Brunswick Rail Limited and its subsidiary companies

Interim Condensed Consolidated Financial Information for the six months ended 30 June 2013

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Management Commentary

Rail freight volumes which softened notably during the fourth quarter of 2012 have continued to track at lower levels during the first half of 2013, declining by 3,6 per cent compared to the corresponding period last year. Weak commodity markets and lower levels of GDP growth in Russia have contributed to the negative trend.

Railcar prices and spot rental rates for gondolas were flat relative to recent months' indications, remaining at approximately US$50-55 thousand per railcar - just above the average cost of production - and RUB600-650 per day (US$18-20 per day), respectively. Average cash yields for new gondolas have now decreased from approximately 24 per cent in early 2012 to approximately 11-13 per cent at the end of the second quarter of 2013.

The slower rate of new railcar production witnessed at the end of 2012 has continued into the first half of 2013. Average monthly production levels remain at just over 7.000 units and management expects this to slow further to 5.000-6.000 units/month. The 2013 forecast production level based on the Group's management estimates is 70.000-75.000 railcars for CIS countries, approximately 40 per cent below the 2012 level. At the same time railcar producers are shifting output to specialized types of railcars where they are seeing relatively better demand.

The total delivered fleet of Brunswick Rail Limited Group, ("Group") as at 30 June 2013 was 24.119 railcars. During the first half of 2013 the Group took delivery of 1.970 new railcars of which 1.000 railcars were leased out to a new customer and 970 to existing customers. In the end of 2012, 70 new generation railcars have been withdrawn from the market due to legislation in force prohibiting their use and, following negotiations with the supplier, it was agreed that 100 railcars will be delivered to the Group by the end of August 2013 as replacement. The amount of US$6.3 million was therefore recognized within "other receivables and prepayments" (Note 14). Another 12 railcars which were contracted have not been delivered as at 30 June 2013, taking the total contracted fleet to 24.231 railcars. A total of 273 railcars were transferred during the period from operating leases to the transportation business which, as at 30 June 2013, deploys 2.525 railcars.

In 2013 the Group voluntarily changed its accounting policy in relation to accounting for equipment subsequent to initial recognition, moving from a revaluation model to a cost model. The change was deemed necessary by the Group's management with the aim of making the Group's financial position and performance more consistent with common practices of Russian and international rail market peers, and therefore more comparable. The change has been applied retrospectively and, as a result, the comparative financial information for 2012 has been restated (Note 2).

Due to the change in accounting policy and a 7,7 per cent depreciation of the Rouble against the US dollar in the first half of 2013, the net book value of the railcar fleet under the historical cost basis on 30 June 2013 is US$1,1 billion compared to the fair market value of the fleet at the year-end of US$1,4 billion (Note 12).

In terms of the Group's fleet portfolio as of 30 June 2013, 21.386 railcars are leased out under operating leases or short-term rentals, 208 railcars are under finance leases and 2.525 railcars are utilised in the Group's transportation business, for the shipment of various cargos, mainly metal scrap. The operating lease fleet is comprised of 12.651 (59%) gondolas, 3.341 (16%) mineral hoppers, 3.074 (14%) tank cars, 1.260 (6%) LPG carriers and 1.060 (5%) other railcars, including box cars and universal platforms.

Overall clients' payment performance remains strong, except for a single client with total receivables as of 30 June 2013 of approximately US$20,2 million incl. VAT on which an impairment of 50 per cent was recorded in the income statement reflected both in 2012 and in the period ended 30 June 2013. All railcars under this contract were transferred to a new client by the end of June.

The decrease of VAT recoverable as a result of receiving a US$12,2 million refund from the tax authorities during the period was partly offset by VAT paid on the acquisition of new railcars during the first half of 2013 (Note 12).

Operating lease revenues decreased compared to the prior corresponding period, mostly as a result of the gondola spot market daily rate decreasing from US$50 per day during the corresponding period last year to US$18 – US$21 per day in the first half of 2013 driven by empty run tariff unification at the end of 2012, continuing weak transportation volumes and a surplus of gondolas in the market. However, the Group's average adjusted gondola portfolio lease rate declined by 33 per cent compared to the overall 60 per cent drop in market spot rate since the first quarter of 2012. The Group has been proactive in negotiating with clients and in exchange for rate adjustments has received contract tenor extensions and indexation clauses at the option of the Group.

Management Commentary (continued)

First half of 2013 results also reflect lost revenue as a result of 1.000 railcars being temporarily suspended by the Russian railcar regulator. A total of 984 cars have been repaired and put back into service by 30 June 2013.

The increase in cost of services compared to the corresponding period last year is mainly due to (i) depot repairs and (ii) other transportation services expenses. The increase in the Group's railcar fleet, combined with the shift towards a larger share of full service lease contracts, the ageing of the Group's fleet, the increase of depot repair prices and the repairs of the aforementioned suspended railcars contributed to the increase in depot repair costs compared to prior periods. The increase in other transportation service expenses relates mainly to the increase in empty-run costs for the transport operating business as well as on-going weak transportation volumes.

The increase in other operating expenses is represented mainly by the provision for bad debts recorded in the first half of 2013 as previously mentioned.

The Group's management monitors run-rate revenue and Adjusted EBITDA based on signed contracts, as important performance indicators for the Group. This enables annualised Adjusted EBITDA and revenue to be calculated at any time during the reporting period, and the Group's management considers these metrics to more accurately reflect the underlying earnings capacity of the business based on the Group's current railcar fleet. Based on the fleet as of 30 June 2013, the Group's twelve-month run-rate revenue and run-rate Adjusted EBITDA are at around US$250 million and US$200 million respectively.

The Group intends to continue its opportunistic growth strategy in 2013, relying on its ability to grow organically as well as through acquisitions, with the aim of strengthening its position as the leading private provider of railcar operating leasing services in Russia.

A dividend of US$10 million (US$0,045650798 per share) declared by the Board on 15 February 2013 was paid out in March 2013.

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders and Board of Directors of Brunswick Rail Limited

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Brunswick Rail Limited and its subsidiaries (collectively – the "Group") as of 30 June 2013 and the related interim condensed consolidated statements of income and comprehensive income for the three and six months periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes as presented on the pages 6 to 34 of the accompanying document. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

Deloitte & Touche

12 September 2013
Moscow, Russian Federation

Interim Condensed Consolidated Income Statement for the six and three months ended 30 June 2013 (unaudited)

	Note	**Six months ended 30 June 2013**	Six months ended 30 June 2012 Restated	**Three months to 30 June 2013**	Three months to 30 June 2012 Restated
		US$000	US$000	**US$000**	US$000
Revenue	3	**136.882**	150.509	**69.199**	76.773
Cost of services	5	**(20.311)**	(9.847)	**(12.010)**	(6.129)
Property tax		**(8.117)**	(8.318)	**(3.957)**	(4.116)
Staff compensation, excluding share-based compensation		**(6.151)**	(4.940)	**(2.966)**	(2.467)
Other operating expenses	6	**(11.594)**	(3.840)	**(5.912)**	(2.157)
Other operating income		**372**	34	**350**	21
Operating profit before share-based compensation and depreciation		**91.081**	123.598	**44.704**	61.925
Share-based compensation	7	**(5.189)**	(1.907)	**(1.543)**	10
Depreciation	12	**(36.559)**	(34.156)	**(18.285)**	(16.976)
Operating profit		**49.333**	87.535	**24.876**	44.959
Finance costs	8	**(32.697)**	(33.119)	**(16.513)**	(18.152)
Finance income	8	**509**	610	**230**	358
Revaluation of embedded derivatives on mezzanine	15	**17.052**	-	**17.052**	8.469
Net foreign exchange translation (losses) / gains		**(4.782)**	25.987	**(3.390)**	(28.962)
Profit before income tax		**29.415**	81.013	**22.255**	6.672
Income tax expense	10	**(6.150)**	(18.778)	**(2.903)**	(1.512)
Profit for the period		**23.265**	62.235	**19.352**	5.160
		========	========	========	========
Profit attributable to:					
Owners of the Company		**23.265**	62.277	**19.352**	5.326
Non-controlling interest		**-**	(42)	**-**	(166)
		23.265	62.235	**19.352**	5.160
		========	========	========	========

Earnings per share attributable to the owners of the Company during the period:

	Note	**US$ per share**	Restated US$ per share	**US$ per share**	Restated US$ per share
Basic earnings per share	11	**0,109**	0,289	**0,091**	0,025
		===========	===========	===========	===========
Diluted earnings per share	11	**0,073**	0,274	**0,038**	0,032
		===========	===========	===========	===========

The notes on pages 11 to 34 are an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income for the six and three months ended 30 June 2013 (unaudited)

	Note	**Six months ended 30 June 2013**	Six months ended 30 June 2012 Restated	**Three months to 30 June 2013**	Three months to 30 June 2012 Restated
		US$000	US$000	**US$000**	US$000
Profit for the period		**23.265**	62.235	**19.352**	5.160
Other comprehensive income/(loss):					
Items that may not be reclassified subsequently to profit or loss					
Currency translation differences		**(27.837)**	(4.859)	**(19.257)**	(37.038)
Total items that may not be reclassified subsequently to profit or loss		**(27.837)**	(4.859)	**(19.257)**	(37.038)
Items that may be reclassified subsequently to profit or loss					
Cash flow hedge (derivatives):					
-Fair value losses on hedging reserve	17	-	(2.349)	-	(1.647)
-Transfers to income statement	17	-	4.728	-	2.880
Cash flow hedge (non-derivatives):					
-Exchange differences deferred to equity net of Tax	17	**(34.919)**	(29.615)	**(23.468)**	(29.615)
-Exchange differences recycled to income statement, net of tax	17	**(266)**	536	**812**	536
Total items may be reclassified subsequently to profit or loss		**(35.185)**	(26.700)	**(22.656)**	(27.846)
Other comprehensive loss for the period, net of tax		**(63.022)**	(31.559)	**(41.913)**	(64.884)
Total comprehensive (loss)/income for the period		**(39.757)**	30.676	**(22.561)**	(59.724)
Attributable to:					
Owners of the Company		**(39.757)**	30.554	**(22.561)**	(59.529)
Non-controlling interest		-	122	-	(195)
Total comprehensive (loss)/income for the period		**(39.757)**	30.676	**(22.561)**	(59.724)

Items in the statement above are disclosed net of tax.

The notes on pages 11 to 34 are an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Balance Sheet as at 30 June 2013 (unaudited)

Assets	Note	30 June 2013 US$000	31 December 2012 Restated US$000
Non-current assets			
Equipment	12	1.096.719	1.080.568
Finance leases receivable	13	9.704	10.464
Derivative financial instruments	15	4.423	-
Deferred income tax asset		4.192	2.767
Prepayment for acquisition of railcars		1.581	68.391
		1.116.619	1.162.190
Current assets			
VAT recoverable		7.705	12.690
Advances to customs		222	3.405
Advances paid for rail tariffs		331	2.979
Trade and other receivables	14	32.482	14.051
Finance leases receivable	13	1.164	1.047
Current income tax prepayment		555	523
Cash and cash equivalents		34.798	71.975
		77.257	106.670
Total assets		1.193.876	1.268.860
Equity and liabilities			
Capital and reserves			
Share capital	16	211.088	211.088
Share premium	16	142.290	142.290
Treasury shares	16	(5.950)	(6.467)
Other reserves	17	(110.279)	(42.421)
Retained earnings		102.065	83.193
Total equity		339.214	387.683
Non-current liabilities			
Borrowings	18	714.650	734.658
Mezzanine	19	69.497	64.624
Derivative financial instruments	15	-	12.405
Deferred income tax liabilities		30.949	35.018
		815.096	846.705
Current liabilities			
Trade and other payables	20	14.305	13.489
Current income tax liabilities		35	638
VAT payable		5.004	7.133
Other taxes payable		3.830	4.284
Borrowings	18	16.392	8.928
		39.566	34.472
Total liabilities		854.662	881.177
Total equity and liabilities		1.193.876	1.268.860

On 12 September 2013, the Board of Directors of Brunswick Rail Limited authorised the interim condensed consolidated financial information for issue.

Paul Ostling, Director Anders Lidefelt, Director

The notes on pages 11 to 34 are an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2013 (unaudited)

	Note	Share capital/ share premium/ treasury shares Restated US$000	(Accumulated losses)/retained earnings Restated US$000	Other reserves Restated US$000	Total Restated US$000	Non-controlling interest Restated US$000	Total equity Restated US$000
		Attributable to the owners of the Company					
Balance at 1 January 2012 (as previously reported)		**361.651**	**(11.390)**	**265.848**	**616.109**	**1.027**	**617.136**
Prior year adjustments		-	33.752	(349.312)	(315.560)	(1.225)	(316.785)
Balance at 1 January 2012 (restated)		**361.651**	**22.362**	**(83.464)**	**300.549**	**(198)**	**300.351**
Comprehensive income:							
Profit for the period		-	62.277	-	62.277	(42)	62.235
Total other comprehensive income		-	-	(31.723)	(31.723)	164	(31.559)
Total comprehensive income		-	62.277	(31.723)	30.554	122	30.676
Transactions with owners							
Shares buyback (Note 22)		(14.740)	-	-	(14.740)	-	(14.740)
Total contribution from and distribution to owners of the Company		(14.740)	-	-	(14.740)	-	(14.740)
Balance at 30 June 2012 (restated)		**346.911**	**84.639**	**(115.187)**	**316.363**	**(76)**	**316.287**
Balance at 1 January 2013		**346.911**	**83.193**	**(42.421)**	**387.683**	**-**	**387.683**
Comprehensive income:							
Profit for the period		-	23.265	-	23.265	-	23.265
Total other comprehensive income		-	5.329	(68.351)	(63.022)	-	(63.022)
Total comprehensive income		-	28.594	(68.351)	(39.757)	-	(39.757)
Transactions with owners							
Share-based payment	7	-	-	1.010	1.010	-	1.010
Issue of shares to employees	16	517	-	(517)	-	-	-
Dividends paid [1]		-	(9.722)	-	(9.722)	-	(9.722)
Total contribution from and distribution to owners of the Company		517	(9.722)	493	(8.712)	-	(8.712)
Balance at 30 June 2013		**347.428**	**102.065**	**(110.279)**	**339.214**	**-**	**339.214**

The notes on pages 11 to 34 are an integral part of the interim condensed consolidated financial information.

[1] Out of the US$10 million dividend paid, an amount of approximately US$300 thousand was paid to a subsidiary entity which holds the LTIP shares prior to being transferred to the employees as and when vested in accordance with the LTIP plan (Note 7).

Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2013 (unaudited)

	Note	Six months ended 30 June 2013 US$000	30 June 2012 Restated US$000
Cash flows from operating activities			
Profit before tax		**29.415**	81.013
Adjustments for:			
-Depreciation	12	**36.559**	34.156
-Provision for bad debts		**6.934**	149
-Finance income	8	**(509)**	(610)
-Interest expense and other borrowing costs		**32.660**	28.065
-Fair value gain on interest rate swap	8	**-**	4.728
-Hedging with non-derivatives effect	9	**(408)**	668
-Revaluation of embedded derivatives on mezzanine	15	**(17.052)**	-
-Net foreign exchange translation losses / (gains)		**4.782**	(25.987)
-Share-based compensation	7	**5.189**	1.907
		97.570	124.089
Changes in working capital:			
-Trade and other receivables		**(18.132)**	(2.671)
-Finance leases receivable		**(659)**	6.308
-Trade and other payables		**3.022**	3.002
-Taxes payable other than income tax		**(129)**	(712)
-VAT received		**2.948**	5.051
Cash generated from operations		**84.620**	135.067
Income tax paid		**(806)**	(2.975)
Net cash from operating activities		**83.814**	132.092
Cash flows from investing activities			
Purchase of equipment including prepayments for equipment		**(71.278)**	(49.694)
Deferred consideration paid on past business combination		**-**	(2.000)
Interest received	8	**509**	610
VAT received from VAT authorities		**12.210**	22.243
Advances to customs / VAT paid on railcars		**(13.035)**	(3.497)
Maintenance CAPEX		**(5.905)**	-
Net cash used in investing activities		**(77.499)**	(32.338)
Cash flows from financing activities			
Equity raising transaction costs		**-**	(464)
Share buy back		**-**	(14.740)
Proceeds from bank borrowings		**-**	250.000
Repayments of bank borrowings		**-**	(276.974)
Proceeds from shareholder loan		**-**	14.740
Transaction costs paid on borrowings		**-**	(7.576)
Transfers to restricted cash balances		**-**	(1.550)
Interest and commitment fees paid on borrowings		**(19.884)**	(12.454)
Amounts paid on derivative financial instruments		**-**	(4.747)
Finance leases liabilities – principal repayments		**(12.580)**	(9.265)
Dividends paid		**(9.722)**	-
Net cash used in financing activities		**(42.186)**	(63.030)
Net (decrease)/increase in cash and cash equivalents		**(35.871)**	36.724
Cash and cash equivalents at beginning of the period		**71.975**	50.847
Exchange losses on cash and cash equivalents		**(1.306)**	(840)
Cash and cash equivalents at end of the period [1]		**34.798**	86.731

[1] At 30 June 2012 there is an amount of US$17.5 million that related to restricted cash which is not available for general use by the Group and has therefore been excluded from cash and cash equivalents above.

The notes on pages 11 to 34 are an integral part of the interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (unaudited)

1. General information

Introduction

The interim condensed financial information consolidated the unaudited financial information of Brunswick Rail Limited (the "Company") and its subsidiaries (the "Group"), for the six months ended 30 June 2013.

This interim condensed unaudited consolidated financial information was approved for issue on 12 September 2013.

Country of incorporation

The Company is incorporated in Bermuda as a private limited liability company in accordance with the provisions of the section 14 of the Companies Act 1981. Its registered office is at Wessex House, 2nd Floor, 45 Reid Street, Hamilton HM 12 Bermuda.

Principal activities

The Group's principal activity which is unchanged from last year is to engage (i) in the purchase, sale, financing and leasing of railcars in the "1520 gauge territory" (the railway territory of Russian Federation and CIS), and all ancillary activities thereto and (ii) in the shipment of various cargos, mainly metal scrap, within Russian Federation territory using both own and leased railcars as well as railcars provided by third party carriers.

Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as issued by the International Accounting Standards Board. The interim condensed consolidated financial information should be read in conjunction with the Group's annual audited report and consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRSs.

2. Accounting policies

The accounting policies and methods of computation adopted are consistent with those of the Group's annual audited report and consolidated financial statements for the year ended 31 December 2012 as described therein except for the voluntary and other changes which have been discussed below.

Consolidation of subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies and is exposed or has rights to variable returns from involvement in the entities and has the ability to affect the returns through the power over the entities which is generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible and all other relevant facts and circumstances are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. Accounting policies (continued)

Adoption of New or Revised Standards and Interpretations

In the current period, the Group has applied, in accordance with their transitional provisions, a package of five standards on consolidation, joint arrangements, associates and the related disclosures, including IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. The effect from their adoption has not resulted in any changes to the Group's interim condensed consolidated financial information.

During the six-month period ended 30 June 2013 the Group also adopted IFRS 13 Fair Value Measurement which establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 Fair Value Measurement is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures amount fair value measurements, except in specified circumstances. Application of IFRS 13 Fair Value Measurement resulted in more extensive disclosures in the interim condensed consolidated financial information.

The Group has applied amendments to IAS 1 Presentation of Financial Statements "Presentation of Items of Other Comprehensive Income". The amendments require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Several other amendments including amended IFRS 7 Financial Instruments: Disclosures "Disclosures – Offsetting Financial Assets and Financial Liabilities" and amendments resulting from "Annual Improvements to IFRSs" (2009-2011 cycle) were applied for the first time in these interim condensed consolidated financial information. Application of these amendments did not result in significant changes to the Group's financial position or results of operations.

Comparatives and prior year adjustments

In the first quarter of 2013 the Group voluntarily changed its accounting policy in respect of accounting for equipment subsequent to initial recognition from the revaluation model to the cost model. The Group's management believes that the change results in the financial statements becoming more reliable and relevant with regard to the Group's financial position and performance, in line with best practices of Russian and international industry peers and therefore more comparable.

A further rationale for the change lies in the Group's main business which is the leasing of railcars and transportation on a long term basis. The Group is not engaged in the speculative buying and selling of railcars to profit from such transactions as part of its ordinary activities. As a result, the asset price volatility of the railcar portfolio resulting from quarterly changes in the fair market value of owned railcars is not a key metric for the Group's management or investors using the financial statements of the Group.

As part of the adjustment, net cumulative impairment losses of US$19.743 thousand recognised in prior periods up to 31 December 2012 have been reversed. Following its assessment for the period ended 30 June 2013, Group management have not identified any indicators of impairment for the cash generating unit in accordance with the policy adopted during the first quarter of 2013.

The change in accounting policy was applied retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The effect on the interim condensed consolidated balance sheet, interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for prior periods is as follows:

2. Accounting policies (continued)

Comparatives and prior year adjustments (continued)

Balance sheet as at 31 December 2012

In USD thousand	Reported	Adjustments	Restated
Equipment–railcars cost [1]	1.796.645	(532.299)	1.264.346
Equipment– railcars accumulated depreciation [1]	(369.496)	184.617	(184.879)
Deferred income tax liabilities [4]	(105.249)	70.231	(35.018)
Total effect on assets and liabilities		**(277.451)**	
Revaluation reserve [3]	355.759	(355.759)	-
Translation reserve [5]	(8.067)	3.384	(4.683)
Retained earnings [2]	8.269	74.924	83.193
Total effect on equity		**(277.451)**	

(1) Reversal of gross cumulative revaluation allocated to cost and depreciation up to 31 December 2012;
(2) Reversal of impairment gains / (losses) recognized in income statement and depreciation charge adjustments reflecting the historical cost basis up to 31 December 2012;
(3) Reversal of cumulative revaluation gains recorded in other comprehensive income up to 31 December 2012, net of tax;
(4) Related deferred income tax liabilities calculated on the reversal of cumulative revaluation up to 31 December 2012;
(5) Related translation reserve effect calculated on the reversal of cumulative revaluation up to 31 December 2012.

Interim Condensed Consolidated Income Statement
for the six months ended 30 June 2012

In USD thousand	Reported	Adjustments	Restated
Railcar depreciation	(51.941)	17.908	(34.033)
Reversal of impairment on revaluation of railcars	4.107	(4.107)	-
Income tax expense	(16.018)	(2.760)	(18.778)
Total effect on profit for the period		**11.041**	
Profit attributable to the owners of the Company	51.191	11.086	62.277
Profit attributable to non-controlling interest	3	(45)	(42)
Earnings per share:			
-Basic earnings per share:	0,238	0,051	0,289
-Diluted earnings per share:	0,230	0,044	0,274

for the three months to 30 June 2012

In USD thousand	Reported	Adjustments	Restated
Railcar depreciation	(25.971)	9.059	(16.912)
Reversal of impairment on revaluation of railcars	3.776	(3.776)	-
Income tax expense	(456)	(1.056)	(1.512)
Total effect on profit for the period		**4.227**	
Profit attributable to the owners of the Company	1.100	4.226	5.326
Profit attributable to non-controlling interest	(167)	1	(166)
Earnings per share:			
-Basic earnings per share:	0,006	0,019	0,025
-Diluted earnings per share:	0,015	0,017	0,032

2. Accounting policies (continued)

Comparatives and prior year adjustments (continued)

Interim Condensed Consolidated Statement of Comprehensive income
for the six months ended 30 June 2012

In USD thousand	Reported	Adjustments	Restated
Profit for the period	51.194	11.041	62.235
Currency translation differences	(12.392)	7.533	(4.859)
Gains on revaluation of railcars	39.167	(39.167)	-
Total effect on comprehensive income		**(20.593)**	

for the three months to 30 June 2012

In USD thousand	Reported	Adjustments	Restated
Profit for the period	933	4.227	5.160
Currency translation differences	(75.328)	38.290	(37.038)
Gains on revaluation of railcars	15.799	(15.799)	-
Total effect on comprehensive income		**26.718**	

Balance sheet as at 30 June 2012

In USD thousand	Reported	Adjustments	Restated
Equipment–railcars cost	1.706.707	(596.890)	1.109.817
Equipment– railcars accumulated depreciation	(314.150)	174.953	(139.197)
Deferred income tax asset/liabilities	(98.029)	84.564	(13.465)
Total effect on assets and liabilities		**(337.373)**	
Revaluation reserve	410.678	(410.678)	-
Translation reserve	(61.915)	29.910	(32.005)
Retained earnings	39.801	44.839	84.640
Non-controlling interest	1.371	(1.444)	(73)
Total effect on equity		**(337.373)**	

The tax effect of the adjustment as a result of the change of the accounting policy on Other Comprehensive Income for the period ended 30 June 2012 is as follows:

In USD thousand	
Opening deferred tax adjustments	79.421
Deferred tax on depreciation adjustment for the period	(3.339)
Deferred tax on reversal of revaluation reserve movement for the period	9.985
Currency translation differences	(1.503)
Deferred tax effect as of 30 June 2012	**84.564**

The tax effect of the adjustment as a result of the change of the accounting policy on Other Comprehensive Income for the three months to 30 June 2012 is as follows:

In USD thousand	
Opening deferred tax adjustments	91.272
Deferred tax on depreciation adjustment for the period	(1.515)
Deferred tax on reversal of revaluation reserve movement for the period	4.077
Currency translation differences	(9.270)
Deferred tax effect as of 30 June 2012	**84.564**

2. Accounting policies (continued)

Change in presentation of income statement

In the first quarter of 2013 the Group voluntarily changed the presentation of its income statement as management believes that (i) the simplified presentation will be more appropriate for the Group following its Eurobond listing in November 2012 as it provides information that is more reliable and relevant to the users of its financial statements and (ii) the change will result in the income statement being more comparable with the Group's Russian and international industry peers. The Group has reclassified the comparative information for the period ended 30 June 2012 to conform to the presentation of the current interim period.

The table below presents the previous and the new income statement for the six months ended 30 June 2012:

<table>
<tr><th colspan="2">Income statement as previously presented</th><th colspan="2">Income statement - new presentation</th></tr>
<tr><td>In USD thousand</td><td>Restated</td><td>In USD thousand</td><td>Restated</td></tr>
<tr><td>Operating lease income</td><td>130.319</td><td rowspan="6">Revenue</td><td rowspan="6">150.509</td></tr>
<tr><td>Finance lease income</td><td>1.101</td></tr>
<tr><td>Transportation income - operator's services</td><td>19.757</td></tr>
<tr><td>Gross revenue</td><td>151.177</td></tr>
<tr><td>Hedging with non-derivatives effect</td><td>(668)</td></tr>
<tr><td>Net revenue</td><td>150.509</td></tr>
<tr><td>Depot repairs</td><td>(3.150)</td><td rowspan="5">Cost of services</td><td rowspan="5">(9.847)</td></tr>
<tr><td>Transportation services subcontracted</td><td>(5.192)</td></tr>
<tr><td>Other transportation services expenses</td><td>(1.141)</td></tr>
<tr><td>Railcar insurance</td><td>(102)</td></tr>
<tr><td>Other railcar expenses</td><td>(262)</td></tr>
<tr><td>Property tax</td><td>(8.318)</td><td>Property tax</td><td>(8.318)</td></tr>
<tr><td>Staff costs</td><td>(4.940)</td><td>Staff compensation, excluding share based compensation</td><td>(4.940)</td></tr>
<tr><td>Professional fees</td><td>(1.327)</td><td rowspan="3">Other operating expenses</td><td rowspan="3">(3.840)</td></tr>
<tr><td>Provision for bad debts</td><td>(149)</td></tr>
<tr><td>Other operating expenses</td><td>(2.364)</td></tr>
<tr><td>Other income</td><td>34</td><td>Other operating income</td><td>34</td></tr>
<tr><td>Line item not previously presented</td><td>-</td><td>Operating profit before share based compensation and depreciation</td><td>123.598</td></tr>
<tr><td>Share based compensation</td><td>(1.907)</td><td>Share based compensation</td><td>(1.907)</td></tr>
<tr><td>Depreciation</td><td>(34.156)</td><td>Depreciation</td><td>(34.156)</td></tr>
<tr><td>Line item not previously presented</td><td>-</td><td>Operating profit</td><td>87.535</td></tr>
<tr><td>Finance costs</td><td>(33.119)</td><td>Finance costs</td><td>(33.119)</td></tr>
<tr><td>Finance income</td><td>610</td><td>Finance income</td><td>610</td></tr>
<tr><td>Net foreign exchange translation gains</td><td>25.987</td><td>Net foreign exchange translation gains</td><td>25.987</td></tr>
<tr><td>Profit before income tax</td><td>81.013</td><td>Profit before income tax</td><td>81.013</td></tr>
<tr><td>Income tax expense</td><td>(18.778)</td><td>Income tax expense</td><td>(18.778)</td></tr>
<tr><td>Profit for the period</td><td>62.235</td><td>Profit for the period</td><td>62.235</td></tr>
</table>

2. Accounting policies (continued)

Change in presentation of income statement (continued)

The table below presents the previous and the new income statement for the three months ended 30 June 2012:

<table>
<tr><th colspan="2">Income statement as previously presented</th><th colspan="2">Income statement - new presentation</th></tr>
<tr><td>In USD thousand</td><td>Restated</td><td>In USD thousand</td><td>Restated</td></tr>
<tr><td>Operating lease income</td><td>65.527</td><td rowspan="6">Revenue</td><td rowspan="6">76.773</td></tr>
<tr><td>Finance lease income</td><td>527</td></tr>
<tr><td>Transportation income - operator’s services</td><td>11.387</td></tr>
<tr><td>Gross revenue</td><td>77.441</td></tr>
<tr><td>Hedging with non-derivatives effect</td><td>(668)</td></tr>
<tr><td>Net revenue</td><td>76.773</td></tr>
<tr><td>Depot repairs</td><td>(1.476)</td><td rowspan="5">Cost of services</td><td rowspan="5">(6.129)</td></tr>
<tr><td>Transportation services subcontracted</td><td>(4.114)</td></tr>
<tr><td>Other transportation services expenses</td><td>(403)</td></tr>
<tr><td>Railcar insurance</td><td>(51)</td></tr>
<tr><td>Other railcar expenses</td><td>(85)</td></tr>
<tr><td>Property tax</td><td>(4.116)</td><td>Property tax</td><td>(4.116)</td></tr>
<tr><td>Staff costs</td><td>(2.467)</td><td>Staff compensation, excluding share based compensation</td><td>(2.467)</td></tr>
<tr><td>Professional fees</td><td>(598)</td><td rowspan="3">Other operating expenses</td><td rowspan="3">(2.157)</td></tr>
<tr><td>Provision for bad debts</td><td>(149)</td></tr>
<tr><td>Other operating expenses</td><td>(1.410)</td></tr>
<tr><td>Other income</td><td>21</td><td>Other operating income</td><td>21</td></tr>
<tr><td>Line item not previously presented</td><td>-</td><td>Operating profit before share based compensation and depreciation</td><td>61.925</td></tr>
<tr><td>Share based compensation</td><td>10</td><td>Share based compensation</td><td>10</td></tr>
<tr><td>Depreciation</td><td>(16.976)</td><td>Depreciation</td><td>(16.976)</td></tr>
<tr><td>Line item not previously presented</td><td>-</td><td>Operating profit</td><td>44.959</td></tr>
<tr><td>Finance costs</td><td>(18.152)</td><td>Finance costs</td><td>(18.152)</td></tr>
<tr><td>Finance income</td><td>358</td><td>Finance income</td><td>358</td></tr>
<tr><td>Revaluation of embedded derivatives on mezzanine</td><td>8.469</td><td>Revaluation of embedded derivatives on mezzanine</td><td>8.469</td></tr>
<tr><td>Net foreign exchange translation gains</td><td>(28.962)</td><td>Net foreign exchange translation gains</td><td>(28.962)</td></tr>
<tr><td>Profit before income tax</td><td>6.672</td><td>Profit before income tax</td><td>6.672</td></tr>
<tr><td>Income tax expense</td><td>(1.512)</td><td>Income tax expense</td><td>(1.512)</td></tr>
<tr><td>Profit for the period</td><td>5.160</td><td>Profit for the period</td><td>5.160</td></tr>
</table>

3. Segment information

The information on types of leases provided to the Board of Directors for the six months ended 30 June 2013 and 30 June 2012 is as follows:

	Six months ended		**Three months to**	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
	US$000	US$000	**US$000**	US$000
Full service operating leases	**80.132**	75.255	**39.335**	38.321
Triple-net operating leases	**39.966**	55.064	**21.270**	27.206
Transportation services income	**15.613**	19.757	**9.190**	11.387
Finance leases	**763**	1.101	**378**	527
Total external revenue pre hedging	**136.474**	151.177	**70.173**	77.441
Hedging with non-derivatives effect (Note 9)	**408**	(668)	**(974)**	(668)
Total external revenue post hedging	**136.882**	150.509	**69.199**	76.773

3. Segment information (continued)

Revenues of approximately US$19.498 thousand (six months ended 30 June 2012: US$20.181 thousand) are derived from a single external customer. These revenues are attributable to operating lease contracts under both full-service and triple-net leases.

The revenue from external customers is derived only from the business activities carried out in the Russian Federation. No revenue is derived in Bermuda which is the Company's country of domicile.

The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the income statement. The breakdown of the major components of revenue is disclosed above.

Based on the Board's decision from 11 June 2013, Management has started the process of restructuring existing corporate entities. The project is also critical in preparing transparent structure which can be easily presented to and understood by external investors. As part of the management's corporate restructuring plan all Russian operating lease entities will be merged into one absorbing company and as consequence railcar fleet will be recognized on the balance sheet of the new company at the date of merger. In accordance with recent legislation enacted within the Russian Tax Code movable property recognized on the balance sheet from 1 January 2013 is exempt from property tax.

Based on the above, the Group's management has changed the presentation of the Adjusted EBITDA to exclude property tax and be in line with the Group's future financial performance as property tax will be a non-recurring item. The Group has reclassified the comparative information for the period ended 30 June 2012 to conform to the presentation of the current interim period.

	Six months ended 30 June 2013		
	Leases US$000	**Transportation US$000**	**Total US$000**
Revenues	**128.620**	**15.613**	**144.233**
Revenues inter-segmental	(7.759)	-	**(7.759)**
Revenues from external customers	**120.861**	**15.613**	**136.474**
Cost of services	(13.402)	(14.668)	**(28.070)**
Cost of services inter-segmental	-	7.759	**7.759**
Cost of services – third parties	**(13.402)**	**(6.909)**	**(20.311)**
Other operating expenses (including staff costs)	(17.653)	(92)	**(17.745)**
Other operating income	370	2	**372**
Adjusted EBITDA [1]	**90.176**	**8.614**	**98.790**

[1] Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization and other non-cash charges, exceptional and non-recurring items.

A reconciliation of the Group's Adjusted EBITDA to the profit/(loss) for the period is presented below:

Profit/(loss) for the period	**23.265**
plus/(minus):	
Income tax expense	**6.150**
Depreciation	**36.559**
Property tax	**8.117**
Finance income	**(509)**
Finance costs	**32.697**
Net foreign exchange translation losses	**4.782**
Share-based compensation	**5.189**
Revaluation of embedded derivatives on mezzanine	**(17.052)**
Hedging with non-derivatives effect	**(408)**
Adjusted EBITDA	**98.790**

3. Segment information (continued)

	Six months ended 30 June 2012 Restated		
	Leases US$000	**Transpor-tation US$000**	**Total US$000**
Revenues	**136.383**	**21.293**	**157.676**
Revenues inter-segmental	(6.499)	-	(6.499)
Revenues from external customers	**129.884**	**21.293**	**151.177**
Cost of services	(2.944)	(13.402)	(16.346)
Cost of services inter-segmental	-	6.499	6.499
Cost of services – third parties	**(2.944)**	**(6.903)**	**(9.847)**
Other operating expenses (including staff costs)	(8.495)	(285)	(8.780)
Other operating income	34	-	34
Adjusted EBITDA	**118.479**	**14.105**	**132.584**

A reconciliation of the Group's Adjusted EBITDA to the profit/(loss) for the period is presented below:

Profit/(loss) for the period	**62.235**
plus/(minus):	
Income tax expense	18.778
Depreciation	34.156
Property tax	8.318
Finance income	(610)
Finance costs	33.119
Net foreign exchange translation gains	(25.987)
Share-based compensation	1.907
Hedging with non-derivatives effect	668
Adjusted EBITDA	**132.584**

3. Segment information (continued)

	Three months to 30 June 2013		
	Leases US$000	Transportation US$000	Total US$000
Revenues	**64.988**	**9.190**	**74.178**
Revenues inter-segmental	(4.006)	-	**(4.006)**
Revenues from external customers	**60.982**	**9.190**	**70.172**
Cost of services	(7.789)	(8.227)	**(16.016)**
Cost of services inter-segmental	-	4.006	**4.006**
Cost of services – third parties	**(7.789)**	**(4.221)**	**(12.010)**
Other operating expenses (including staff costs)	(8.841)	(37)	**(8.878)**
Other operating income	350	-	**350**
Adjusted EBITDA	**44.702**	**4.932**	**49.634**

A reconciliation of the Group's Adjusted EBITDA to the profit/(loss) for the period is presented below:

Profit/(loss) for the period	**19.352**
plus/(minus):	
Income tax expense	**2.903**
Depreciation	**18.285**
Property tax	**3.957**
Finance income	**(230)**
Finance costs	**16.513**
Net foreign exchange translation losses	**3.390**
Share-based compensation	**1.543**
Revaluation of embedded derivatives on mezzanine	**(17.052)**
Hedging with non-derivatives effect	**973**
Adjusted EBITDA	**49.634**

3. Segment information (continued)

	Three months to 30 June 2012 Restated		
	Leases US$000	**Transpor-tation US$000**	**Total US$000**
Revenues	**68.707**	**12.140**	**80.847**
Revenues inter-segmental	(3.406)	-	(3.406)
Revenues from external customers	**65.301**	**12.140**	**77.441**
Cost of services	(1.199)	(8.335)	(9.534)
Cost of services inter-segmental	-	3.406	3.406
Cost of services – third parties	**(1.199)**	**(4.929)**	**(6.128)**
Other operating expenses (including staff costs)	(4.421)	(204)	(4.625)
Other operating income	21	-	21
Adjusted EBITDA	**59.702**	**7.007**	**66.709**

A reconciliation of the Group's Adjusted EBITDA to the profit/(loss) for the period is presented below:

Profit/(loss) for the period	**5.160**
plus/(minus):	
Income tax expense	1.512
Depreciation	16.976
Property tax	4.116
Finance income	(358)
Finance costs	18.152
Net foreign exchange translation losses	28.962
Share-based compensation	(10)
Revaluation of embedded derivatives on mezzanine	(8.469)
Hedging with non-derivatives effect	668
Adjusted EBITDA	**66.709**

3. Segment information (continued)

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements.

	30 June 2013		
	Leases US$000	**Transportation US$000**	**Total US$000**
Total segment assets	**982.477**	**133.716**	**1.116.193**
Total segment assets include:			
Equipment – railcars	**962.335**	**133.372**	**1.095.707**
Finance leases receivables	**10.868**	**-**	**10.868**
VAT recoverable	**7.693**	**13**	**7.706**
Prepayment for acquisition of railcars	**1.581**	**-**	**1.581**
Advances paid for rail tariffs	**-**	**331**	**331**

	31 December 2012 Restated		
	Leases US$000	**Transportation US$000**	**Total US$000**
Total segment assets	1.034.780	140.258	1.175.038
Total segment assets include:			
Equipment – railcars	942.217	137.250	1.079.467
Finance leases receivable	11.511	-	11.511
VAT recoverable	12.661	29	12.690
Prepayment for acquisition of railcars	68.391	-	68.391
Advances paid for rail tariffs	-	2.979	2.979

Reportable segments' assets are reconciled to total assets as follows:

	30 June 2013 US$000	31 December 2012 Restated US$000
Segment assets for reportable segments	**1.116.193**	1.175.038
Unallocated:		
Other tangible assets	**1.010**	1.100
Intangible assets	**1**	1
Deferred income tax asset	**4.192**	2.767
Derivative financial instruments	**4.423**	-
Other receivables	**33.259**	17.979
Cash and cash equivalents	**34.798**	71.975
Total assets per balance sheet	**1.193.876**	1.268.860

Non-current assets (excluding deferred tax assets and derivative financial instruments) of US$1.108.004 thousand (as at 31 December 2012: US$1.159.423 thousand) are located in the Russian Federation. None of the non-current assets are located within Bermuda, which is the Company's country of domicile.

The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the Group's treasury function.

3. Segment information (continued)

The Company's Board utilises an internal reporting system to assess the profitability of the Group, whereby they adjust profit / (loss) after tax for items management believes are non-recurring or not directly embedded within the core operating business cycle of the entity. This internal reporting measure was as follows:

	Six months ended		Three months to	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
	US$000	US$000	**US$000**	US$000
Profit / (loss) for the period	**23.265**	62.235	**19.352**	5.160
(i) Share-based compensation	**5.189**	1.907	**1.543**	(10)
(ii) Revaluation of embedded derivatives on mezzanine	**(17.052)**	-	**(17.052)**	(8.469)
(iii) Net foreign exchange translation losses/(gains)	**4.781**	(25.987)	**3.390**	28.962
(iv) Hedging with non-derivatives effect	**(408)**	668	**974**	668
(v) Related tax effect	**(130)**	4.821	**(386)**	(5.662)
Adjusted profit for the period	**15.645**	43.644	**7.821**	20.649

The Board only assesses the above measure for the Group as the whole.

4. Critical accounting estimates and judgements

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

In preparing the interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited report and consolidated financial statements for the year ended 31 December 2012. The fair value of the Company's shares used in the valuation of the embedded derivatives and the share-based management compensation payment has been estimated using a discounted cash flow valuation model which assumes amongst other a six-year projection period and a terminal value.

5. Cost of services

	Six months ended		Three months to	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
	US$000	US$000	**US$000**	US$000
Depot repairs	**13.195**	3.150	**7.508**	1.476
Transportation services subcontracted	**3.720**	5.192	**2.967**	4.114
Other transportation services expenses	**2.637**	1.141	**970**	403
Other railcar expenses	**619**	262	**494**	85
Railcar insurance	**140**	102	**71**	51
Total cost of services	**20.311**	9.847	**12.010**	6.129

6. Other operating expenses

	Six months ended		Three months to	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
	US$000	US$000	**US$000**	US$000
Provision for bad debts (Note 14)	**6.934**	149	**3.295**	149
Directors' fees (Note 22)	**853**	380	**503**	314
Other professional fees	**684**	186	**539**	98
Rent expense	**632**	583	**310**	303
Travelling, accommodation and entertainment	**584**	520	**355**	339
Auditor's remuneration	**499**	381	**284**	229
Legal fees	**399**	233	**185**	51
Advertising and marketing	**326**	120	**239**	84
Other operating expenses	**319**	498	**65**	221
Consultancy fees	**132**	528	**21**	221
Information technology costs	**129**	114	**61**	59
Communication costs	**103**	112	**55**	60
Leasehold repairs	-	36	-	29
Total other operating expenses	**11.594**	3.840	**5.912**	2.157

7. Share-based compensation

During 2013 the following share-based compensation schemes were introduced in addition to the plans already established in 2012:

Chief Executive Officer ("CEO") plan

On 8 March 2013, the Board approved the terms of the CEO's LTIP. The LTIP is effective from 1 July 2012. The relevant agreement was signed on 12 March 2013, which is the grant date of the plan.

The LTIP plan is interpreted by the Group's management to be a compound instrument under IFRS 2 as it includes both a "cash-settled" and an "equity-settled" share based element. The overall value of the services obtained by the Group will be measured by reference to the fair value of the Company's shares granted as consideration.

The "cash-settled" share-based payment stems from the terms of the plan where the Company has granted the CEO a right to sell the shares to the Company at the CEO's discretion at a specific price over a sequence of pre-defined quarterly instalments.

The "equity-settled" part will be valued by considering that the CEO would have to give up the "cash-settled'' part in order to retain equity; hence it was estimated by deducting the liability from the overall value of the plan at the grant date.

CEO has an option to sell the shares back to the Company for cash at certain dates from April 2013 to October 2014. The total number of shares to be awarded under the plan equals to 1.393.529. As at the balance sheet date none of them were sold back to the Company.

The estimated grant date fair value of the Company's share was calculated at US$3,41 which represents the fair value of the debt component of the compound instrument. The Group accrued an expense of US$1.508 thousand for the 2013 LTIP during the first half of 2013.

Other equity-settled bonuses

During the first half of 2013 certain Group managers were granted Company shares relating to their year 2012 personal performance. No vesting conditions were attached to these shares. The Group recognized the full expense of US$460 thousand in the first quarter of 2013 with a corresponding credit to a share based compensation reserve in equity. Based on the above 129.349 shares were issued to the managers (Note 16).

The total share-based compensation expense in the income statement was calculated as follows:

	Six months ended		**Three months to**	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
	US$000	US$000	**US$000**	US$000
Equity-settled:				
MEP	**2.119**	-	**791**	-
Long term incentive plan	**1.421**	-	**241**	-
Other equity-settled bonuses	**460**	-	**-**	-
CEO plan	**34**	-	**-**	-
Chairman plan	**(319)**	-	**(319)**	-
Total equity-settled	**3.715**	-	**713**	-
Cash-settled:				
Cash settlement on share-based payment	**-**	1.907	**-**	(10)
CEO plan	**1.474**	-	**830**	-
Total cash-settled	**1.474**	1.907	**830**	(10)
Total share-based compensation expense	**5.189**	1.907	**1.543**	(10)

7. Share-based compensation (continued)

The share-based compensation reserve balance included on the balance sheet under the heading "Other reserves" (Note 17) is analysed as follows:

	30 June 2013 US$000	31 December 2012 Restated US$000
Opening balance	**8.449**	-
Share-based compensation	**1.020**	8.375
Issue of shares to employees (Note 16)	**(517)**	-
Currency translation differences	**(10)**	74
Closing balance	**8.942**	8.449

The difference between the total equity-settled share-based compensation expense and the amount recognized in the share-based compensation reserve relates mainly to a receivable previously recognized by the Group associated with the collateral pledged by the Chairman which has now been reversed.

8. Finance costs and income

	Six months ended		**Three months to**	
	30 June 2013 US$000	30 June 2012 Restated US$000	**30 June 2013 US$000**	30 June 2012 Restated US$000
Finance costs				
Interest expense – Eurobond	**(20.739)**	-	**(10.533)**	-
Interest expense – finance lease payables	**(6.626)**	(7.030)	**(3.245)**	(3.467)
Interest expense – mezzanine facility	**(4.906)**	(4.807)	**(2.500)**	(2.515)
Other borrowing costs	**(381)**	(230)	**(218)**	(174)
Interest expense – syndicated bank loans	**-**	(16.228)	**-**	(9.062)
	(32.652)	(28.295)	**(16.496)**	(15.218)
Bank charges	**(45)**	(96)	**(17)**	(54)
Fair value loss on interest rate swap – cash flow hedge, transfer from other comprehensive income (Note 17)	**-**	(4.728)	**-**	(2.880)
	(32.697)	(33.119)	**(16.513)**	(18.152)
Finance income				
Interest income on bank balances	**509**	610	**230**	358
	509	610	**230**	358
Net finance costs	**(32.188)**	(32.509)	**(16.283)**	(17.794)

9. Hedging with non-derivatives

During the second quarter of 2012 the Group adopted the provisions of IAS 39 and applied hedge accounting with non-derivative financial liabilities to mitigate its exposure to foreign currency risk and the volatility of the Group's earnings over the years as a result of substantial foreign exchange gains / (losses) recorded in income statement. The Company's and its subsidiaries' functional currency is the Russian Rouble (RUB) and it is exposed to a foreign currency risk arising from rental income denominated in United States Dollars (USD). The future revenues are hedged by borrowings denominated in USD.

The effect of applying hedge accounting on both income statement and balance sheet is presented below:

Income statement	**Six months ended 30 June 2013 US$000**	Six months ended 30 June 2012 Restated US$000
(Loss) / profit for the period – pre hedging with non-derivatives	**(13.329)**	33.244
Net foreign exchange losses deferred to other comprehensive income	45.335	36.906
Revenue – exchange differences recycled from other comprehensive income	408	(668)
Tax charge – related deferred taxes	(9.149)	(7.247)
Net effect on (loss) / profit after tax	36.594	28.991
Profit for the period – post hedging with non-derivatives	**23.265**	62.235
Total equity – pre hedging with non-derivatives	**339.214**	316.293
Hedging reserve – exchange differences deferred from income statement	(29.695)	29.079
Retained earnings – exchange differences deferred to hedging reserve	29.591	(28.991)
Translation reserve effect	104	(88)
Total effect on equity	-	-
Total equity – post hedging with non-derivatives	**339.214**	316.293

10. Income tax

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

As at 30 June 2013 it is estimated that none of the Group's subsidiaries have contingent tax liabilities arising from exposure other than remote tax risks (as at 31 December 2012: none).

11. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended		Three months to	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
Profit for the period attributable to the owners of the Company (US$000)	**23.265**	62.277	**19.352**	5.326
Weighted average number of shares in issue	**212.883.403**	215.326.060	**213.040.259**	212.586.833
Earnings per share (expressed in US$ per share)	**0,109**	0,289	**0,091**	0,025
	==========	==========	==========	==========

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of the dilutive potential ordinary shares in relation to conversion of the mezzanine facility to equity. The mezzanine facility is assumed to have been converted into ordinary shares at the beginning of the period and profit attributable to the owners of the Company is therefore adjusted to eliminate the interest expense on mezzanine facility, the effect of revaluation of embedded derivatives on mezzanine facility and any foreign exchange gains/(losses) attributable to the mezzanine facility. Equity-based remuneration plans do not have a material dilutive impact.

Diluted earnings per share for the six months ended 30 June 2013 is presented in the table below:

	Six months ended		Three months to	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
	US$000	US$000	**US$000**	US$000
Profit for the period attributable to the owners of the Company	**23.265**	62.277	**19.352**	5.326
Interest expense on mezzanine facility (Note 8)	**4.906**	4.807	**2.500**	2.515
Revaluation of embedded derivatives on mezzanine	**(17.052)**	-	**(17.052)**	(8.469)
Net foreign exchange translation losses	**5.938**	2.627	**4.105**	8.606
Profit used to determine diluted earnings per share	**17.057**	69.711	**8.905**	7.978
Weighted average number of ordinary shares in issue	**212.883.403**	215.326.060	**213.040.259**	212.586.833
Adjustments for:				
Assumed conversion of mezzanine facility (weighted average)	**22.175.000**	39.080.152	**22.175.000**	39.080.152
Weighted average number of shares for diluted earnings per share	**235.058.403**	254.406.212	**235.215.259**	251.666.985
Earnings per share (expressed in US$ per share)	**0,073**	0,274	**0,038**	0,032
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12. Equipment

	Rail cars Restated US$000	Furniture, fittings & office equipment Restated US$000	**Total Restated US$000**
As at 1 January 2013			
Cost	1.264.346	1.693	**1.266.039**
Accumulated depreciation	(184.879)	(593)	**(185.472)**
Net book amount	1.079.467	1.100	**1.080.567**
Six-month period ended 30 June 2013			
Opening net book amount	1.079.467	1.100	**1.080.567**
Additions	132.609	133	**132.742**
Disposals / retirement of assets	(5.070)	(17)	**(5.087)**
Depreciation charge	(36.427)	(132)	**(36.559)**
Depreciation on disposal	301	-	**301**
Exchange differences on cost	(90.268)	(121)	**(90.389)**
Exchange differences on depreciation	15.095	49	**15.144**
Closing net book amount	1.095.707	1.012	**1.096.719**
As at 30 June 2013			
Cost	1.301.627	1.653	**1.303.280**
Accumulated depreciation	(205.920)	(641)	**(206.561)**
Net book amount	1.095.707	1.012	**1.096.719**
As at 1 January 2012			
Cost	1.094.672	1.153	**1.095.825**
Accumulated depreciation	(109.073)	(361)	**(109.434)**
Net book amount	985.599	792	**986.391**
Year ended 31 December 2012			
Opening net book amount	985.599	792	**986.391**
Additions	104.106	469	**104.575**
Disposals / retirement of assets	(146)	-	**(146)**
Depreciation charge	(67.758)	(266)	**(68.024)**
Depreciation on disposal	23	62	**85**
Exchange differences on cost	65.714	71	**65.785**
Exchange differences on depreciation	(8.071)	(28)	**(8.099)**
Closing net book amount	1.079.467	1.100	**1.080.567**
As at 31 December 2012			
Cost	1.264.346	1.693	**1.266.039**
Accumulated depreciation	(184.879)	(593)	**(185.472)**
Net book amount	1.079.467	1.100	**1.080.567**

During the period ended 30 June 2013 the Group's fleet was increased by 1.900 railcars. Equipment includes 23.911 railcars (31 December 2012: 22.011 railcars) which are held by the sub-subsidiary companies. From the total equipment, 21.386 railcars are leased out under operating leases and short term rentals and 2.525 are used for shipment of various cargos, mainly metal scrap.

If the railcar fleet was stated at fair market value its value would be US$1.222.662 thousand (31 December 2012: US$1.427.149 thousand).

13. Finance leases receivable

	30 June 2013	31 December 2012
		Restated
	US$000	US$000
Non-current receivables		
Finance leases – gross receivables	**13.096**	14.524
Unearned finance income	**(3.392)**	(4.060)
	9.704	10.464
Current receivables		
Finance leases – gross receivables	**2.879**	2.879
Unearned finance income	**(1.397)**	(1.492)
Lease payments received in advance	**(318)**	(340)
	1.164	1.047
The net investment in finance leases may be analysed as follows:		
Not later than 1 year	**1.164**	1.047
Later than 1 year and not later than 5 years	**7.420**	7.393
Later than 5 years	**2.284**	3.071
	10.868	11.511

As of 30 June 2013 the net investment in finance leases was 208 railcars (31 December 2012: 208 railcars).

14. Trade and other receivables

	30 June 2013	31 December 2012
		Restated
	US$000	US$000
Operating lease income receivables	**15.459**	6.696
Other receivables and prepayments	**11.154**	4.772
Transportation income receivables	**5.869**	2.583
	32.482	14.051

Other than the debtor balances for which a specific provision for impairment of receivables was recognized at the amount of US$10.288 thousand (2012: US$3.994 thousand), no other trade and other receivables balance is considered impaired.

The fair value of trade and other receivables which are due within one year approximates their carrying amount at the balance sheet date.

15. Derivative financial instruments

	30 June 2013	31 December 2012
		Restated
	US$000	US$000
Non-current derivative financial assets / (liabilities)		
At the beginning of the period	**(12.405)**	-
Revaluation of embedded derivatives on mezzanine	**17.052**	(12.087)
Currency translation differences	**(224)**	(318)
At the end of the period	**4.423**	(12.405)

15. Derivative financial instruments (continued)

The embedded derivatives relate to certain derivatives identified in the US$60 million mezzanine facility agreement which are (i) a right for the holder of the facility to request a conversion of the outstanding balance of the facility into shares in the Company within 5 years from the date of the agreement, subject to occurrence of certain events triggering conversion and (ii) a prepayment option for the issuer (the Company) under which the Company can, under certain conditions, elect to prepay the facility.

On the occurrence of a qualifying IPO, or change of control, the Group may need to exchange a variable number of shares (as the number of shares is derived by reference to the principal/outstanding amount of the facility) for a variable amount of cash (as the amount payable on conversion is denominated in USD which is not the Company's functional currency). Therefore, as the fixed-for-fixed criterion is not met the conversion option does not meet the definition of an equity instrument, and it is a derivative financial liability.

The embedded derivatives are fair valued at each reporting date. The negative fair value of the embedded derivatives calculated as at 31 March 2012 was US$8.469 thousand and fair value losses for this amount have been recognised at that time in the income statement. During the second quarter ending 30 June 2012, mainly due to the depreciation of Rouble rate against USD, the fair value of the embedded derivatives reversed for approximately the same amount, and the fair value losses recorded for the 3 months ended 31 March 2012 have been recovered.

Based on the valuation as at 30 June 2013 all fair value losses previously recognized in the amount of US$12.087 thousand have been fully recovered as a result of fair value gains of US$17.052 thousand recognized in the income statement (30 June 2012: US$Nil thousand). The valuation takes into account the fair value of the Company's share, a key factor in the valuation of the conversion option. The fair value of the Company's shares has been estimated using a discounted cash flow valuation model which assumes amongst other a six-year projection period and a terminal value (Note 4).

Based on above-mentioned description of inputs used for the measurement, fair value of embedded derivatives relates to Level 3 of the fair value hierarchy as at 30 June 2013 (31 December 2012: Level 3) as the most significant input, fair value of the Company's share, is not based on observable market data.

16. Share capital and share premium

	Number of shares	Share capital US$000	Share premium US$000	Treasury shares US$000	Total US$000
At 1 January 2012	**222.279.641**	**211.321**	**150.330**	**-**	**361.651**
Issue of share capital	6.467.389	6.467	-	-	6.467
Treasury shares	(6.467.389)	-	-	(6.467)	(6.467)
Shares buyback and cancellation	(6.700.000)	(6.700)	(8.040)	-	(14.740)
Shares buyback and cancellation – acquisition of subsidiary	(2.992.808)	-	-	-	-
At 31 December 2012	**212.586.833**	**211.088**	**142.290**	**(6.467)**	**346.911**
Issue of shares to employees (Note 7)	517.390	-	-	517	517
At 30 June 2013	**213.104.223**	**211.088**	**142.290**	**(5.950)**	**347.428**

On 15 March 2012 the Company signed an agreement with one of its shareholders to buy back 6,7 million shares at a price of US$2,20 per share for a total consideration of US$14,74 million.

The agreement constituted a contract to buy a fixed number of shares with settlement in cash and therefore needed to be recognized as a financial liability at the date of the agreement. The buyback was completed on 3 April 2012.

The shares issued to employees during the period relate to the LTIP shares and other equity-settled bonuses awarded for the year 2012 which were transferred to top management during the first six months of 2013.

17. Other reserves

	Hedging reserve Restated US$000	Translation reserve Restated US$000	Share-based compensation reserve Restated US$000	Share swap reserve Restated US$000	Total Restated US$000
Balance at 1 January 2012	**946**	**(26.982)**	**-**	**(57.428)**	**(83.464)**
Cash flow hedge (derivatives):					
-Fair value losses	(2.349)	-	-	-	(2.349)
-Transfers to income statement	4.728	-	-	-	4.728
Cash flow hedge (non-derivatives):					
-Exchange differences deferred to equity net of tax	(29.615)	-	-	-	(29.615)
-Exchange differences recycled to income statement, net of tax	536	-	-	-	536
Currency translation differences	-	(5.023)	-	-	(5.023)
Balance at 30 June 2012	**(25.754)**	**(32.005)**	**-**	**(57.428)**	**(115.187)**
Balance at 1 January 2013	**11.241**	**(4.683)**	**8.449**	**(57.428)**	**(42.421)**
Cash flow hedge (non-derivatives):					
-Exchange differences deferred to equity net of tax	(34.919)	-	-	-	(34.919)
-Exchange differences recycled to income statement, net of tax	(266)	-	-	-	(266)
Currency translation differences	(422)	(27.415)	-	-	(27.837)
Issue of shares to employees	-	-	(517)	-	(517)
Transfer of hedging reserve to retained earnings	(5.329)	-	-	-	(5.329)
Share-based payment	-	-	1.010	-	1.010
Balance at 30 June 2013	**(29.695)**	**(32.098)**	**8.942**	**(57.428)**	**(110.279)**

The translation, hedging and share-based compensation reserves are non-distributable.

18. Borrowings

	30 June 2013 US$000	31 December 2012 Restated US$000
Non-current borrowings		
Eurobond	**586.337**	592.044
Finance lease liabilities	**113.573**	127.874
Other borrowings	**14.740**	14.740
	714.650	734.658
Current borrowings		
Finance lease liabilities	**9.892**	8.928
Eurobond	**6.500**	-
	16.392	8.928
Total borrowings	**731.042**	743.586

18. Borrowings (continued)

	30 June 2013	31 December 2012 Restated
	US$000	US$000
Maturity of non-current borrowings (excluding finance lease liabilities)		
Between 1 and 2 years	**14.740**	14.740
Between 3 and 5 years	**586.337**	592.044
	601.077	606.784

Finance lease liabilities

	30 June 2013	31 December 2012 Restated
	US$000	US$000
Maturity of non-current liabilities from finance leases		
Between 1 and 2 years	**107.231**	120.247
Between 3 and 5 years	**3.253**	3.758
Over 5 years	**3.089**	3.869
Net finance lease liabilities	**113.573**	127.874

19. Mezzanine

In 2011 the Group drew down the US$60 million mezzanine facility and as a result the liability is recognized on the balance sheet. The Group incurred borrowing costs in obtaining the facility which are amortized over the period of the facility. The facility is accounted for at amortized cost using the effective interest method.

The mezzanine facility movement is as follows:

	30 June 2013	31 December 2012 Restated
	US$000	US$000
At the beginning of the period	**64.624**	64.432
Interest charged	**5.049**	10.108
Interest paid	**-**	(10.145)
Unamortised borrowing costs under the effective interest method	**(143)**	183
Currency translation differences	**(33)**	46
At the end of the period	**69.497**	64.624

20. Trade and other payables

	30 June 2013	31 December 2012 Restated
	US$000	US$000
Other trade payables and accrued expenses	**6.964**	7.775
Advances from customers	**4.492**	4.329
Liability arising on cash-settled share based payment transactions (Note 7)	**2.844**	1.385
Railcars creditors	**5**	-
	14.305	13.489

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

21. Operating lease commitments

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	30 June 2013	31 December 2012 Restated
	US$000	US$000
Not later than 1 year	**25.693**	30.769
Later than 1 year but not later than 5 years	**41.706**	50.303
	67.399	81.072

The future aggregate total rentals receivable under cancellable operating leases, excluding fines for early termination, are as follows:

	30 June 2013	31 December 2012 Restated
	US$000	US$000
Not later than 1 year	**230.927**	223.752
Later than 1 year but not later than 5 years	**532.970**	421.575
Later than 5 years	**42.542**	63.694
	806.439	709.021

22. Related party transactions

There is no single ultimate controlling party which exercises control over the affairs of the Group.

Transactions with related parties are as follows:

Key management compensation

	Six months ended		**Three months to**	
	30 June 2013	30 June 2012 Restated	**30 June 2013**	30 June 2012 Restated
	US$000	US$000	**US$000**	US$000
Share-based payment (Note 7)	**4.729**	1.907	**1.543**	(10)
Salaries and other benefits	**2.418**	1.796	**1.246**	984
Directors fees	**853**	380	**503**	314
Bonuses	**76**	12	**71**	12
	8.076	4.095	**3.363**	1.300

22. Related party transactions (continued)

On 15 March 2012, the Company signed an agreement with one of its shareholders to buy back 6,7 million shares at a price of US$2,20 per share for a total consideration of US$14,74 million. On the same day, the Company signed an agreement for a three-year loan from the shareholder to finance the acquisition of the shares. The loan is unsecured and carries an interest rate of 3-month USD LIBOR + 300 basis points. The loan was disbursed on 28 March 2012 and the buyback of the shares was completed in early April 2012.

Shareholder loan

	30 June 2013	31 December 2012 Restated
	US$000	US$000
At the beginning of the period	**14.740**	-
Advances (Note 18)	**-**	14.740
Interest charged	**246**	392
Interest paid	**(244)**	(391)
Currency translation difference	**(2)**	(1)
At the end of the period	**14.740**	14.740

23. Events after the balance sheet date

Other than the above, there were no other material post balance sheet events which have a bearing on the understanding of the financial statements.