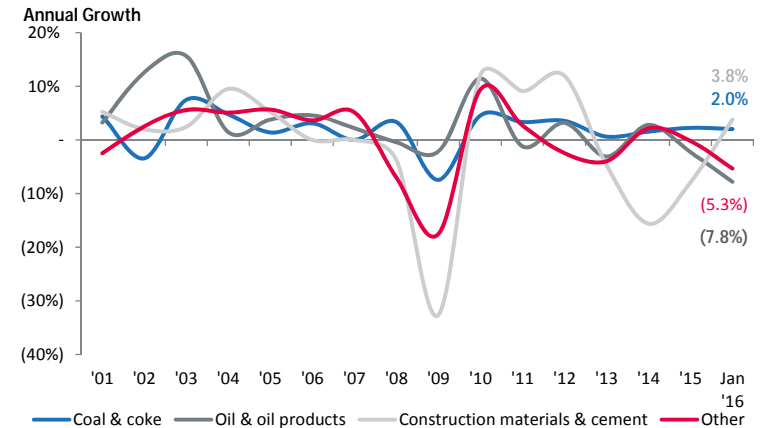
Commentary

- Rail car transportation volumes tend to track overall economic conditions. Russia’s railways carry a dominant share of all freight and therefore the relationship between economic output and rail traffic is particularly strong
- Russian railway industry volumes lost (1.1%) in 2015, the fourth consecutive year of decline. This is an acceleration from the (0.8%) decrease a year ago, reflecting a deteriorating trend in the country’s economic activity: industrial production contracted (3.4%) in 2015 vs. the 1.7% growth in 2014
- Construction materials led the decline and contracted (7.9%) in 2015. This was partially offset by an increase in coal & coke volumes of 2.3%
- Real volumes have continued to decline in 2016 with January rail volumes down 2.9% against January 2015 mainly due to a (7.8%) decline in oil & oil products
- Whilst overall volume declines have been limited thus far, the overall effect on operator profitability has been severe when viewed in conjunction with the falling lease rates
- Despite Russian Railways’ focus on returning cargos from automotive transport back to rail, the monopoly expects almost zero growth for the industry in 2016 (0.1% for freight volumes)⁽¹⁾

Relationship Between Rail Traffic and Macroeconomy



Russian Rail Traffic Dynamics

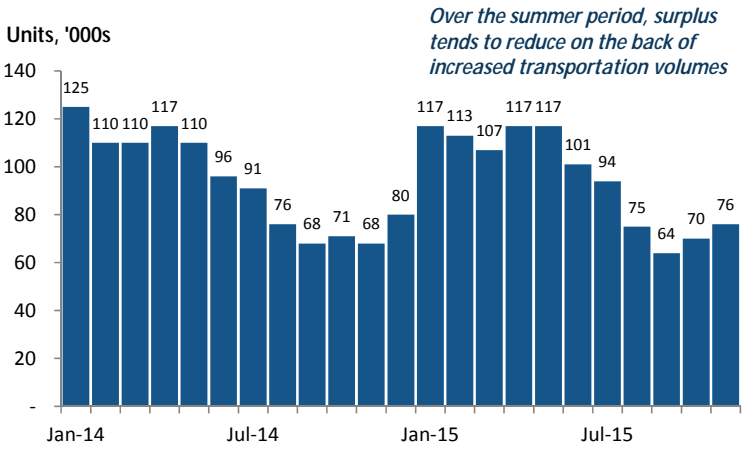


2b Industry Shocks – Railcar Oversupply

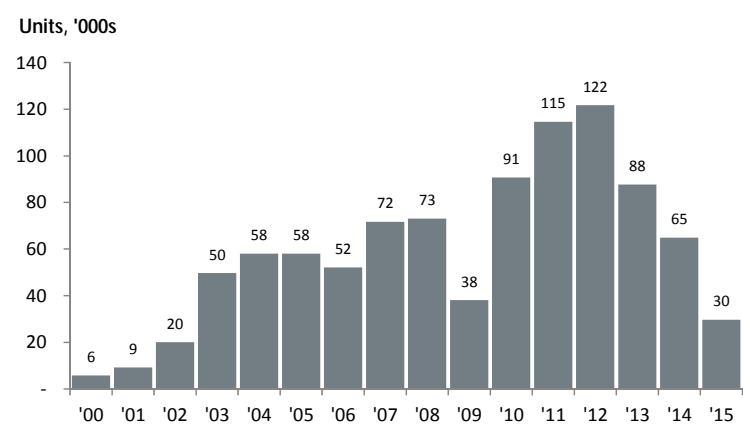
Commentary

- The current oversupply is the result of production boom during 2010 - 2014
- According to Rail Soviet (Rail Operator Association) the current surplus of railcars on the Russian Railways network is c.76k as of Nov 2015
- In an attempt to reduce the oversupply regulators have introduced regulation to ban extensions of the life of railcars and fees for parking cars on the government rail network. These incentives have caused some companies to begin scrapping their old fleet
- Although the scrapping is likely to narrow the over-supply and provide some upward pressure on rates, the effect is expected to be limited, given the general level of demand and idle productive capacity in the market
- CIS plants manufactured c.30k railcars (of which c.16k were gondolas) during 2015 compared to c.122k in 2012. Much of the recent overproduction was not driven by economic fundamentals. For example two of the largest wagon producers - UWC and UVZ - have captive leasing arms (Rail 1520 & UVZ Logistics), to which they direct much of their production. These companies enjoy a level of implicit & explicit political support
- Industrial Cargoes estimates that there is currently c.22k gondolas per year of unused capacity at the top 3 railcar production plants and it is unclear what the intentions of these producers are and when / if equilibrium between demand and supply will be reached

Railcar Supply Surplus in Russia, '000 units



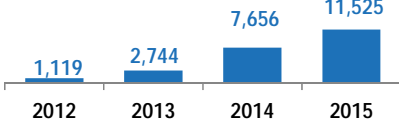
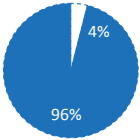


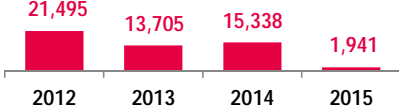
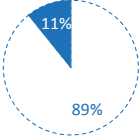


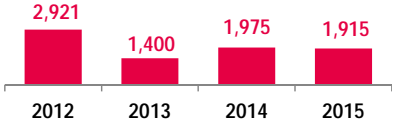
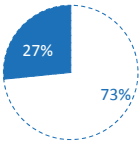


Railcar Production in CIS, '000 units



Driven by state subsidies, major railcar manufacturers had significantly expanded capacity – and currently over 58% lies idle

2c Industry Shocks – Russian Railcar Production

Top 3 Gondola Producers in Russia			
Producer / Ownership	Gondola Production	2015 Total & Unused Capacity	Commentary
  Tikhvin (TVSZ) /United Wagon Company		12,000 	<ul style="list-style-type: none"> Most modern railcar plant in Russia with an estimated construction cost of over \$1bn financed by state banks <ul style="list-style-type: none"> c.\$250m was spent on social infrastructure and relocation of workers Sells to sub (Rail 1520) at a discount to market price UWC owner is IST Group which has close ties to Russian Government through Board members UWC is the key beneficiary of the reduced rail tariff for next-gen rail cars; UVZ's discount is only 60% Will be key recipient of the government's anti-crisis funding plan for next generation railcars in the amount of RUB 3bn
  Uralvagonzavod (UVZ) / Russian Government		18,000 	<ul style="list-style-type: none"> Key defense enterprise producing famous, new "Armada" tanks, and other military equipment UVZ- Logistics is the group's captive railcar lessor Leasing fleet of 38.6k cars of which 28.4k are gondolas However it is rumoured that the fleet will be sold to Federal Freight Production dropped 87% in 2015, but plant closure is unlikely due to state support and strategic importance of UVZ for defence
  Altayvagon / Siberian Business Union (SDS)		7,200 	<ul style="list-style-type: none"> Controlled by the SDS-Holding, with primary focus on coal mining Manufacturer is actively getting into the next generation railcar business Captive operator is Novotrans

2d Industry Shocks – Regulatory Changes

Large Players Use Connections to Drive Agenda

- Russia’s transition to next generation railcars (“NGRs”) has been dominated by production at UWC and UVZ
- UWC has received substantial economic support attributable to its close government connections
- For instance, RZD provides the large manufacturers with distinct tariff reductions although their NGR products are technically very similar:
 - **UWC / Tikhvin** – highest possible RZD tariff discount
 - **UVZ** – 60% of Tikhvin’s discount
 - **Altaivagonzavod** – no tariff discount
- UWC / Tikhvin maintains close political connections and lobbying power, for instance, the spouse of Vice Premier Dvorkovich is on the company’s board

Political Considerations Drive Industry Trends

- The widely expected wave of impending railcar scrappings is based on the “Service Life Extension Ban” – a measure to support Russian railcar manufacturers as production drops to critically low levels
- Market expects a rapid increase in NGRs share of the Russian fleet to replace the scrapped railcars
- However questions remain about the construction of new infrastructure to take advantage of the improved load capacity of NGRs
- As the Russian government continues to guide railcar industry dynamics, the prospects for old-generation railcars remain highly uncertain due to political relationships and government employment objectives

Timeline of Key Regulatory Events



2e Industry Shocks – Next Generation Railcars

Overview

- Next generation railcars (“NGR’s”) were introduced to the Russian market in 2013, and have a number of advantages over existing older generation cars (“OGR’s”), namely payload, useful life and repair costs
- In addition NGR’s enjoy a number of regulatory advantages as follows:

Tariff

- In 2013, Federal Tariffs Service of Russia introduced lower empty run tariffs on certain gondola and hopper NGR’s due to their reduced impact on railroad infrastructure. The empty run tariff discount is c.10% - 30%

Purchase Subsidy

- The Russian Government provides a subsidy for purchasing NGR’s via compensating the interest on loans taken out to purchase NGR’s amounting to 90% of refinancing rate. These subsidies amount to c.RUB 200k
- From the client’s perspective the illustrative RUB/t cost of 1,131 is identical for OGR and NGR, however, the operator profits from additional income of RUB 651 per day, as compared with the OGR
- In North America railcars with technical specifications exceeding those of Russian NGR’s have been the industry standard for many years
- In Russia the trend is clear – major shippers/best clients (such as SUEK, KuzbassRazrezUgol, En+) are actively switching to NGR’s

Gondola Side-by-Side Analysis

Metrics	Old Generation	Next Generation
Operational		
Useful Life (years)	22	32
Cargo Volume (tonnes)	69	75
Volume (m ³)	88	98
Repairs & Maintenance Intervals (years)		
Capital Repair	11	18
Depot Repair	3	6
Wheelset Replacement	5-7	10-12
Performance		
Efficiency (t-km/m)	241	446
Rent Rate (RUB/day)	540	1,191
Lifetime Costs		
Purchase (RUB'000)	1,750	2,100
Depot Repair (RUB'000)	650	520
Capital Repair (RUB'000)	100	200
Wheelset Replacement (RUB'000)	660	1,248
Current Repair (RUB'000)	330	220
Bearings Replacement (RUB'000)	160	1,176

Route⁽¹⁾ OGR vs NGR Comparison

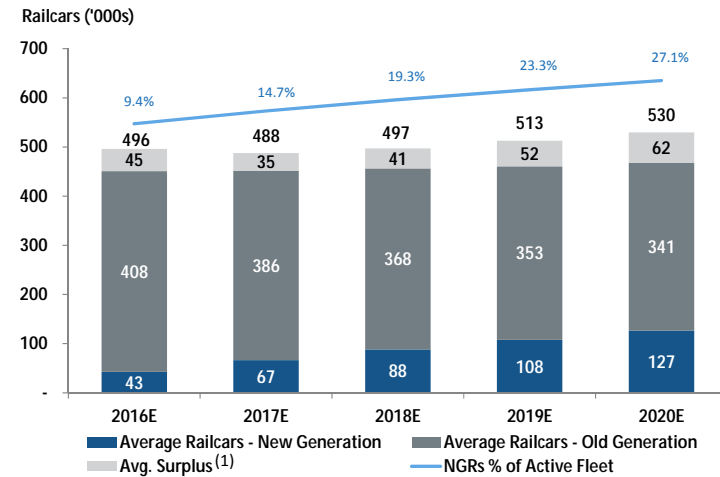
	OGR	NGR
Rent rate (RUB/d)	540	1,191
x Turnover days (d)	20	18 ⁽²⁾
= Total rent (RUB)	10,808	21,438
+ RZD loaded run tariff (RUB)	45,565	46,701
+ RZD empty run tariff (RUB)	21,636	16,653
= Total transportation cost (RUB)	78,009	84,792
Cargo volume (tonnes)	69	75
Transportation cost (RUB/t)	1,131	1,131

2f Industry Shocks – Gondolas Surplus Forecast

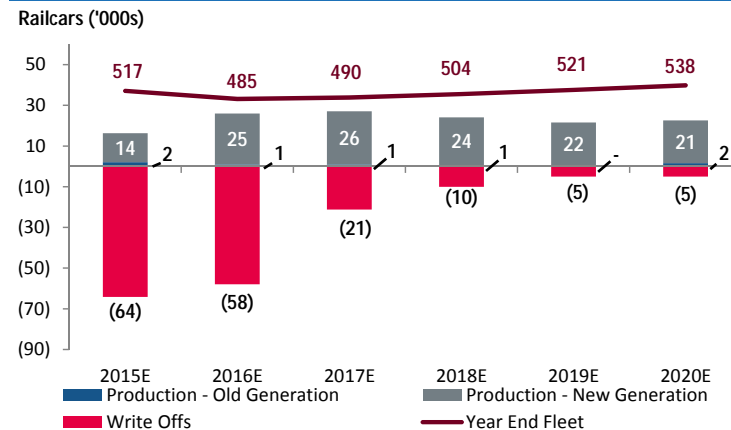
Commentary

- Based on current legislation, expected gondola write-offs will amount to c.143k railcars between 2015 and 2017
- Infoline forecasts indicate that the total gondola surplus will reduce from 72k railcars in 2015 to below 40k in 2017 as a result of gondola write-offs
- Production during this period will be comprised almost exclusively of NGRs and is expected to remain relatively stable ranging between 21k and 26k gondolas per annum over the next 5 years
- NGR's are expected to comprise close to 100% of gondola production by the end of 2016 and their share of the active fleet is expected to grow to 27% by 2020. As the NGR share of the fleet increases it is expected that there will be a bifurcation of the market whereby:
 - Top tier clients with most profitable routes will be dominated by NGRs; and
 - Old generation cars will be relegated to less profitable routes and second tier clients
- Because the surplus comprises largely old generation railcars and is expected to gradually increase from 2017, the surplus will reflect an increasing proportion of the old generation fleet
- This dynamic is expected to create further disproportionate downward pressure on lease rates for old generation railcars as they move down the merit order and their average utilisation declines

Gondola Fleet Composition & Surplus Forecast



Projected Fleet Dynamics



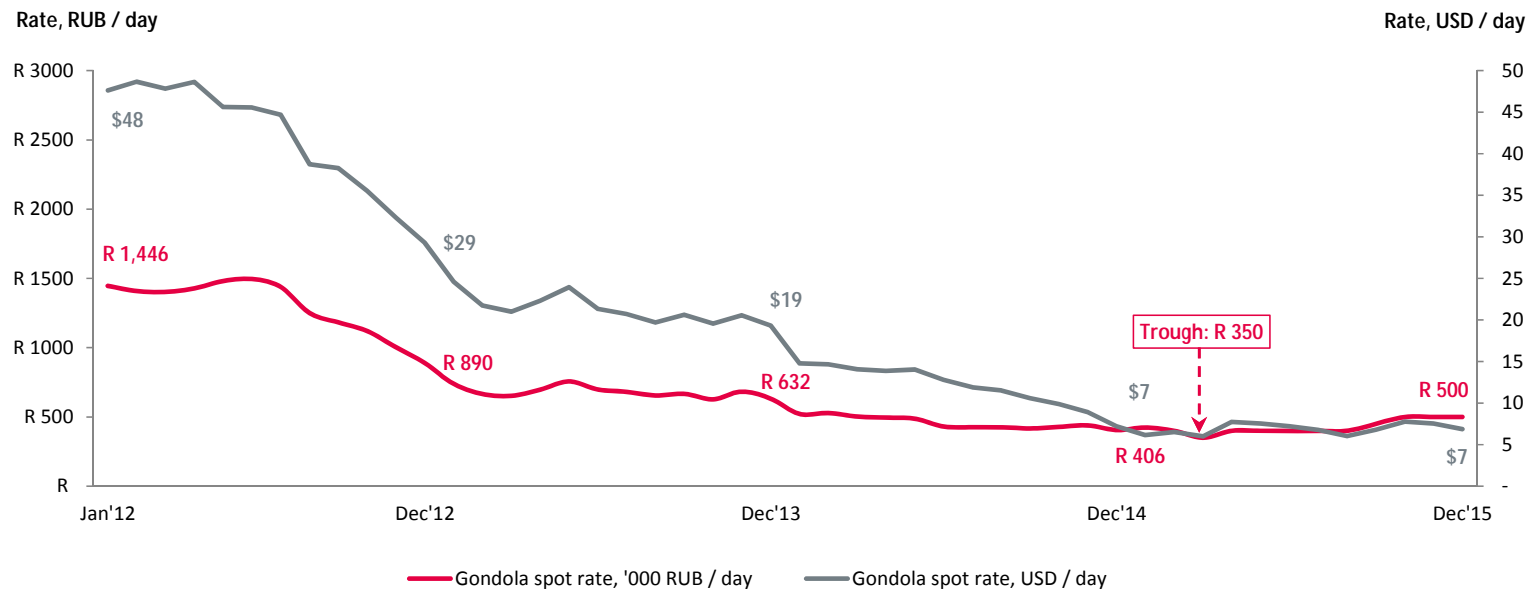
Outlined macro and industry shocks have caused gondola RUB lease rates to plummet c.65% with few signs of meaningful recovery in sight

End Result: Industry-wide Decline in Railcar Lease Rates

Commentary

- Historically, gondola spot rates reached a peak of RUB 1,500/day (c.\$50) in May 2012, this level of pricing was a result of a continuing shortage of railcars in Russia that had arisen from underinvestment in the Russian fleet during the 1990's & early 2000's. As a consequence, some companies put additional value on "security of supply" which resulted in favourable pricing dynamics for railcar operators
- As a result of subsequent capacity expansion and overproduction on the part of producers, combined with exogenous macroeconomic shocks, the market lease rate fell to a low of RUB 350 in 2015 and has since recovered to RUB 500
- The future direction of rates remains unclear and whilst some market participants expect lease rates to rise on the back of railcar write offs and gondola fleet consolidation, idle capacity on the part of the producers and the impact of next generation railcars are expected to exert downward pressure on lease rates for the foreseeable future

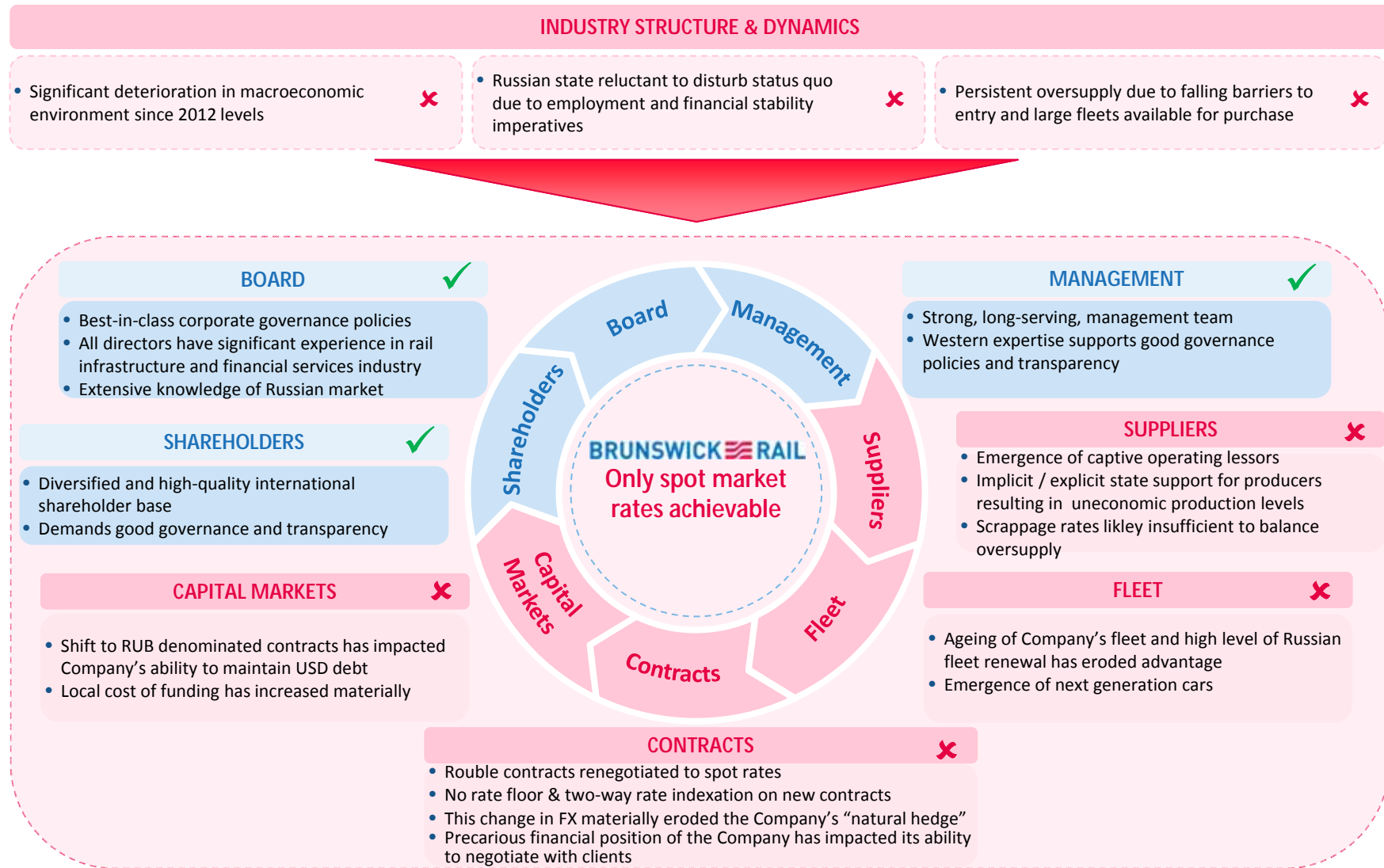
Gondola Lease Rates⁽¹⁾



Section 3

Business Model Under Threat

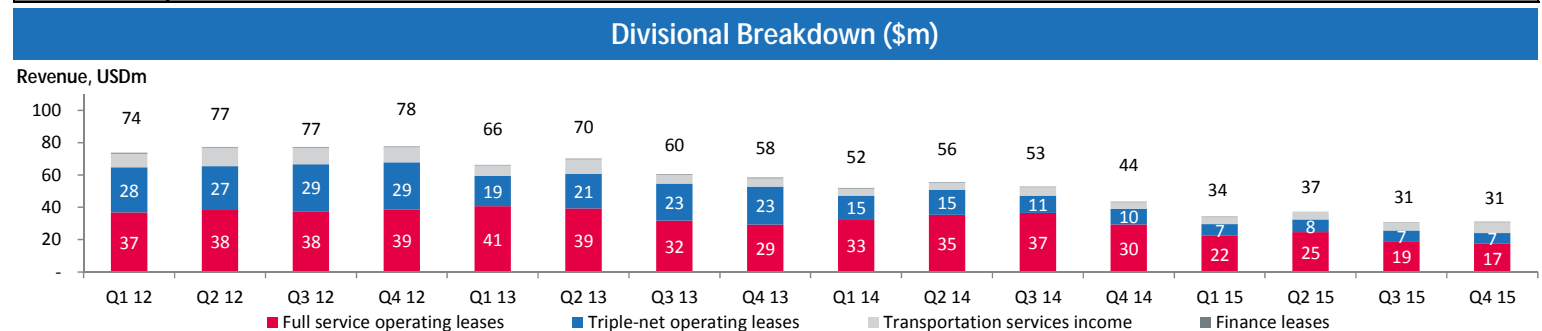
Brunswick Business Model - Current



...as evidenced by rapidly deteriorating financials

Historical Financial Summary

Historical Financials (\$m)					
	Financial Year Ended 31 December				
	2012	2013	2014	2015	
Gross Revenues	306.2	255.3	204.2	133.5	
% Growth	66.5%	(16.6%)	(20.0%)	(34.6%)	
Hedging with Non-Der.	(2.3)	(5.8)	(23.0)	-	
Net Revenues	303.9	249.4	181.2	133.5	
% Growth	65.2%	(17.9%)	(27.4%)	(26.3%)	
Cost of Services	(23.1)	(27.4)	(24.6)	(22.1)	
Gross Profit	280.8	222.0	156.6	111.5	
% Margin	91.7%	87.0%	76.7%	83.5%	
Other Op. Inc. / Exp.	(42.2)	(46.3)	(27.7)	(32.3)	
Adjustments ⁽¹⁾	18.7	19.1	24.6	1.3	
Adj. EBITDA	257.3	194.7	153.4	80.4	
% Margin	84.0%	76.3%	75.1%	60.2%	
Change in NWC	1.4	(2.9)	6.7	(5.7)	
Maintenance Capex	-	(5.6)	(5.1)	(3.3)	
Growth Capex	(160.4)	(100.2)	(89.3)	-	
Cash Taxes	(3.6)	(0.9)	(0.6)	(0.6)	
Unlevered FCF	94.8	85.2	65.1	70.8	
% Conversion	36.8%	43.7%	42.4%	88.0%	
Total Debt	808.2	793.0	762.2	753.4	
Less: EoP Cash	(72.0)	(62.6)	(72.9)	(67.3)	
Net Debt	736.2	730.3	689.3	686.1	
Adj. EBITDA / Interest Paid⁽²⁾	3.5x	3.0x	2.2x	1.2x	
Net Debt / Adj. EBITDA⁽³⁾	2.9x	3.8x	4.5x	8.5x	



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31 Source: 2013-15 BRL Annual Reports, Company quarterly financials

(1) Incl. property tax in '12 – '14 (none paid in 2014), exploratory IPO process and corporate reorganization, professional services for forensic review and sanctions matters, non-derivative hedging

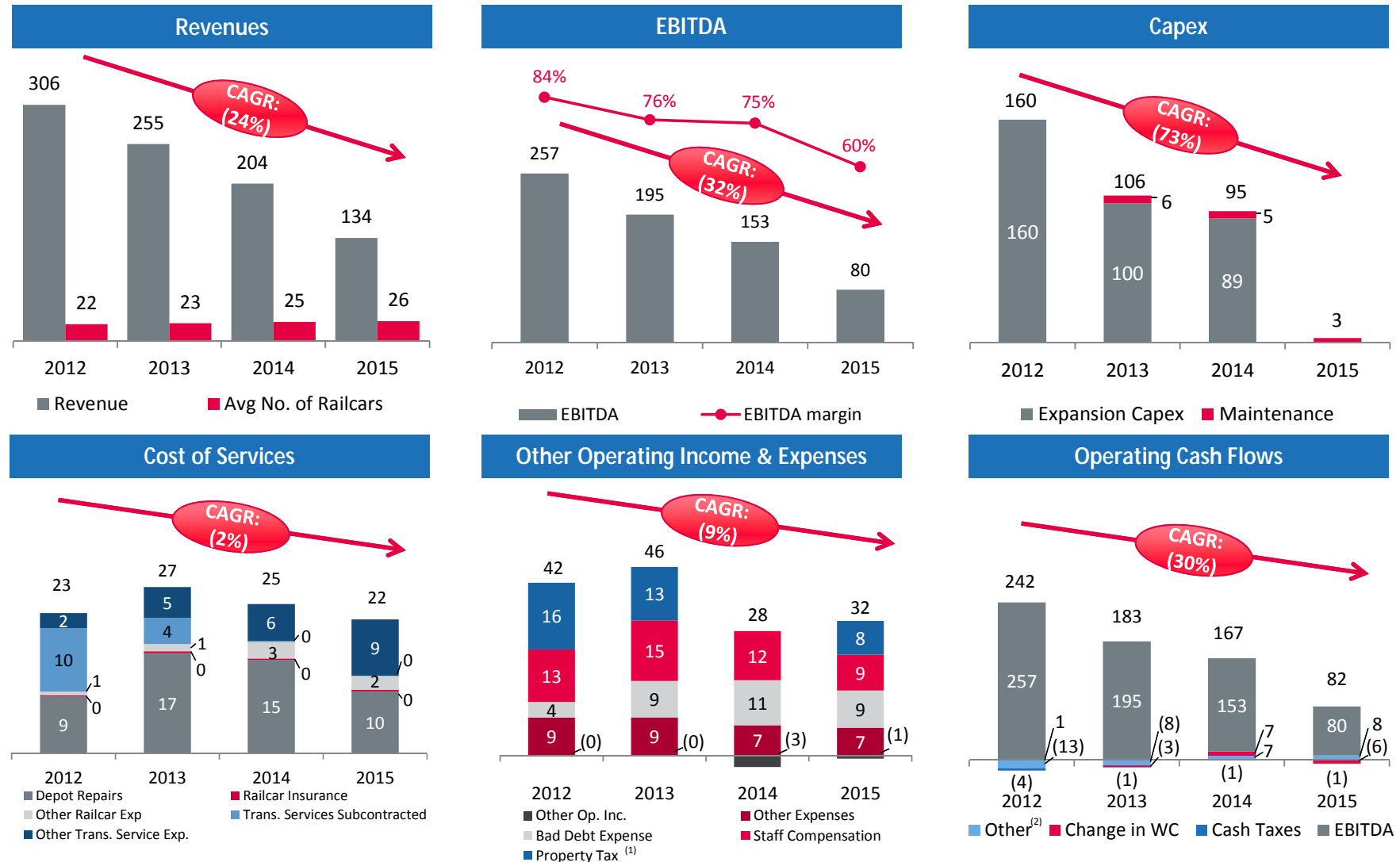
(2) Ratio between Adj. EBITDA and cash finance costs
(3) Includes mezzanine debt

BRUNSWICK RAIL

...and KPI's as indicated by the combination of declining revenues and relatively steady costs

Historical Performance Summary

(all figures in \$m)



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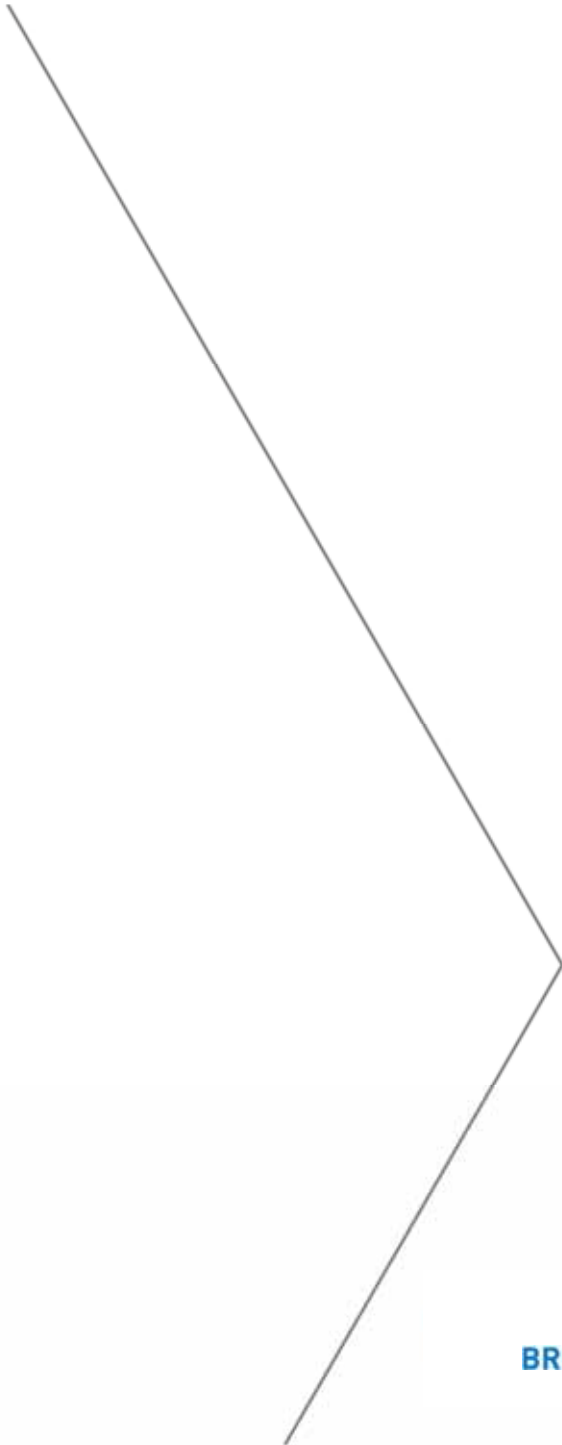
32 Source: BRL 2013 – 15 Annual Reports

(1) Other items include adjustments to EBITDA for property tax, write-off of capitalized professional services associated with preparation to a potential IPO process, railcar re-registration costs, as well as additional adjustments for repair costs claimed from suppliers, loss/(profit) on disposal of assets, gain from sale of doubtful debt, and provision for bad debts

(2) Property tax is adjusted out of EBITDA between 2012 – 2014 (no property tax paid in 2014)

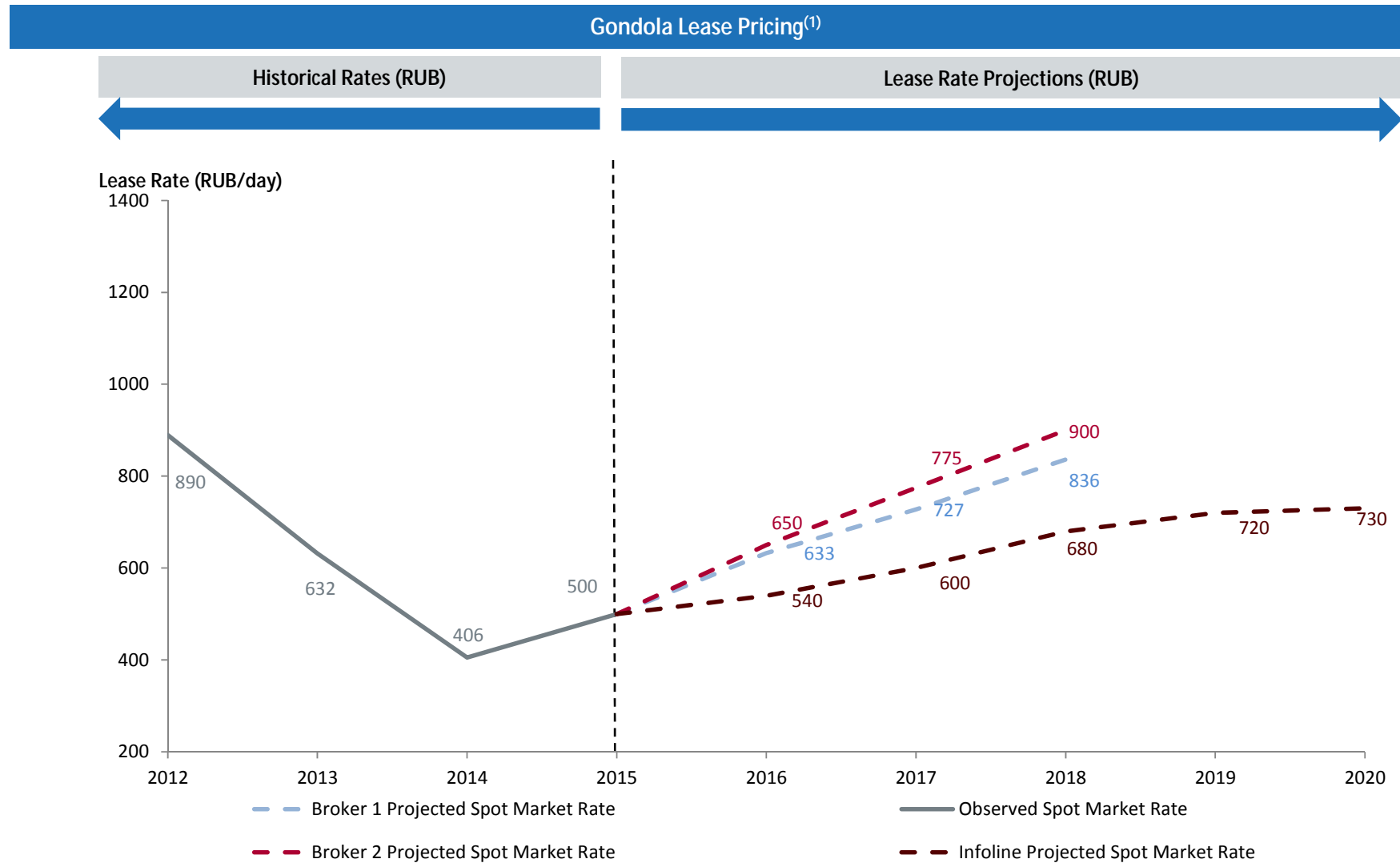
Section 4

Market Projections



Different industry participants forecast varying degrees of market recovery, with brokers being the most bullish

Historical & Projected Lease Rates (Market Projections)

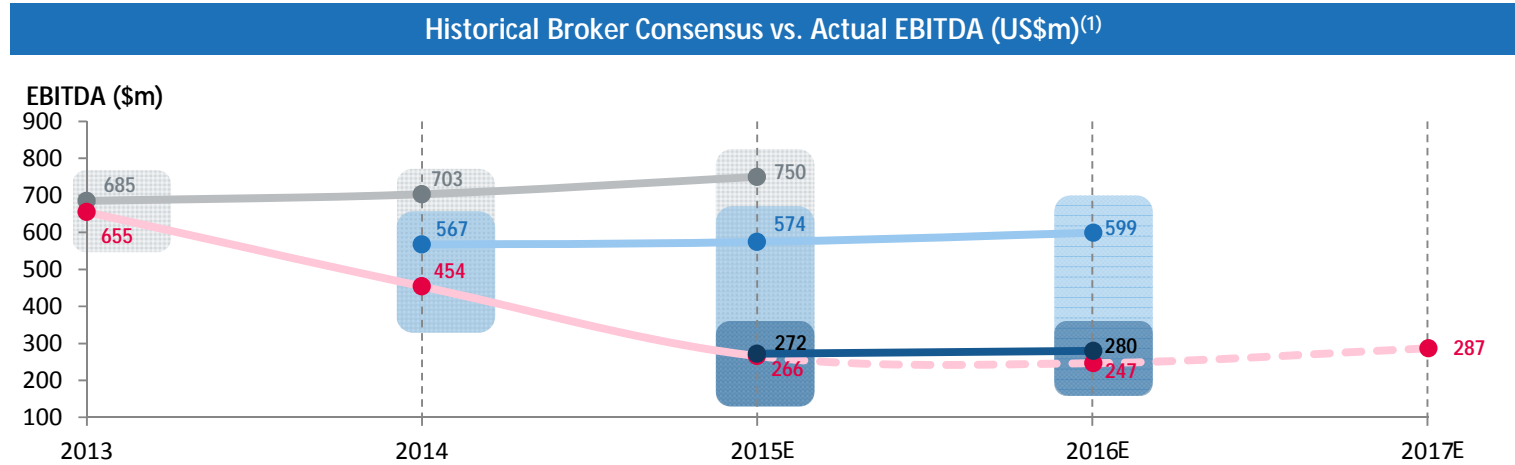


34 Management Presentation 15 April 2016
 Source: Broker Research, Industrial Cargoes
 (1) Forecast lease rates are nominal and reflect inflation

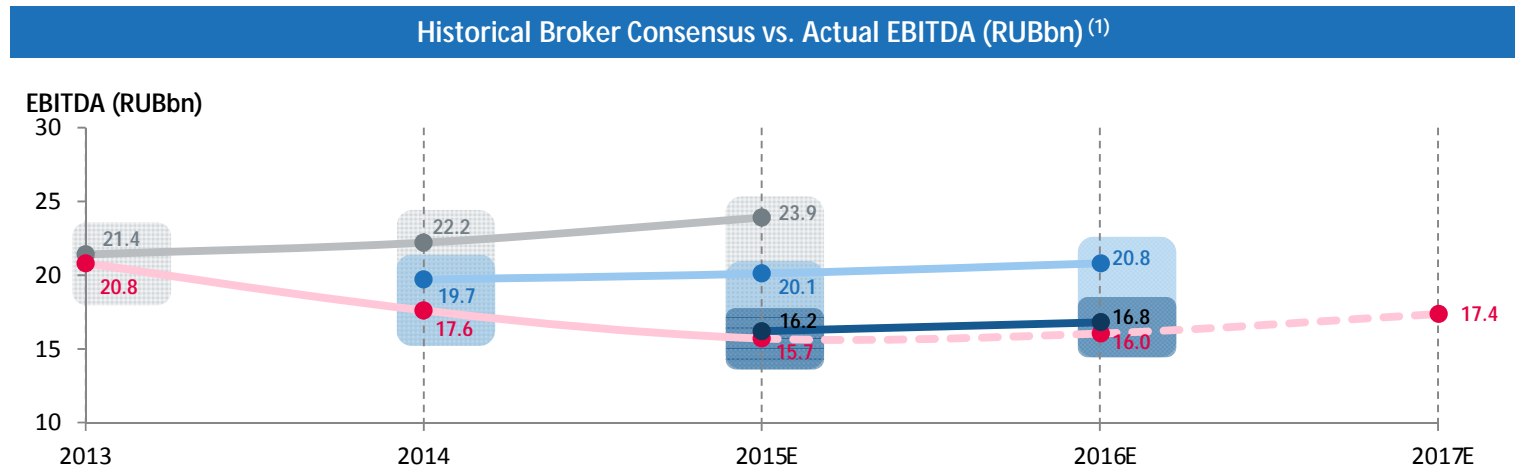
Nevertheless, brokers have a consistent track record of over-estimating future EBITDAs by 25-35% on a currency-adjusted basis

Historical Broker Overestimation – Globaltrans (“GLTR”)

On a gross basis, brokers have on average historically overestimated GLTR's 2-year forward EBITDA by c.62%



After adjusting for exogenous FX movements, sell side analysts have overestimated GLTR's 2-year forward EBITDA by c.34% and c.23% in 2013 and 2014, respectively



Key: Company actuals & latest forecast as of Mar '16

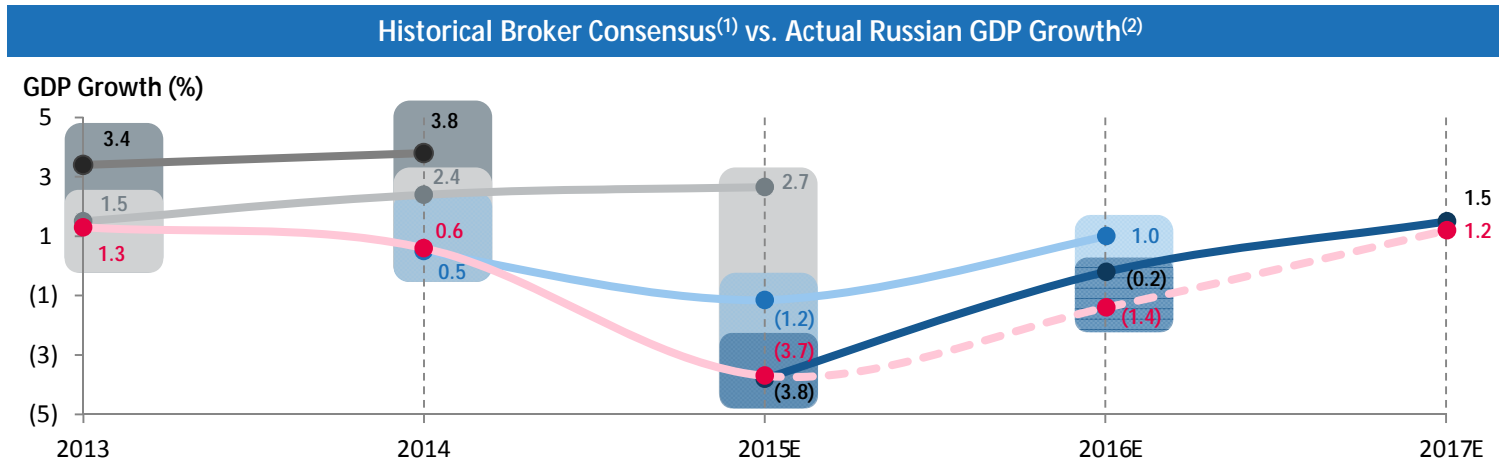
Broker forecasts by vintage: 2013 (4), 2014 (4), 2015 (4)

(1) Applies RUB / USD rates of 31.8 and 38.7 to 2013 and 2014 EBITDA, respectively, and applies broker FX to 2015 forecasts
(2) All forecasts are broker forecasts for GLTR EBITDA

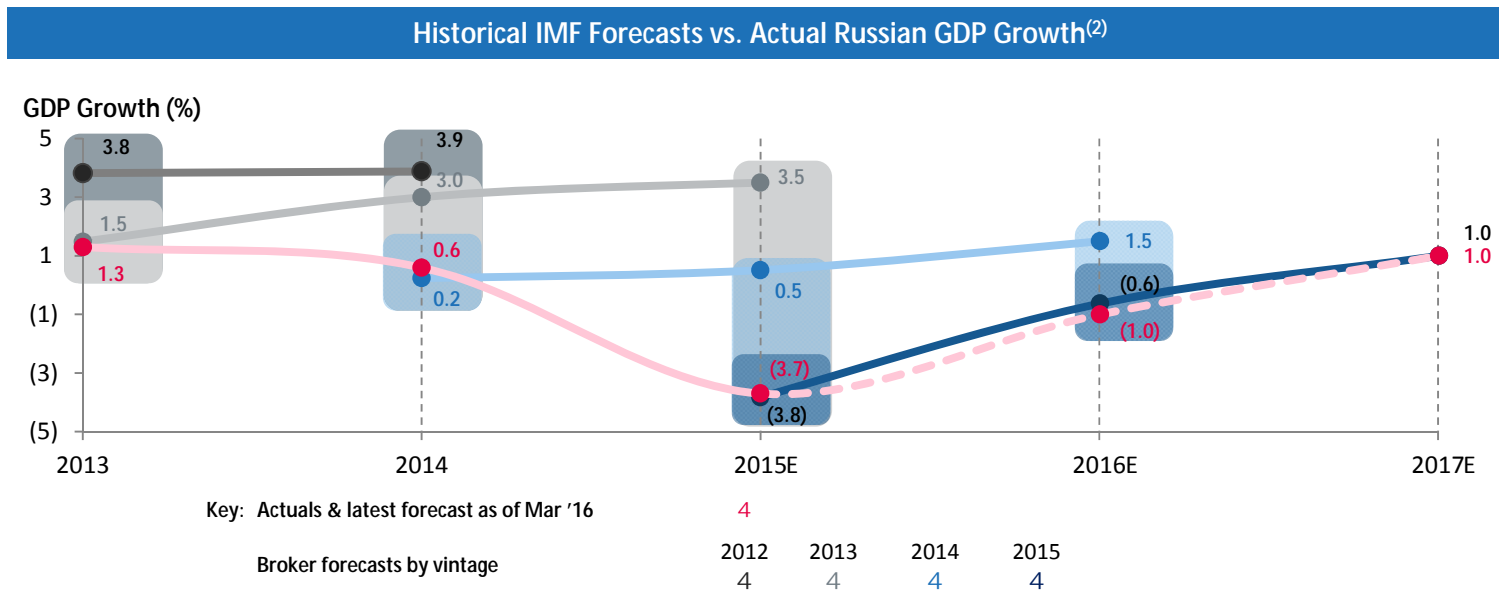
Brokers as well as research institutions also have a consistent track record of over-estimating future real GDP growth

Historical Broker and Institution Overestimation – Russian GDP

Broker consensus expectations have on average historically overestimated 2-year forward annual GDP growth by 3.0 percent⁽³⁾



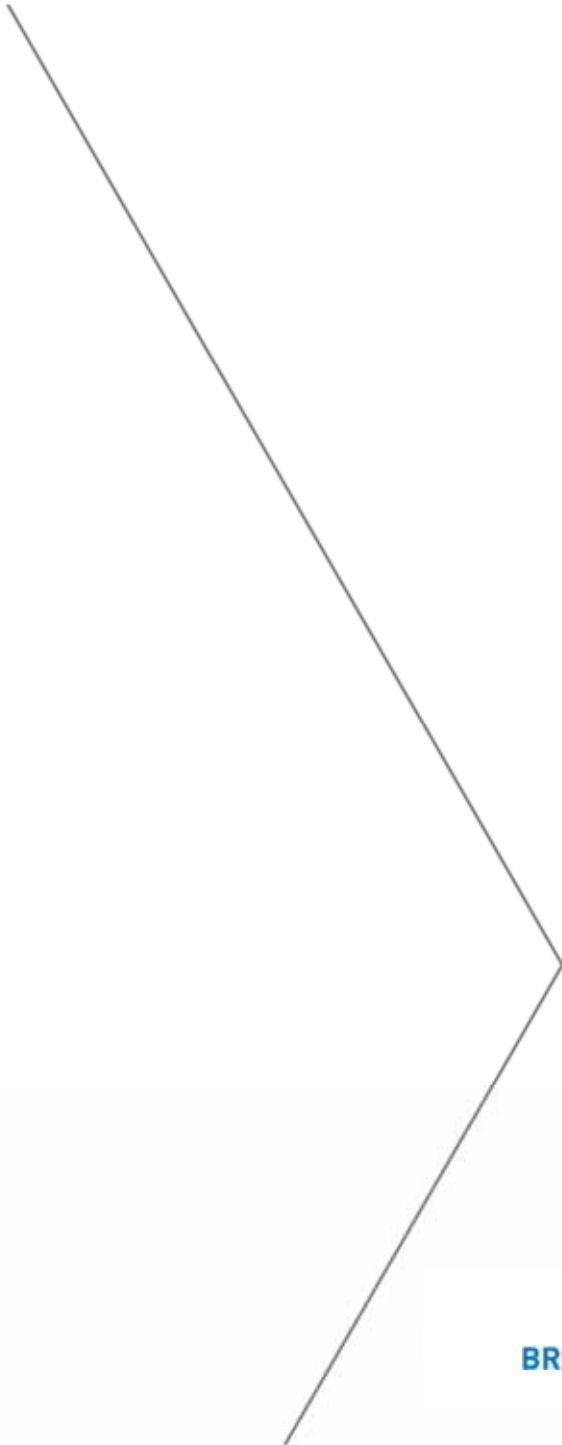
Similarly, the IMF's 2-year forecasts have exceeded actual GDP growth by 3.2 percent⁽³⁾



(1) Represents the median of recent broker reports compiled by Bloomberg
(2) Historical Russian GDP figures as measured by the IMF, which may differ slightly from the local statistical office due to methodological differences
(3) Based on average prediction errors over 2013 – 2017E

Section 5

Company Outlook



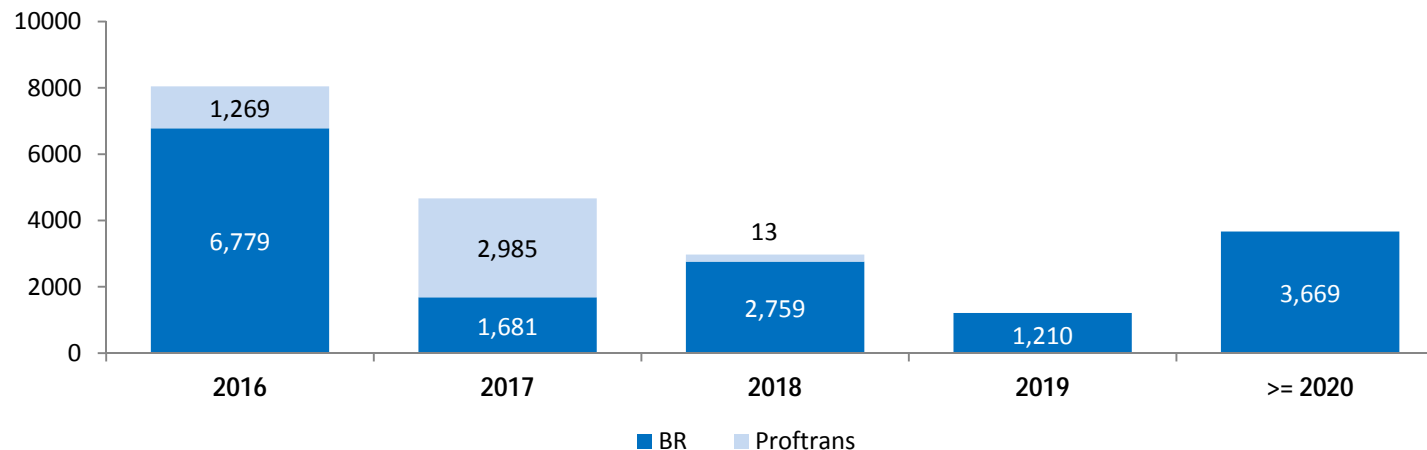
Contract Run Off

Commentary

- The Company's legacy operating lease portfolio includes contracts that are set at above current spot market rates
- The lease portfolio exhibits material contract expiration over the forecast period, as existing contracts roll-off the Company expects these railcars to be re-tendered at the spot rate
- If the entire portfolio was re-marketed at the spot rate today it would result in an EBITDA decline of \$21.5m for 2016
- Recent customer negotiations have resulted in some contracts rates being re-negotiated prior to formal contract maturity
- The Company expects that by 2017 a majority of its legacy contracts will have been re-set to spot rates representing a "steady state" for the business going forward

Annual Operating Lease Maturity⁽¹⁾

Number of railcars



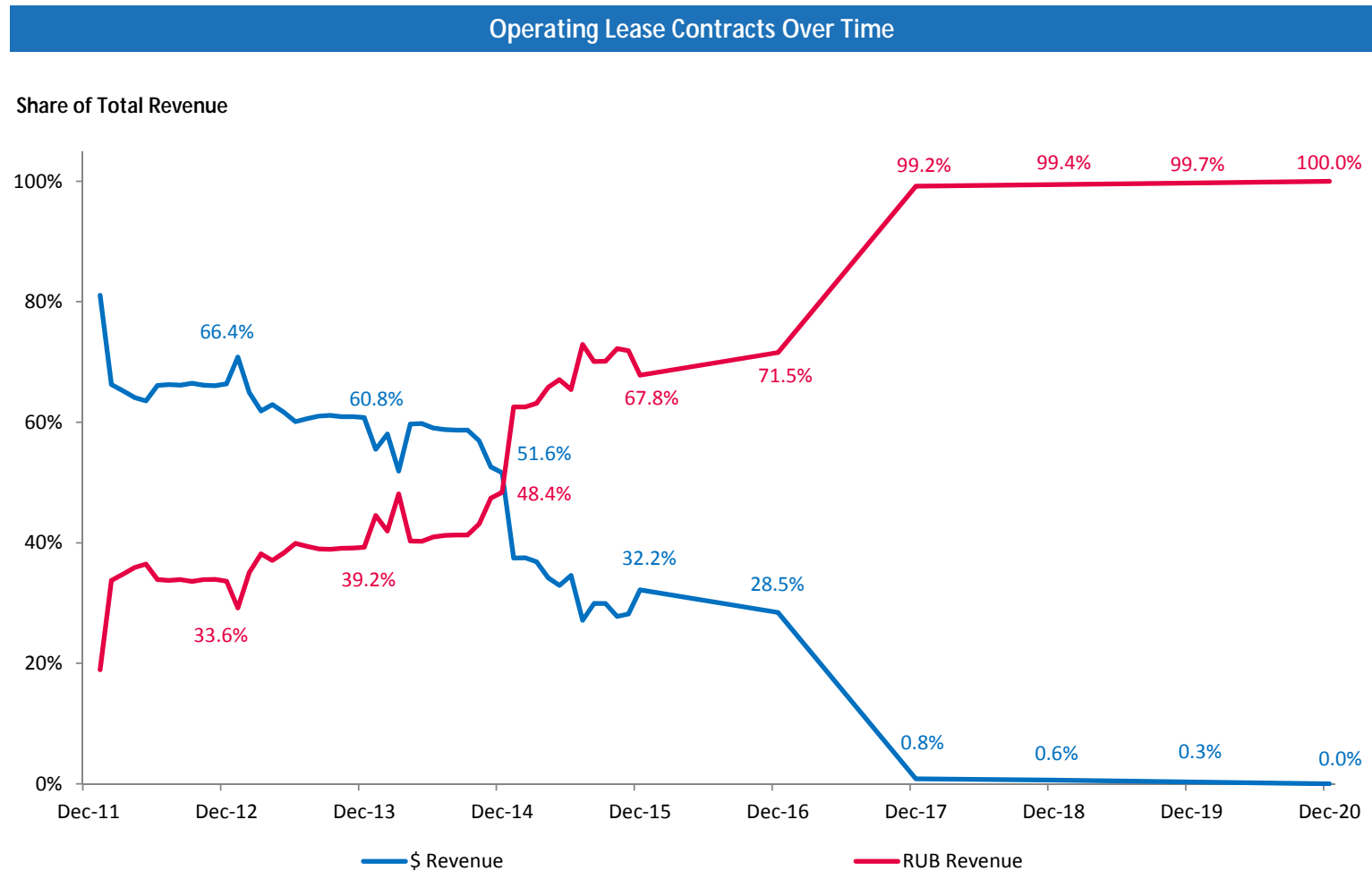
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38 Source: Company financial model

(1) The Company enters into operating lease contracts through both Proftrans and Brunswick Rail entities. Proftrans contracts have been entered into more recently and as a consequence are largely at the spot rate. The remaining Brunswick Rail contracts are long term contracts set at above market rates

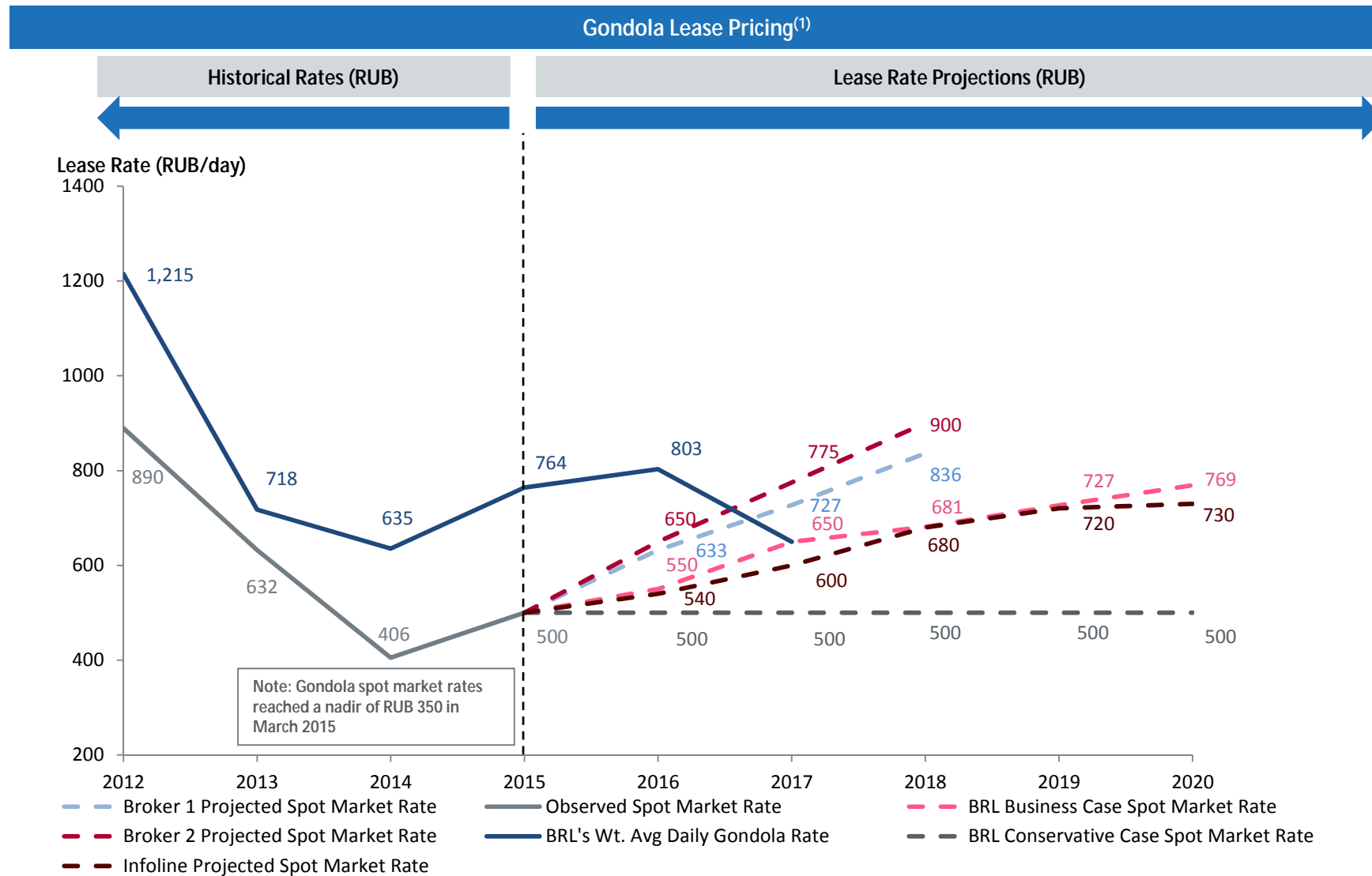
...transforming Brunswick Rail into a 100% Rouble business

Contract Repricing to Rouble



The Company has prepared two lease rate forecasts and believes that the risks are finely balanced between the two

Historical & Projected Lease Rates (Business Case and Conservative Case)



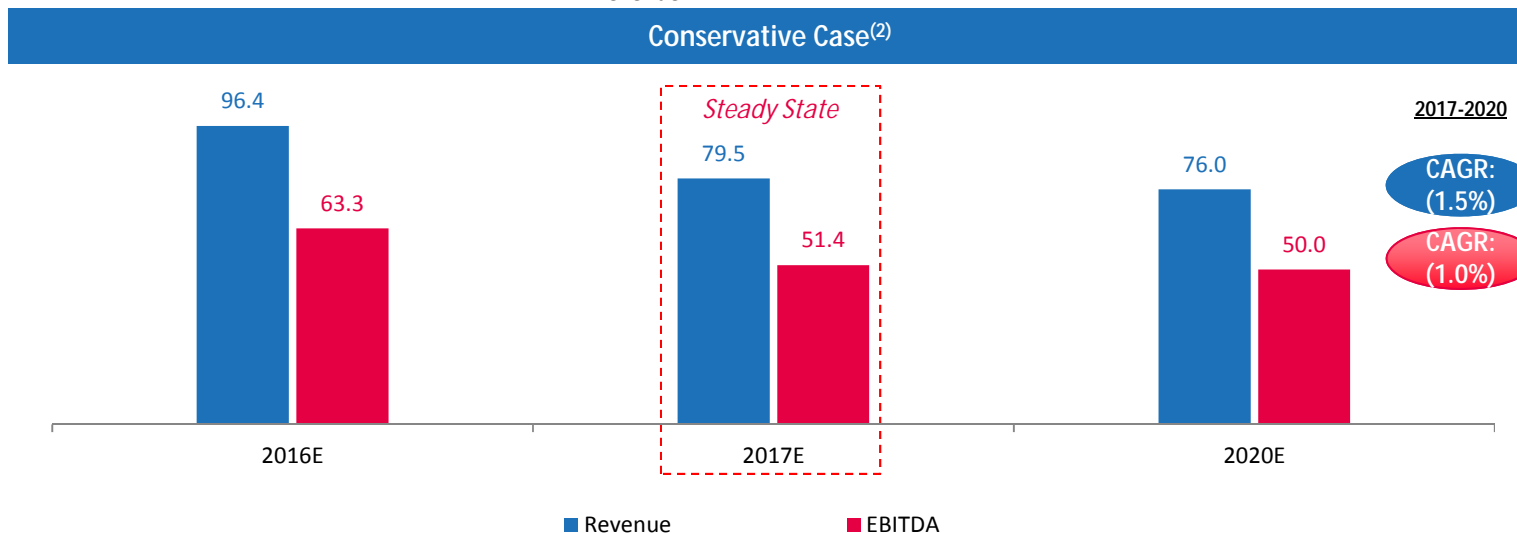
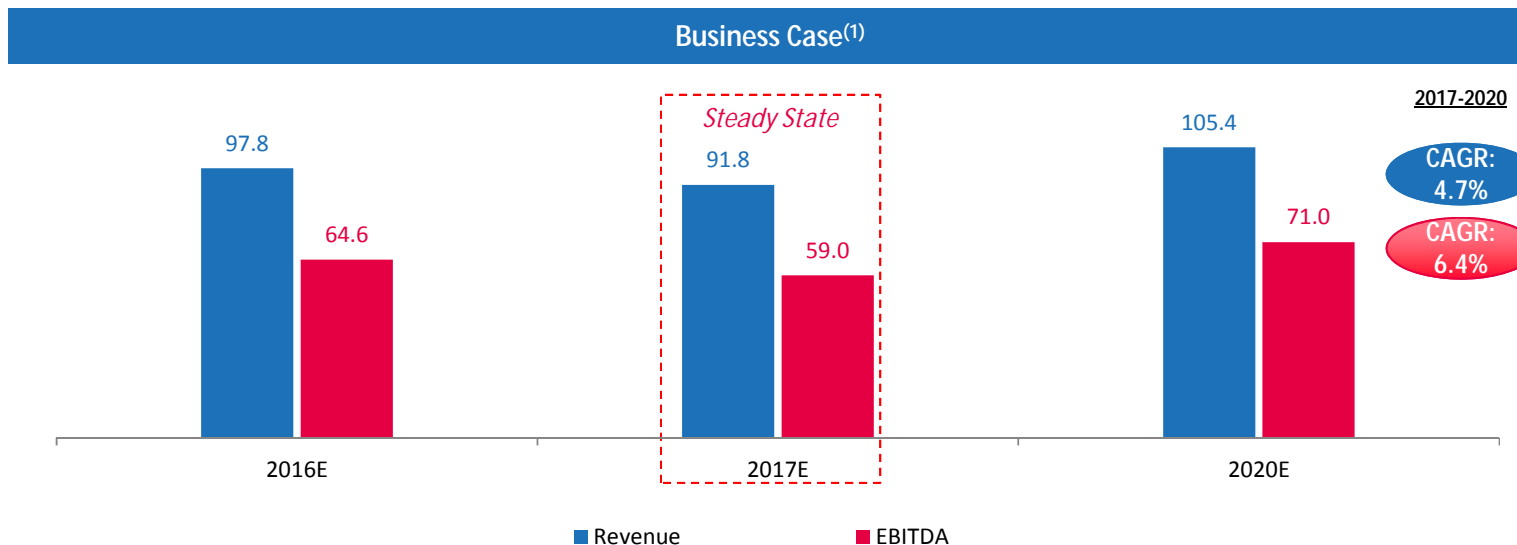
40 Management Presentation 15 April 2016
 Source: Broker Research, Company financial model, Company management reports, Company analysis, Industrial Cargoes
 (1) Forecast lease rates are nominal and reflect inflation

Company's steady state earnings power is most accurately reflected in 2017 EBITDA with future trajectory highly uncertain and predominantly driven by lease rate and FX assumptions

Business vs Conservative

"Steady State" EBITDA is achieved in 2017 when the effect of contract run-off means that the Company has largely rebased to spot

- The illustrative scenarios provided below should in no way be construed as targets or forecasts



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41 Source: Company financial model

(1) Business Case assumes that there is a meaningful increase in spot lease rates, which rise to RUB 650 for gondolas in 2017, and as contracts run off they are repriced at spot

(2) Conservative Case assumes that spot lease rates remain at current levels and as contracts run off, they are repriced at spot. The Conservative Case also includes incremental overhead savings of \$3m

The Company's Business Case forecast assumes a moderate recovery in lease rates, the Conservative Case reflects flat lease rates & no cost inflation

Financial Projections

- The illustrative scenarios provided below should in no way be construed as targets or forecasts

	Business Case					Conservative Case					
	2016E	2017E	2018E	2019E	2020E	2016E	2017E	2018E	2019E	2020E	
Assumptions						Assumptions					
USD:RUB Exchange Rate ⁽¹⁾	77.0	77.0	77.0	77.0	77.0	USD:RUB Exchange Rate ⁽¹⁾	77.0	77.0	77.0	77.0	
Gondola Lease Rates	550.0	650.0	681.2	726.8	769.0	Gondola Lease Rates	500.0	500.0	500.0	500.0	
Company Financials (\$m)						Company Financials (\$m)					
Total Revenue	97.8	91.8	93.6	99.5	105.4	Total Revenue	96.4	79.5	76.6	76.1	
EBITDA	64.6	59.0	62.4	66.9	71.0	EBITDA	63.3	51.4	50.9	50.3	
Capex	(2.3)	(4.6)	(6.4)	(8.7)	(11.4)	Capex	(2.3)	(4.2)	(5.5)	(6.9)	
Other Items	(1.4)	2.4	2.0	1.4	0.1	Other Items	(1.4)	2.0	1.9	1.2	
Cash Flow Available for Debt Service	60.9	56.8	58.0	59.6	59.7	Cash Flow Available for Debt Service	59.6	49.2	47.3	44.6	