Freight One: a Big Company Thriving in the Current Recession

Salman Babayev, CEO of Freight One

July 6, 2010, St. Petersburg
Objectives

- Ensuring competitiveness
- Renewing rolling stock
- Increasing shareholder value

Freight One is the leading rail operator in the 1520 mm area
Freight One is a reliable partner

80% of Freight One’s clients are the largest companies in their industries

- Largest company-owned fleet
- Guaranteed haulage of 100% of freight
- Increasing haulage
- Thriving during the recession
- Expanding the customer base

Freight One has signed more than 2000 haulage agreements
Freight One is Russia’s largest rolling stock operator

<table>
<thead>
<tr>
<th>In the first half of 2010:</th>
<th>By the end of 2010, the company is planning:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freight One owned 193,900 cars</td>
<td>To buy from RZD 10,000 gondolas</td>
</tr>
<tr>
<td>14,800 flatcars</td>
<td>12,200 gondolas</td>
</tr>
<tr>
<td>71,800 tanks</td>
<td>1,800 tanks</td>
</tr>
<tr>
<td>15,000 boxcars</td>
<td>To write off 25,000 worn-out cars</td>
</tr>
<tr>
<td>33,700 other</td>
<td>1,000 other</td>
</tr>
<tr>
<td>33,900 rented</td>
<td>To buy 15,000 new freight cars</td>
</tr>
</tbody>
</table>

Freight One operates more than 227,800 cars
Freight One has built a network of 14 branches throughout Russia’s rail network.
Freight One works with 19 foreign railways

Belarus, Ukraine, Lithuania, Latvia, Estonia, Turkmenistan, Uzbekistan, Kyrgyzstan, Kazakhstan, Armenia, Azerbaijan, Moldavia

Poland, Romania, Hungary, Slovakia, Bulgaria, Finland, Mongolia

Freight One forwards freight in Russia, the CIS and other countries
## Financial indicators for 2009 and rate p

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FORECAST</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>59 billion rub.</td>
<td>71.467 billion rub.</td>
</tr>
<tr>
<td>EBITDA</td>
<td>14.9 billion rub.</td>
<td>17.694 billion rub.</td>
</tr>
<tr>
<td>Margin according to EBITDA</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Haulage volume

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2008 actual</th>
<th>2009 actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haulage volume</td>
<td>123 mmt</td>
<td>231 mmt</td>
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</tbody>
</table>
Freight One’s increase in haulage volume in 2008-2010

- **123 mmt** hauled in 2008
- **231 mmt** hauled in 2009

**Freight One’s share of Russia’s rail haulage market in 2008-2009.**

- **2008**
  - Other Players: 91,6%
  - Freight One: 8,4%

- **2009**
  - Other Players: 81,2%
  - Freight One: 18,8%

**Increase in haulage volume in 2008-2009**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2010</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2008, mmt</td>
<td>11,4</td>
<td>22,8</td>
<td>33,0</td>
<td>32,8</td>
</tr>
<tr>
<td>Year 2009, mmt</td>
<td>36,9</td>
<td>53,4</td>
<td>61,2</td>
<td>80,3</td>
</tr>
<tr>
<td>Year 2010, mmt</td>
<td>65,7</td>
<td></td>
<td></td>
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</tbody>
</table>
Freight One’s share of Russia’s international rail haulage market in 2008-2009

**2008**

**Export**
- Freight One: 13.1%
- Other operators: 86.9%

**Import**
- Freight One: 1.4%
- Other operators: 98.6%

**Transit**
- Freight One: 1.5%
- Other operators: 98.5%

**2009**

**Export**
- Freight One: 24.7%
- Other operators: 75.3%

**Import**
- Freight One: 4.8%
- Other operators: 95.2%

**Transit**
- Freight One: 6.6%
- Other operators: 93.4%
Never stay ever ahead

Thank you for your time!