

**FAR-EASTERN SHIPPING COMPANY PLC.
AND ITS SUBSIDIARIES**

CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

**For the three-month period ended 31 March 2016
(unaudited)**

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**FAR-EASTERN SHIPPING COMPANY PLC
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CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

Statement of management's responsibilities for the preparation and approval of the interim condensed consolidated financial statements for the three months ended 31 March 2016

The following statement is made with a view to the respective responsibilities of management in relation to the interim condensed consolidated financial statements of Far-Eastern Shipping Company PLC and its subsidiaries (the Group).

Management is responsible for the preparation of the interim condensed consolidated financial statements that present fairly the financial position of Far-Eastern Shipping Company PLC and its subsidiaries (the Group) as of 31 March 2016, and the results of its operations, cash flows and changes in shareholders' equity for the three months then ended, in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

In preparing the interim condensed consolidated financial statements, management is responsible for:

- Applying consistently the accounting principles prescribed by IAS 34;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IAS 34 has been followed, subject to any material departures disclosed and explained in the interim condensed consolidated financial statements; and
- Preparing the interim condensed consolidated financial information on a going concern basis, unless it is inappropriate to presume that the Group will continue in business for the foreseeable future. This statement should be considered in conjunction with the Note 2e of the consolidated financial statements of the Group as at and for the year ended 31 December 2015.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial statements of the Group comply with IAS 34;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the Group operates;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial statements of the Group for the three months ended 31 March 2016 were approved by management on 30 May 2016.

A.Isurins, President

M.V.Sakharov, Vice President and CFO

The accompanying notes on pages 9 to 22 form an integral part of these consolidated interim condensed financial statements.

FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Financial Position
As at 31 March 2016
(unaudited)

USD mln	Note	31 March 2016	31 December 2015
ASSETS			
Non-Current Assets			
Fleet	8	77	78
Rolling stock	9	137	129
Other tangible fixed assets	10	182	173
Goodwill	7	95	89
Investments in associates and joint ventures	11	194	180
Other non-current assets	12	20	20
Total non-current assets		<u>705</u>	<u>669</u>
Current Assets			
Inventories		11	13
Accounts receivable	13	76	79
Current tax assets		8	8
Other current assets		1	-
Cash and cash equivalents	14	40	36
Total current assets		<u>136</u>	<u>136</u>
Total Assets		<u>841</u>	<u>805</u>
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	18	57	57
Share premium		777	777
Accumulated losses		(302)	(280)
Reserves		(841)	(881)
Equity attributable to owners of the Company		<u>(309)</u>	<u>(327)</u>
Non-controlling interests		7	6
Total equity		<u>(302)</u>	<u>(321)</u>
Non-Current Liabilities			
Long-term debt and finance lease obligations	16	782	773
Deferred tax liability		9	11
Other long-term liabilities		114	113
Total non-current liabilities		<u>905</u>	<u>897</u>
Current Liabilities			
Accounts payable	15	108	91
Current tax liabilities		-	1
Short-term debt and finance lease obligations	16	130	137
Total current liabilities		<u>238</u>	<u>229</u>
Total Liabilities		<u>1,143</u>	<u>1,126</u>
Total equity and liabilities		<u>841</u>	<u>805</u>

A. Isurins, President 

M.V. Sakharov, Vice President and CFO 

Date: 30 May 2016

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FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Profit or Loss
For the three-month period ended 31 March 2016
(unaudited)

USD mln	Note	For the three - month period ended 31 March	
		2016	2015
Revenue	20	126	204
Operating expenses	21	(84)	(146)
Gross profit before depreciation and amortization		<u>42</u>	<u>58</u>
Depreciation and amortisation	8,9,10	(10)	(12)
Administrative expenses	22	(17)	(21)
Profit from operating activity		<u>15</u>	<u>25</u>
Interest expense		(22)	(24)
Other finance income, net		-	15
Other non-operating expenses		(2)	(3)
Foreign exchange (loss)/gain		(13)	6
Share of profit of equity accounted investees	11	1	4
(Loss)/profit before income tax		<u>(21)</u>	<u>23</u>
Income tax expense	17	(1)	(7)
(Loss)/profit for the period		<u>(22)</u>	<u>16</u>
Attributable to:			
Owners of the Company		(22)	16
Non-controlling interests		-	-
(Loss)/earnings per share (in USD)	23	<u>(0.008)</u>	<u>0.005</u>

The accompanying notes on pages 9 to 22 form an integral part of these consolidated interim condensed financial statements.

FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Comprehensive Income
For the three-month period ended 31 March 2016
(unaudited)

USD mln	For the three - month period ended 31 March	
	2016	2015
(Loss)/profit for the period	(22)	16
Other comprehensive profit/(loss):		
Items that will never be reclassified to profit or loss		
Effect of foreign currency translation	41	(29)
Other comprehensive profit/(loss) for the period	41	(29)
Total comprehensive profit/(loss) for the period	19	(13)
Total comprehensive profit/(loss) attributable to:		
Ordinary shareholders of the Company	19	(13)
Non-controlling interests	-	-

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FAR-EASTERN SHIPPING COMPANY PLC.
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Consolidated Interim Condensed Statement of Changes in Equity
For the three-month period ended 31 March 2016
(unaudited)

USD mln	Attributable to equity holders of the Company							Total equity
	Share capital (Note 18)	Share premium	Retained earnings/ losses	Revaluation reserve	Translation reserve	Non-controlling interests	Total	
Balance at 1 January 2015	57	777	(113)	1	(727)	(5)	4	(1)
Profit for the period	-	-	16	-	-	16	-	16
Other comprehensive loss	-	-	-	-	(29)	(29)	-	(29)
Effect of foreign currency translation	-	-	-	-	(29)	(29)	-	(29)
Total other comprehensive loss	-	-	16	-	(29)	(13)	-	(13)
Balance at 31 March 2015	57	777	(97)	1	(756)	(18)	4	(14)
Balance at 1 January 2016	57	777	(280)	-	(881)	(327)	6	(321)
Loss for the period	-	-	(22)	-	-	(22)	-	(22)
Other comprehensive profit	-	-	-	-	40	40	1	41
Effect of foreign currency translation	-	-	-	-	40	40	1	41
Total other comprehensive profit	-	-	-	-	40	40	1	41
Total comprehensive profit/(loss) for the period	-	-	(22)	-	40	18	1	19
Balance at 31 March 2016	57	777	(302)	-	(841)	(309)	7	(302)

The accompanying notes on pages 9 to 22 form an integral part of these consolidated interim condensed financial statements.

**FAR-EASTERN SHIPPING COMPANY PLC.
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**Consolidated Interim Condensed Statement of Cash Flows
For the three-month period ended 31 March 2016
(unaudited)**

USD mln	Note	For the three-month period ended 31 March	
		2016	2015
Cash flows from operating activities			
(Loss)/profit for the period		(22)	16
Adjustments for:			
Depreciation and amortisation		10	12
Foreign exchange loss/(profit)		13	(6)
Net finance costs		22	9
Share of profit of equity accounted investees		(1)	(4)
Income tax expense		1	7
Cash from operating activities before changes in working capital and provisions		23	34
Change in inventories		2	18
Change in trade and other receivables		3	56
Change in trade and other payables		(2)	(35)
Cash flows from operations before income taxes paid		26	73
Income tax paid		(5)	(5)
Cash flows generated from operating activities		21	68

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**Consolidated Interim Condensed Statement of Cash Flows
For the three-month period ended 31 March 2016
(unaudited)
(Continued)**

USD mln	Note	For the three-month period ended 31 March	
		2016	2015
Cash flows from investing activities			
Expenditure on other fixed assets	10	(3)	(3)
Proceeds from loans		1	-
Proceeds on disposal of other fixed assets		1	-
Finance lease received		-	1
Net cash used in investing activities		(1)	(2)
Cash flows from financing activities			
Proceeds from borrowings		5	125
Repayment of borrowings		(15)	(9)
Redemption of Eurobonds		-	(9)
Finance charges		(4)	(4)
Restricted deposits		(1)	(1)
Net cash (used in)/ generated from financing activities		(15)	102
Effect of exchange rate fluctuations on cash and cash equivalents		(1)	(9)
Net increase in cash and cash equivalents		4	159
Cash and cash equivalents at the beginning of the period		36	66
Cash and cash equivalents at the end of the period		40	225

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**FAR-EASTERN SHIPPING COMPANY PLC.
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**Notes to the Consolidated Interim Condensed Financial Statements
For the three-month period ended 31 March 2016**

1. Organisation and Trading Activities

Far-Eastern Shipping Company PLC. (FESCO or Company) was privatised and became a joint stock company governed by the laws of the Russian Federation on 3 December 1992. The Company's registered office and principal place of business is: 75 Sadovnicheskaya Str., Moscow, Russian Federation, 115035.

The Company's immediate shareholders are several Cyprus entities and Mr Ziavudin Magomedov is considered to be the Company's ultimate controlling party.

The principal activity of FESCO and its subsidiaries (the Group) has traditionally been shipping (ship owning, ship management, chartering out and line operating). In recent years FESCO has been transformed into an intermodal logistics Group focused on Russia, offering a full range of logistical solutions through a combination of shipping, rail, trucking and port services.

2. Statement of Compliance

These consolidated interim condensed financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3. Significant Accounting Policies

A number of a new and amended IFRS become effective on 1 January 2016. Management consider that impacts of this pronouncement are not material or applicable to the Group's consolidated interim condensed Financial Statements. As a result the accounting policies applied by the Group in these consolidated interim condensed financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

4. Estimates

The preparation of consolidated interim condensed financial statements 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 expense. Actual results may differ from these estimates. In preparing these consolidated interim condensed financial statements, 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 were applied in the preparation of the consolidated financial statements as at and for the year ended 31 December 2015.

5. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

6. Seasonality of Operations

The Group's operations are affected by seasonal factors including summer shipping season in northern regions and consumer and construction market cycles. Generally, volumes of cargo transported, as well as revenue, in the second and third quarters of the year tend to be higher than those in the first and fourth quarters because increase in demand for transporting containerised cargo and increase in the retail industry.

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Notes to the Consolidated Interim Condensed Financial Statements
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7. Goodwill

	<u>Gross amount</u>	<u>Accumulated impairment loss</u>	<u>Carrying amount</u>
	USD mln		
At 1 January 2015	170	(56)	114
Translation difference	(7)	2	(5)
At 31 March 2015	163	(54)	109
At 1 January 2016	132	(43)	89
Translation difference	10	(4)	6
At 31 March 2016	142	(47)	95

8. Fleet

	<u>Carrying value</u>	
	<u>31 March 2016</u>	<u>31 December 2015</u>
	USD mln	
Fleet	67	68
Deferred dry docking expenses	10	10
	77	78
Total deadweight tonnage	268	268

	<u>Valuation</u>	<u>Depreciation</u>	<u>Net Book Value</u>
	USD mln		
At 1 January 2015	80	-	80
Depreciation charge for the period	-	(1)	(1)
At 31 March 2015	80	(1)	79
At 1 January 2016	68	-	68
Depreciation charge for the period	-	(1)	(1)
At 31 March 2016	68	(1)	67

The Group reviews the carrying value of the fleet on an annual basis. At the interim date management analyses the carrying value of tangible fixed assets for indicators of impairment /reversal of impairment. No such indicators were identified.

Movements during the period on deferred dry docking expenses were:

	<u>Cost</u>	<u>Depreciation</u>	<u>Net Book Value</u>
	USD mln		
At 1 January 2015	20	(8)	12
Additions	1	-	1
Depreciation charge for the period	-	(1)	(1)
Amortised dry dock write off	(1)	1	-
At 31 March 2015	20	(8)	12
At 1 January 2016	20	(10)	10
Additions	1	-	1
Depreciation charge for the period	-	(1)	(1)
Amortised dry dock write off	(1)	1	-
At 31 March 2016	20	(10)	10

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9. Rolling Stock

	<u>Cost</u>	<u>Depreciation</u> USD mln	<u>Net Book Value</u>
At 1 January 2015	324	(142)	182
Additions in the period	1	-	1
Depreciation charge for the period	-	(5)	(5)
Disposals	-	-	-
Translation difference	(13)	5	(8)
At 31 March 2015	<u>312</u>	<u>(142)</u>	<u>170</u>
At 1 January 2016	252	(123)	129
Additions in the period	2	-	2
Depreciation charge for the period	-	(4)	(4)
Disposals	(2)	1	(1)
Translation difference	17	(6)	11
At 31 March 2016	<u>269</u>	<u>(132)</u>	<u>137</u>

Rolling stock includes assets held under finance leases with a net book value of USD 28 million (31 December 2015 – USD 26 million).

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10. Other Tangible Fixed Assets

	Buildings and Infrastructure	Plant, Machinery and Other	Assets under construction	Total
	USD mln			
Cost				
At 1 January 2015	147	183	29	359
Additions	-	-	2	2
Translation difference	(4)	(4)	(1)	(9)
At 31 March 2015	<u>143</u>	<u>179</u>	<u>30</u>	<u>352</u>
At 1 January 2016	121	145	28	294
Disposals	-	(1)	-	(1)
Translation difference	7	7	2	16
At 31 March 2016	<u>128</u>	<u>151</u>	<u>30</u>	<u>309</u>
Depreciation				
At 1 January 2015	38	100	-	138
Depreciation charge	1	4	-	5
Translation difference	-	(2)	-	(2)
At 31 March 2015	<u>39</u>	<u>102</u>	<u>-</u>	<u>141</u>
At 1 January 2016	37	84	-	121
Depreciation charge	1	3	-	4
Release on disposal	-	(1)	-	(1)
Translation difference	1	2	-	3
At 31 March 2016	<u>39</u>	<u>88</u>	<u>-</u>	<u>127</u>
Net Book Value				
At 1 January 2015	<u>109</u>	<u>83</u>	<u>29</u>	<u>221</u>
At 31 March 2015	<u>104</u>	<u>77</u>	<u>30</u>	<u>211</u>
At 1 January 2016	<u>84</u>	<u>61</u>	<u>28</u>	<u>173</u>
At 31 March 2016	<u>89</u>	<u>63</u>	<u>30</u>	<u>182</u>

Plant, machinery and other fixed assets include containers held under finance lease with a net book value of USD 1 million (at 31 December 2015 – USD 1 million) and plant and machinery with a net book value of USD 8 million (at 31 December 2015 – USD 7 million).

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**Notes to the Consolidated Interim Condensed Financial Statements
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11. Investments in Associates and Joint Ventures

Equity accounted investments represent investments in joint ventures and associates.

<u>Name</u>	<u>Country of incorporation</u>	<u>Percentage Holding</u>	<u>Activity</u>	<u>Classification</u>
Transcontainer	Russia	24.1%	Intermodal Container Operations	Associate
"Russkaya Troyka"	Russia	50%	Intermodal Container Operations	Joint Venture
Trans Russia Agency Japan Co. Ltd	Japan	50%	Agency services	Joint Venture
International Paint (East Russia) Limited	Hong Kong	49%	Ship Paint Production	Associate
"SHOSHTRANS" JVCSC	Uzbekistan	25%	Forwarding services	Associate
Fesco China Logistic Co. Ltd	China	50%	Forwarding services	Joint Venture
MB – Fesco Trans	Cyprus	49%	Forwarding services	Associate

Movements in joint ventures and associated companies consolidated on an equity basis are as follows:

	<u>31 March 2016</u>	<u>31 March 2015</u>
	<u>USD mln</u>	
At the beginning of the period	180	229
Share of results of equity accounted investees	1	4
Translation differences	13	(9)
At the end of the period	<u>194</u>	<u>224</u>

Summary financial information for equity- accounted investees, not adjusted for the percentage ownership held by the Group:

<u>Reporting date</u>	<u>Current assets</u>	<u>Non-current assets</u>	<u>Total assets</u>	<u>Current liabilities</u>	<u>Non – current liabilities</u>	<u>Total liabilities</u>	<u>Income</u>	<u>Expenses</u>	<u>Profit</u>
As at 31 March 2016/ For three-month period ended 31 March 2016									
USD mln									
31 March	134	812	946	124	114	238	160	(158)	2

<u>Reporting date</u>	<u>Current assets</u>	<u>Non-current assets</u>	<u>Total assets</u>	<u>Current liabilities</u>	<u>Non – current liabilities</u>	<u>Total liabilities</u>	<u>Income</u>	<u>Expenses</u>	<u>Profit</u>
As at 31 March 2015/ For three-month period ended 31 March 2015									
USD mln									
31 March	148	963	1,111	98	191	289	178	(164)	14

Goodwill in amount of USD 15 million related to OJSC TransContainer is included into the investments in associates and joint ventures.

The market value of OJSC TransContainer shares and GDR's held by the Group, based on the quotations in Moscow Stock Exchange and LSE at 31 March 2016 is USD 141 million.

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12. Other Non-Current Assets

	<u>31 March 2016</u>	<u>31 December 2015</u>
	<u>USD mln</u>	
Long term loan to related party, at amortized cost	-	1
Restricted deposits	11	11
Lease right	4	4
Prepayments for fixed assets, at cost	1	1
Other intangible assets	1	1
Other equity investments	1	1
Other non-current assets	2	1
	<u>20</u>	<u>20</u>

Prepayments for fixed assets represent prepayments for equipment.

13. Accounts Receivable

	<u>31 March 2016</u>	<u>31 December 2015</u>
	<u>USD mln</u>	
Trade debtors	43	39
VAT receivable	13	14
Prepayments to OJSC "Russian Railways"	4	8
Amounts due from associates and joint ventures	1	1
Other debtors and prepayments	19	21
Allowance for impairment	(4)	(4)
	<u>76</u>	<u>79</u>

14. Cash and Cash Equivalents

	<u>31 March 2016</u>	<u>31 December 2015</u>
	<u>USD mln</u>	
Bank accounts and cash in hand	40	36
	<u>40</u>	<u>36</u>

15. Accounts Payable

	<u>31 March 2016</u>	<u>31 December 2015</u>
	<u>USD mln</u>	
Trade creditors	30	37
Taxes payable, other than income tax	8	4
Interest payable	35	16
Other creditors and accruals	35	34
	<u>108</u>	<u>91</u>

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16. Debt and Finance Leases Obligations

Debt

	31 March 2016	31 December 2015
	USD mln	
Loans and other obligations comprise:		
<i>Secured loans</i>		
At fixed rate 5% - 10%	78	86
At fixed rate 10% - 15%	5	5
At variable rates 5%-10% above Libor/Euribor /Mosprime	41	40
	<u>124</u>	<u>131</u>
<i>Unsecured loans</i>		
At variable rate 13%	5	5
At fixed rate 5% - 15%	14	10
	<u>19</u>	<u>15</u>
<i>Bonds</i>		
Russian rouble bonds at interest rate 11%-19% p.a	103	96
At interest rate 8%-8.75%	646	646
	<u>749</u>	<u>742</u>
Obligations under finance leases at fixed rate 6%-10.5%%	2	3
Obligations under finance leases at fixed rate 10.5%-18.87%	18	19
	<u>20</u>	<u>22</u>
	<u>912</u>	<u>910</u>
Repayable within the next twelve months	130	137
Long term balance	782	773
	<u>912</u>	<u>910</u>

Market value of Eurobonds and bonds at the reporting date was USD 352 million and USD 102 million respectively.

In April 2016 the Group paid bond interest to the total amounts of USD 6 million.

The carrying amount of pledged under debt obligations rolling stock, fleet and other fixed assets as at 31 March 2016 was USD 111 million.

The Group was in compliance with covenants as at 31 March 2016.

17. Current and Deferred Tax

Companies within the Group are subject to taxation in different jurisdictions. The most significant tax expense arises in entities incorporated in the Russian Federation.

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	Three-month period ended 31 March	
	2016	2015
	USD mln	
Current tax expense		
Current period	4	5
	4	5
Deferred tax expense		
Origination and reversal of temporary differences	(3)	2
	(3)	2
Total income tax expense	1	7

Reconciliation of effective tax rate:

	Three-month period ended 31 March			
	2016		2015	
	USD mln	%	USD mln	%
(Loss)/profit before income tax	(21)	100	23	100
Income tax at applicable tax rate of 20% (2015: 20%)	(4)	(20)	5	20
Effect of income taxed at different rates	1	6	(2)	(8)
Non-deductible expenses/non-taxable income, net	4	20	3	13
Change in unrecognised deferred tax asset	-	-	1	4
	1	6	7	29

The Group's deferred tax liability mainly arises in entities incorporated in Russia and the effect of deferred taxation in other jurisdictions is not material.

18. Shareholders' Equity

	31 March 2016	31 December 2015
	USD mln	
Authorised number of shares (1 Rouble per share)	3,643,593,000	3,643,593,000
Issued number of shares	2,951,250,000	2,951,250,000
Share capital (USD million)	57	57

19. Business Segmental Analysis

For management purposes, the Group is organised into five major operating divisions – shipping, liner and logistics, railway services, ports and bunkering. The Group also includes certain companies that cannot be allocated to a specific division; these include investing and managing companies. These divisions are the basis on which the Group reports its operating segment information. The services provided by each of these divisions are as follows:

Shipping The shipping division is involved in ship ownership, ship management, chartering out and provision of agency services. These activities are carried out on a cabotage, cross

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For the three-month period ended 31 March 2016**

trade and import-export basis. The vessels operated by the shipping division are largely container vessels and bulk carriers.

Liner and Logistics	The Liner and logistics division operates liner services and provides freight forwarding services both for containers and break-bulk cargoes.
Railway Services	The railway services division provides services both as an operator and an agent. When acting as an operator it renders services for containerised and bulk cargoes using locomotives, railway wagons, hoppers, steel-pellet wagons and tank wagons owned by the division or leased by it under finance leases. In addition it uses rolling stock hired on short term operating leases.
Ports	The ports division owns and operates port facilities and container terminals in Russia and provides cargo handling, stevedoring, container storage and rental and related port services and facilities.
Bunkering	The bunkering division provides services of ship bunkering which involves transferring oil and fuel to and from a vessel.

Segmental reporting information is submitted to management of the Group on a regular basis as part of the management reporting process. It is used to assess the efficiency of the segments and to take decision on the allocation of resources.

Segment information for the main reportable segments of the Group for the three-month period ended 31 March 2016 is set out below.

	Liner and Shipping	Logistics	Railway services	Ports	Bunkering	Corporate	Investment in Trans- Container	Eliminations/ Adjustments	Total
	USD mln								
External sales	16	72	18	18	2	-	-	-	126
Inter-segment sales	7	-	2	7	4	-	(20)	-	-
Segment revenue	23	72	20	25	6	-	(20)	-	126
Segment expenses (*)	(10)	(73)	(18)	(11)	(7)	(5)	23	-	(101)
Segment result	13	(1)	2	14	(1)	(5)	3	-	25
<i>Segment non-cash items:</i>									
Depreciation and amortization	(2)	(1)	(4)	(2)	-	-	-	(1)	(10)
<i>Other material items of income/expense:</i>									
Other income and expenses	-	-	1	-	-	1	-	(2)	-
Interest expense	-	-	(3)	(1)	-	(22)	-	4	(22)
Share of profit of equity accounted investees	-	-	-	-	-	-	1	-	1
Income tax (expense)/benefit	1	-	2	(4)	-	-	-	-	(1)

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Segment information for the main reportable segments of the Group for the three-month period ended 31 March 2015 is set out below.

	Shipping	Liner and Logistics	Railway services	Ports	Bunkering	Corporate	Investment in Trans-Container	Eliminations/ Adjustments	Total
	USD mln								
External sales	16	97	25	20	46	-	-	-	204
Inter-segment sales	12	-	2	12	6	-	-	(32)	-
Segment revenue	28	97	27	32	52	-	-	(32)	204
Segment expenses (*)	(16)	(96)	(23)	(14)	(47)	(9)	-	35	(170)
Segment result	12	1	4	18	5	(9)	-	3	34
<i>Segment non-cash items:</i>									
Depreciation and amortization	(2)	(2)	(5)	(3)	-	-	-	-	(12)
<i>Other material items of income/expense:</i>									
Other income and expenses, net	-	-	1	-	-	2	-	(3)	-
Interest expense	-	(1)	(3)	(1)	(1)	(22)	-	4	(24)
Share of profit of equity accounted investees	-	-	-	-	-	-	4	-	4
Income tax (expense) / benefit	-	(1)	(1)	(4)	(1)	-	-	-	(7)

Segmental assets and liabilities

	Assets		Liabilities	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	USD mln			
Shipping (Global)	100	103	30	30
Liner and logistics (Global)	89	93	41	47
Railway services (Russia)	214	204	17	19
Ports (Russia)	149	138	56	53
Bunkering	3	7	3	5
Total of all segments	555	545	147	154
Goodwill	95	89	-	-
Other items not attributed to a specific segment	191	171	996	972
Consolidated	841	805	1,143	1,126

Other segmental information

	Acquisition of segment assets		Investments in equity accounted investees	
	31 March 2016	31 March 2015	31 March 2016	31 December 2015
	USD mln			
Shipping (Global)	1	1	1	1
Liner and logistics (Global)	-	-	3	4
Railway services (Russia)	2	1	10	9
Ports (Russia)	-	2	-	-
Investment in TransContainer	-	-	180	166
	3	4	194	180

(*) Segment expenses include operating expenses and administrative expenses.

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20. Revenue

	Three-month period ended 31 March	
	2016	2015
	USD mln	
Transportation services (operators' business)	86	118
Port and stevedoring services	18	20
Bunkering	2	46
Revenue from rentals	3	3
Hire and freight	16	16
Agency fees	1	1
	126	204

21. Operating Expenses

	Three-month period ended 31 March	
	2016	2015
	USD mln	
Railway infrastructure tariff and transportation services	60	76
Payroll expenses	11	14
Bunkering	2	40
Voyage and vessel running cost	4	9
Stevedoring services	2	1
Operating lease	4	5
Non-profit based taxes	1	1
	84	146

22. Administrative Expenses

	Three-month period ended 31 March	
	2016	2015
	USD mln	
Salary and other staff related costs	12	15
Professional fees	2	2
Office rent	1	2
Other administrative expenses	2	2
	17	21

23. Loss per Share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding those held by Group companies. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares.

	Three-month period ended 31 March	
	2016	2015
	USD	
(Loss)/profit for the period	(22,474,000)	15,706,000
Weighted average number of shares in issue (note 18)	2,951,250,000	2,951,250,000

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(Loss)/earnings per share	(0.008)	0.005
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24. Contingencies and Commitments

There were no changes in management assessment of taxation contingencies and business environment as compared to those disclosed in consolidated financial statements as at and for the year ended 31 December 2015.

25. Related Party Transactions

For the purposes of these consolidated interim condensed financial statements, parties are considered to be related if both parties are under common control or one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

During the period nine individuals were considered to be the Group's key management and directors (2015– eight individuals). Their remuneration during the period was as follows:

	Three-month period ended	
	31 March	
	2016	2015
	USD mln	
Salaries	1	1
	1	1

Statement of financial position	31 March	31 December	Nature
	2016	2015	
	USD mln		of balances
Associates	1	1	Trade receivables
Joint Venture Company	-	1	Loan issued
Joint Venture Company	-	1	Interest receivable
Related through common shareholder	(10)	(10)	Loan payable

Statement of Profit or Loss	31 March	31 March	Nature
	2016	2015	
	USD mln		of transactions
Associates sales	-	1	Agency services, rent and other services
Associates purchases	-	(1)	Agency services, rent and other expenses
Related through common shareholder	-	20	Sale of bunker
Related through common shareholder	-	2	Interest income
Related through common shareholder	(3)	-	Transportation services
Related through common shareholder	(1)	(1)	Other related services

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26. Events Subsequent to the Reporting Date

In May 2016 the management of the Group announced that in the interest of all its stakeholders it was decided not to pay coupon payment due on 4 May 2016 in respect of the Eurobonds. This determination was made in the context of the previously announced strategic review of the Group's capital structure and in consideration of the impact of continued weakness in the Russian macroeconomic environment and Rouble exchange rate on the Company's operations and liquidity. In addition, the Company has determined to defer payment of the coupon and amortisation amount due on the Ruble 02 bonds on 1 June 2016, while still reviewing its capital structure.

At the moment the Group is in the process of negotiations with holders of its Eurobonds and Ruble bonds and other lenders of its bilateral facilities to refinance its debt obligations.