

**AS SPACECOM TRANS**

**2012 ANNUAL REPORT**  
**(Translation of the Estonian original)**

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Beginning and end of financial year:	01.01.2012-31.12.2012
Main activity:	Leasing of rolling stock

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**MANAGEMENT REPORT**

AS Spacecom Trans (hereinafter the Company, Intopex Trans AS until 20 December 2010) was established on 8 June 2005 and launched its main operations in October 2005. The main activity of the Company is leasing of rolling stock. Rolling stock is leased partially in Estonia and mostly outside Estonia (Kazakhstan, Finland, Latvia).

As at 31.12.2012, the Company's rolling stock consisted of 1,566 railway tanks designed for the purpose of transporting oil products (as at 31.12.2011: 1,066 tanks). During 2012, the Company expanded its rolling stock by 500 tanks. The Company plans to continue with enlarged capacity in the same operating area, maintaining and reinforcing its market position.

The overall development of the Company's operating environment during 2012 did not have a negative impact on the Company's results of operating activities. Compared to the last year, the rolling stock increased and rental prices increased slightly, impacting the Company's revenue. In 2012, the Company's management continued to improve the customer base and where necessary, redirected its main operations from one market to another. In 2013, the Company's management will continue to monitor the composition of lessee base as well as changes therein in response to market demand.

The Company's loan and lease liabilities are denominated in US dollars, therefore the fluctuations in the exchange rate of the US dollar have a significant effect on finance income and costs. However, it is offset by cash inflows from operating activities which are also in US dollars; therefore, there is no significant currency risk.

During the year, the Company did not have any employees. Remuneration of the Management and Supervisory Boards amounted to EUR 422 thousand. In 2011, no remuneration was paid to the members of the Supervisory and Management Boards.

Key financial ratios characterising the Company's activities:


	2012	2011
ROA	24.12%	18.14%
ROE	45.84%	35.55%
Debt ratio	47.17%	47.68%
Interest coverage ratio	16.19	23.65

*ROA = net profit / average assets*

*ROE = net profit / average equity balance*

*Debt ratio = borrowings / assets*

*Interest coverage ratio = operating profit / interest expense*

  
Jekaterina Pistsalkina  
Member of the Management Board

  
Boriss Pereskokov  
Member of the Management Board

Tallinn, 28 March 2013

**Balance sheet***(in thousands of euros)*

	Note	31.12.2012	31.12.2011
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	4	2,398	211
Trade receivables	5	5,260	2,077
Other short-term receivables	5	155	0
Prepaid and deferred taxes	6	209	463
Inventories		36	28
<b>Total current assets</b>		<b>8,059</b>	<b>2,778</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	49,363	24,207
Prepayment for property, plant and equipment	16	0	9,380
<b>Total non-current assets</b>		<b>49,363</b>	<b>33,586</b>
<b>TOTAL ASSETS</b>		<b>57,421</b>	<b>36,364</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Borrowings	9	5,201	2,763
Trade payables and customer prepayments	10	2,916	1,435
Tax liabilities	6	3	0
Other liabilities	16	2	12
<b>Total current liabilities</b>		<b>8,123</b>	<b>4,210</b>
<b>Non-current liabilities</b>			
Borrowings	9	18,962	13,130
<b>Total non-current liabilities</b>		<b>18,962</b>	<b>13,130</b>
<b>Total liabilities</b>		<b>27,085</b>	<b>17,340</b>
<b>Equity</b>			
Share capital	11	60	26
Statutory reserve capital		3	3
Retained earnings		30,273	18,995
<b>Total equity</b>		<b>30,336</b>	<b>19,024</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>57,421</b>	<b>36,364</b>

The notes to the financial statements presented on pages 8-23 are an integral part of the Annual Report.



**Statement of comprehensive income**  
(in thousands of euros)

	Note	01.01.2012 - 31.12.2012	01.01.2011 - 31.12.2011
Revenue	12	27,947	13,992
Other income	13	0	128
<b>Operating income</b>		<b>27,947</b>	<b>14,120</b>
Operating expenses	14	14,017	7,170
Depreciation and impairment	7	1,796	902
Other operating expenses	13	5	0
<b>Operating expenses</b>		<b>15,817</b>	<b>8,072</b>
<b>Operating profit</b>		<b>12,130</b>	<b>6,048</b>
<b>Finance income and costs</b>			
Finance costs	15	-817	-306
<b>Total finance income and costs</b>		<b>-817</b>	<b>-306</b>
<b>Net profit for the financial year</b>		<b>11,312</b>	<b>5,742</b>
<b>Total comprehensive income for the financial year</b>		<b>11,312</b>	<b>5,742</b>

The notes to the financial statements presented on pages 8-23 are an integral part of the Annual Report.

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 PricewaterhouseCoopers, Tallinn

## Statement of changes in equity

<i>(in thousands of euros)</i>	Share capital	Statutory reserve capital	Retained earnings	Total
<b>Balance as at 31.12.2009</b>	<b>26</b>	<b>3</b>	<b>13,253</b>	<b>13,281</b>
Comprehensive income for the financial year	0	0	5,742	5,742
<b>Balance as at 31.12.2011</b>	<b>26</b>	<b>3</b>	<b>18,995</b>	<b>19,023</b>
Increase of share capital	35	0	-35	-0
Comprehensive income for the financial year	0	0	11,312	11,312
<b>Balance as at 31.12.2012</b>	<b>60</b>	<b>3</b>	<b>30,273</b>	<b>30,336</b>

More detailed information on share capital and other equity items is set out in Note 11.

The notes to the financial statements presented on pages 8-23 are an integral part of the Annual Report.

**Cash flow statement***(in thousands of euros)*

	Note	01.01.2012 - 31.12.2012	01.01.2011 - 31.12.2011
<b>Cash flows from operating activities</b>			
Operating profit		12,130	6,048
Adjustments:			
Depreciation and impairment	7	1,796	902
Change in inventories		-8	26
Change in receivables and prepayments related to operating activities	5, 6	-3,546	-1,508
Change in liabilities and prepayments related to operating activities	10	1,949	841
Interest paid	9,15,16	-771	-272
<b>Total cash flows from operating activities</b>		<b>11,549</b>	<b>6,037</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	-17,572	-9,380
<b>Total cash flows from investing activities</b>		<b>-17,572</b>	<b>-9,380</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings and finance lease	9	28,590	15,480
Repayments of borrowings and finance lease	9	-20,290	-12,629
<b>Total cash flows from financing activities</b>		<b>8,300</b>	<b>2,852</b>
<b>Total cash flows</b>		<b>2,277</b>	<b>-491</b>
<b>Cash and cash equivalents at the beginning of the period</b>	4	<b>211</b>	<b>658</b>
<b>Net decrease/increase in cash and cash equivalents</b>		<b>2,277</b>	<b>-491</b>
Exchange gains/losses on cash and cash equivalents		-89	44
<b>Cash and cash equivalents at the end of the period</b>	4	<b>2,399</b>	<b>211</b>

The notes to the financial statements presented on pages 8-23 are an integral part of the Annual Report.



**Notes to the financial statements****Note 1. Accounting policies used in the preparation of the financial statements****General information**

AS Spacecom Trans (former legal name Intopex Trans AS, hereinafter the Company) is a company incorporated under the legislation of the Republic of Estonia, the main activity of which is leasing of rolling stock.

The Company is registered in the Republic of Estonia (Commercial Register no. 11145977; address: Mõisa 4, Tallinn). The parent of the Company is Globaltrans Investment Plc (GTI), which until July 2012 was owned by Transportation Investments Holding Limited (TIHL), the ultimate controlling party of which was Mirbay International Inc. From July 2012, the ownership interest of TIHL in GTI decreased (as at 31.12.2012: 34.5%) and from July 2012, the legal entity with the highest level of control over the Company is its parent company Globaltrans Investment Plc.

The financial statements have been approved by the Management Board on 28.03.2013. In accordance with the Commercial Code of the Republic of Estonia, the Management Board of the Company shall approve the annual report and it shall be authorised for issue by the General Meeting of Shareholders.

**Summary of key accounting policies**

The key accounting policies used in the preparation of the Company's financial statements are presented below. The accounting policies have been consistently applied to all the periods presented in the financial statements.

**A. Bases of preparation, changes in presentation and accounting policies**

The financial statements of the Company for 2012 have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS).

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies, and management makes estimates and assumptions regarding the future. Accounting estimates may not coincide with subsequent actual events related to them. Estimates and judgments are continually evaluated and they are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or the areas where assumptions and estimates are significant to the financial statements are presented in Note 3.

**Adoption of new or revised standards and interpretations**

New or revised standards or interpretations that are effective for the first time for the financial year beginning on 1 January 2012 are not expected to have a material impact to the Company.

**New accounting pronouncements**

New or revised standards and interpretations have been issued that are mandatory for the Company's annual periods beginning at or after 1 January 2012, and which the Company has not early adopted.

**IFRS 13, Fair Value Measurement** (effective for annual periods beginning on or after 1 January 2013). The standard aims to improve consistency and reduce complexity by providing a revised definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRSs. The Company is currently assessing the impact of the standard on its financial statements. The standard may impact evaluation of assets and liabilities carried at fair value, as well as the disclosures in the consolidated financial statements.



**B. Foreign currency****i. Functional and presentation currency**

The items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The financial statements have been prepared in euros (EUR), which is the functional and presentation currency of the Company.

The financial statements are presented in thousands of euros, rounded to the nearest thousand.

**ii. Foreign currency transactions**

All currencies other than the functional currency euro are considered to be foreign currencies. Foreign currency transactions are recorded based on the foreign currency exchange rates of the European Central Bank prevailing at the transaction date. Monetary assets and liabilities (cash-settled receivables and loans) denominated in a foreign currency are translated into the functional currency based on the foreign currency exchange rates of the European Central Bank prevailing at the balance sheet date. Currency gains and losses resulting from translation are recorded in the income statement of the reporting period.

Non-monetary assets and liabilities denominated in foreign currency that are not measured at fair value (e.g. prepayments, inventories accounted for using the cost method; property, plant and equipment as well as intangible assets) are not revalued at the balance sheet date but are accounted for using the official exchange rate of the European Central Bank prevailing at the date of the transaction.

**C. Financial assets**

Depending on the purpose for which the financial assets were acquired and management's intentions, financial assets are classified in the following categories at initial recognition:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

As at 31 December 2012 (as well as at 31 December 2011), the Company's financial assets (cash, see Note 4, trade receivables, see Note 5) are classified as loans and receivables.

Purchases and sales of financial assets are recognised at the trade date, i.e. at the date at which the Company assumes the obligation to purchase or sell a certain financial asset.

Cash and cash equivalents, trade and other receivables are recognised at amortised cost. The amortised cost of current financial liabilities normally equals their nominal value (less any repayments and any impairment allowances); therefore current financial liabilities are stated in the balance sheet at their redemption value.

**D. Cash and cash equivalents**

In the balance sheet and cash flow statement, cash and cash equivalents include cash, bank account balances (except for overdraft), and term deposits with original maturities of three months or less. Overdraft is included within short-term borrowings in the balance sheet. Cash and cash equivalents are reported at amortised cost.

**E. Trade receivables**

Short-term receivables arising from the ordinary operating activities are classified as trade receivables. Trade receivables are carried at amortised cost (i.e. original invoice amount less repayments and any impairment allowances).

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Evidence of potential impairment includes the bankruptcy or major financial difficulties of the debtor and non-adherence to payment dates. The impairment of the receivables that are individually significant (i.e. need for a write-down) is assessed individually for each customer, based on the present value of expected future collectible amounts. Receivables that are not individually significant or for which no objective evidence of impairment exists, are collectively assessed for impairment using previous years' experience on uncollectible receivables. The amount of the impairment loss is the difference between the carrying amounts of receivables and the present value of expected future cash flows discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within other



expenses (Note 14). When a trade receivable is deemed uncollectible, it is written off against the allowance account for trade receivables. The collection of the receivables that have previously been written down is accounted for as a reversal of the allowance for doubtful receivables.

#### F. Inventories

Inventories are initially recorded at cost, consisting of the purchase costs, direct and indirect production costs and other costs incurred in bringing the inventories to their present location and condition.

The purchase costs of inventories include the purchase price, customs duties and other non-refundable taxes and direct transportation costs related to the purchase, less discounts and subsidies.

Inventories are expensed using the FIFO method.

Inventories are measured in the balance sheet at the lower of acquisition/production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### G. Property, plant and equipment

Property, plant and equipment are assets that are used in the operations of the Company with a useful life of over 1 year. Property, plant and equipment are initially recorded at cost, being the purchase price (incl. customs tax and other non-refundable taxes), and other expenses directly associated with the acquisition of those assets, which are necessary for bringing the asset to its operating condition and location. Property, plant and equipment are stated at historical cost less any accumulated depreciation and any impairment losses.

Subsequent expenditure relating to an item of property, plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefits will flow to the Company and the cost of the asset can be measured reliably. The cost of a major overhaul performed on leased premises will be depreciated over the rental period. Other maintenance and repair costs are expensed when incurred.

The Company has one group of non-current assets – railway tanks. The useful life of railway tanks is 25 years. Railway tanks are depreciated on a straight-line basis over their useful lives.

The expected useful lives of non-current assets are reviewed at each balance sheet date, when recognising subsequent expenditure and in case of significant changes in the Company's development plans. When the estimate of the useful life of the asset differs significantly from the previous estimate, the remaining useful life of the asset is revalued and as a result, the depreciation charge calculated for the asset changes in subsequent periods.

If an item of property, plant and equipment consists of separately identifiable components with different useful lives, these components are accounted for as separate assets and depreciated in accordance with their useful lives.

Depreciation of an asset begins when the asset is available for use for the purpose intended by management and is ceased when the residual value equals the carrying amount.

At each balance sheet date, management estimates whether there is any known indication of impairment of the asset. If there is such an indication of impairment, management determines the recoverable amount (i.e. higher of the asset's fair value less cost to sell and its value in use). If the asset's recoverable amount is less than its carrying amount, the items of property, plant and equipment are written down to their recoverable amount. When the circumstances of assessing the recoverable amount of the asset have changed, the previous impairment loss is reversed up to the carrying amount of the asset.

Gains and losses from the sale of items of property, plant and equipment which are derived by subtracting the residual value from consideration received from the sale are included either within other income or other expenses in the income statement.

#### H. Finance and operating leases

A lease is an agreement whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in return for a payment or a series of payments.

A lease is classified as a finance lease, when all substantial risks and returns related to the ownership of the asset are transferred to the lessee. Other lease agreements are classified as operating leases.



*The Company is the lessee*

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges (interest) so as to achieve a constant rate on the finance balance outstanding. Finance costs are charged to the income statement over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability. The assets leased under finance leases are depreciated similarly to acquired non-current assets, whereby the depreciation period is the shorter of the expected useful life of the asset and the duration of the lease term (when the transfer of the ownership of the asset is not sufficiently certain).

Payments made under operating leases are charged to the income statement on a straight-line basis over the lease period.

*The Company is the lessor*

The assets leased out under the operating lease terms are depreciated similarly to purchased non-current assets. Leased assets are depreciated over their expected useful lives on a basis consistent with similar owned assets. Operating lease revenue is recognised on a straight-line basis over the lease term.

*Sale-leaseback transactions*

All Company's sale and leaseback transactions result in a finance lease, therefore they are recorded as a financing transaction, i.e. the asset "sold" is not derecognised from the balance sheet of the seller and the "sales proceeds" are recognised as a finance lease liability. The difference between the sales price and the present value of minimum lease payments is recognised over the term of the lease as an interest expense similarly to regular finance lease agreements.

**I. Financial liabilities**

As at 31 December 2012 (and as at 31 December 2011), the Company's financial liabilities are in the category of other financial liabilities at amortised cost (borrowings, see Note 9; trade payables, see Note 10).

All financial liabilities (trade payables, borrowings, accrued expenses, bonds issued and other short and long-term borrowings) are initially recorded at their fair value and are subsequently stated at amortised cost, using the effective interest rate method. The amortised cost of current financial liabilities normally equals their nominal value; therefore current financial liabilities are stated in the balance sheet at their redemption value. For calculating the amortised cost of non-current financial liabilities, they are initially recognised at fair value of the proceeds received (net of transaction costs incurred) and an interest cost is calculated on the liability in subsequent periods using the effective interest rate method.

Financial liabilities are classified as current when they are due to be settled within twelve months after the balance sheet date; or when the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Borrowings that are due within 12 months after the balance sheet date, but that are refinanced as long-term after the balance sheet date but prior to the authorisation of the financial statements for issue, are presented as short-term. Also, borrowings are classified as short-term if at the balance sheet date, the lender had a contractual right to demand immediate payment of the borrowing as a consequence of a breach of contractual terms.

**J. Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the meeting of this obligation leads to lower resources embodying economic benefits and the amount of the liability can be measured reliably. The provisions are recognised based on management's estimates regarding the amount and timing of the expected outflows. The amount recognised as a provision is management's best estimate of the expenditure required to settle the present obligation at the balance sheet date or to transfer it to a third party at that time. Provisions are only used to cover those expenses which they had been set up for.

Other possible or present obligations that arise from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the related expenditure of which cannot be measured with sufficient reliability, are disclosed in the notes to the financial statements as contingent liabilities.



**K. Taxation****i. Corporate income tax**

According to the Income Tax Act, the annual profit earned by entities is not taxed in Estonia. Corporate income tax is paid on dividends, fringe benefits, gifts, donations, costs of entertaining guests, non-business related disbursements and adjustments of the transfer price. From 1 January 2008, the tax rate on the net dividends paid out of retained earnings is 21/79. In certain circumstances, it is possible to distribute dividends without any additional income tax expense. The corporate income tax paid on dividends is recognised as a liability and an income tax expense in the period in which dividends are declared, regardless of the period for which the dividends are paid or the actual payment date. An income tax liability is due at the 10th day of the month following the payment of dividends.

Due to the nature of the taxation system, the entities registered in Estonia do not have any differences between the tax bases of assets and their carrying amounts and hence, no deferred income tax assets and liabilities arise. A contingent income tax liability which would arise upon the payment of dividends is not recognised in the balance sheet. The maximum income tax liability which would accompany the distribution of Company's retained earnings is disclosed in Note 11 to the financial statements.

**ii. Other taxes**

The Company's costs are impacted by the following taxes:

Tax	Tax rate
Social security tax	33% on the payroll and fringe benefits paid to the employees
Income tax on expenses not related to business activities	21/79 on expenses not related to business activities

**L. Revenue recognition***Revenue from the sale of goods and services*

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, taking into account all discounts and volume rebates. Revenue excludes value added tax, refunds and discounts. Revenue is recognised when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company's estimates are based on historical experience considering the type of each customer and transaction, as well as special terms and conditions.

*Interest income*

Interest income is recognised when the receipt of income is probable and the amount of income can be measured reliably. Interest income is recognised using the effective interest method.

**M. Statutory reserve capital**

Pursuant to the Commercial Code, the statutory legal reserve is formed from annual net profit allocations. During each financial year, at least one-twentieth of the net profit shall be transferred to the statutory legal reserve, until the reserve reaches one-tenth of share capital. The statutory legal reserve may be used to cover a loss, or to increase share capital. Payments shall not be made to shareholders from the statutory legal reserve.

**N. Related party transactions**

In preparing the financial statements, the related parties include the Company's owners, other subsidiaries of the owners, members of the Company's Management and Supervisory Boards, and other persons and entities who can control or impact the Company's financial and business decisions.

**Note 2. Financial risk management****A. Financial risks**

The Company's activities expose it to a variety of financial risks: market risk (includes currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management focuses on changes in the financial markets and it attempts to alleviate potential unfavourable effects on the Company's financial activities. The goal of the management of financial risks is to mitigate financial risks and lower the volatility of financial performance.

**i. Market risks**

The Company is exposed to currency risk and interest rate risk. The Company is not exposed to price risk, because it does not hold any securities traded in the open market.

The Company's functional currency is the euro (EUR). The Company's financial instruments which are affected by market risk include cash and cash equivalents, trade receivables (invoices in US dollars) and borrowings.

An overview of the financial assets and financial liabilities denominated in USD is presented below. The tables present the amounts in thousands of euros:

<b>31.12.2012</b>	<b>USD</b>	<b>EUR</b>	<b>Other currencies</b>	<b>Total</b>
Cash and cash equivalents (Note 4)	2,374	24	0	2,398
Trade receivables (Note 5)	4,853	3	405	5,261
Borrowings and finance lease liabilities (Note 9)	22,709	1,454	0	24,163
Trade payables (Note 10)	911	30	314	1,254
<b>Total net position</b>	<b>-16,393</b>	<b>-1,457</b>	<b>91</b>	<b>-17,759</b>

<b>31.12.2011</b>	<b>USD</b>	<b>EUR</b>	<b>Other currencies</b>	<b>Total</b>
Cash and cash equivalents (Note 4)	209	2	0	211
Trade receivables (Note 5)	1,824	0	78	1,903
Borrowings and finance lease liabilities (Note 9)	15,893	0	0	15,893
Trade payables (Note 10)	808	7	43	858
Interest liabilities (Note 16)	12	0	0	12
<b>Total net position</b>	<b>-14,681</b>	<b>-5</b>	<b>36</b>	<b>-14,650</b>

The Company's borrowings and finance lease liabilities are denominated in US dollars and therefore, the fluctuations in the USD exchange rate will cause major fluctuations in finance income and costs. However, it is offset by cash inflows from operating activities which are also in US dollars, as a result of which there is no significant currency risk.

**Interest rate risk**

The Company's cash flow interest rate risk is primarily related to long-term borrowings (bank loans and finance lease liabilities) with floating interest rates. Interest rate risk is primarily related to potential fluctuations of USD LIBOR and the changes in the average interest rates of banks.

As at 31 December 2012 and 31 December 2011, the Company's long-term bank loans and most of the finance lease liabilities had floating interest rates based on 6-month USD LIBOR. The effect of interest rate risk on the Company's results of operations is reviewed on a regular basis. Different options of interest rate risk mitigation are evaluated during the review. These options include refinancing, renewal of current positions and alternative financing.

Financial instruments have not been used in the current and previous financial years to mitigate interest rate risk.



Based on the movements and volatility of the variables presented below in previous periods as well as management's knowledge and experience of the financial markets, the Company considers the following changes reasonable over the following 12 months.

- Proportionate movement in the USD exchange rate - 10% appreciation of USD (depreciation of EUR) and 10% depreciation of USD (appreciation of EUR);
- Parallel change by +100 basis points / -100 basis points in the interest rates of the USD credit market as compared to the rates prevailing at 31.12.2012 (31.12.2011: change by +100 basis points/-100 basis points in the interest rates of the USD credit market).

The following table presents the effects of currency and interest rate risks on the Company's operations.

	31.12.2012	Currency risk		Interest rate risk	
		USD appreciates 10%	USD depreciates 10%	Interest rate increases 100 basis points	Interest rate decreases 100 basis points
		Effect on net profit	Effect on net profit	Effect on net profit	Effect on net profit
Financial assets	7,658				
<b>Total effect from financial assets</b>		723	-723	0	0
Financial liabilities	25,417				
<b>Total effect from financial liabilities</b>		-2,362	2,362	-161	-161
<b>Total effect on net profit</b>		<b>-1,639</b>	<b>1,639</b>	<b>-161</b>	<b>-161</b>

	31.12.2011	Currency risk		Interest rate risk	
		USD appreciates 10%	USD depreciates 10%	Interest rate increases 100 basis points	Interest rate decreases 100 basis points
		Effect on net profit	Effect on net profit	Effect on net profit	Effect on net profit
Financial assets	2,113				
<b>Total effect from financial assets</b>		203	-203	0	0
Financial liabilities	16,763				
<b>Total effect from financial liabilities</b>		-1,671	1,671	-61	-61
<b>Total effect on net profit</b>		<b>-1,468</b>	<b>1,468</b>	<b>-61</b>	<b>-61</b>

If as at 31.12.2012, the USD exchange rate had depreciated against EUR by 10% and all other variables had remained constant, the net profit for the reporting period would have been EUR 1,639 thousand (2011: EUR 1,468 thousand) higher, primarily related to the revaluation borrowings in USD, offset by costs from revaluation of cash and receivables in USD. And vice versa, if the USD exchange rate had appreciated against EUR and all other variables had remained constant, the net profit for the reporting period would have been EUR 1,639 thousand (2011: EUR 1,468 thousand) lower. The net profit in 2012 is impacted by changes in the USD/EUR exchange rate more than in 2011 because the amounts of the loans assumed in USD have increased.

If as at 31.12.2012, the interest rates in the USD credit market had been 100 basis points higher and all other variables had remained constant, the net profit for the financial year would have been lower by EUR 161 thousand.

If as at 31.12.2012, the interest rates in the USD credit market had been 100 basis points lower and all other variables had remained constant, the net profit for the financial year would have been higher by EUR 161 thousand.

If as at 31.12.2011, the interest rates in the USD credit market had been 100 basis points higher and all other variables had remained constant, the net profit for the financial year would have been lower by EUR 61 thousand.

If as at 31.12.2011, the interest rates in the USD credit market had been 100 basis points lower and all other variables had remained constant, the net profit for the financial year would have been higher by EUR 61 thousand.



## ii. Credit risk

Credit risk is the risk that the Company's customers and counterparties fail to fulfil their obligations. The following financial instruments are exposed to credit risk: cash at bank and trade receivables. Cash is deposited in commercial banks with a high credit rating, bank ratings are presented in Note 4. The Company's sales transactions are concluded with business partners that the Company has long-term collaboration experience with and whose solvency has been tested, and management has not deemed it necessary to assign credit limits to them. Two-week payment terms are valid for the buyers, providing fast feedback to the Company in case of payment difficulties and enabling the Company to apply measures on time to collect the accounts receivable according to the original terms of receivables (Analysis of receivables is disclosed in Note 5).

The Company's maximum amount exposed to credit risk as at the balance sheet date is as follows:

	31.12.2012	31.12.2011
Bank accounts and short-term deposits in banks	2,398	211
Trade receivables	5,260	2,077
<b>Total amounts exposed to credit risk</b>	<b>7,658</b>	<b>2,287</b>

## iii. Liquidity risk

Liquidity risk is risk that the Company is unable to settle the financial liabilities it has assumed. Liquidity risk is mitigated by various financial instruments such as loans from banks and owners. In its daily activities, management attempts to maintain adequate liquid assets to meet its financial obligations, continuously monitoring cash flow forecasts for the following three months.

The following table shows the liquidity analysis of the Company's current and non-current financial liabilities according to the terms of the contracts. All amounts presented in the table are undiscounted cash flows. The amounts of financial liabilities payable in 12 months of the balance sheet date are equal to their carrying amounts.

	Up to 3 months	Between 4 months and 1 year	1-5 years	Total undiscounted cash flows	Carrying amount
<b>As at 31.12.2012</b>					
Borrowings (Note 9)	1,655	4,113	19,975	25,743	24,164
Trade payables (Note 10)	1,244	11	0	1,254	1,254
<b>Total cash flows related to financial obligations</b>	<b>2,899</b>	<b>4,124</b>	<b>19,975</b>	<b>26,998</b>	<b>25,418</b>
	Up to 3 months	Between 4 months and 1 year	1-5 years	Total undiscounted cash flows	Carrying amount
<b>As at 31.12.2011</b>					
Borrowings (Note 9)	729	2,211	14,535	17,475	15,893
Trade payables (Note 10)	818	0	0	818	818
Interest liabilities (Note 16)	0	12	0	12	12
<b>Total cash flows related to financial obligations</b>	<b>1,547</b>	<b>2,224</b>	<b>14,535</b>	<b>18,305</b>	<b>16,723</b>

The cash flows presented in the table have not been discounted and therefore, these amounts do not correspond to the amounts disclosed in Note 9. As the bank loans and the loans from the owners are denominated in US dollars, the exchange rate of USD 1 = EUR 0.7579 prevailing at 31.12.2012 has been used (31.12.2011: USD 1 = EUR 0.7729).

Undiscounted cash flows have been determined according to the current payment schedules valid as at the end of the period. For bank loans with floating interest rates, the USD LIBOR rate prevailing at the balance sheet date has been used.

Interest rates used in analysis	31.12.2012	31.12.2011
Bank loans	2.93%	2.60%
Loans from entities related to owners	n/a	4%
Finance lease liabilities	2.59%	2.40%

Information about the Company's exposure to the risk of interest rate changes is disclosed in Note 9.

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 Kuupäev/date 28.03.13  
 PricewaterhouseCoopers, Tallinn



*Capital risk management*

The goal of the Company's capital risk management is to continue as a going concern in order to generate returns for the owners and maintain the optimal capital structure, in order to lower the cost of capital. For the Company, capital includes loans and equity.

	31.12.2012	31.12.2011
Total borrowings	24,164	15,905
Less cash and cash equivalents	-2,398	-211
<b>Net debt</b>	<b>21,766</b>	<b>15,694</b>
Total equity	30,337	19,024
Total capital	52,103	34,718
<b>Financial leverage</b>	<b>42%</b>	<b>45%</b>

*Fair value*

The Company estimates that the fair values of assets and liabilities reported at amortised cost do not materially differ from the carrying amounts reported in the Company's balance sheet as at 31.12.2012 and 31.12.2011. The carrying amounts of trade receivables (less any impairment losses) and trade payables equal their estimated fair value.

The fair value of financial liabilities is determined for disclosure purposes by discounting the future contractual cash flows with the market interest rate which is available for similar financial instruments of the Company.

In 2012 as well as in 2011, the Company received a loan from other entity in the same consolidation group (Note 16). For determining the fair value of the loans received, the Company used market interest rates of similar transactions. The Company estimates that the fair value of liabilities does not significantly differ from their carrying amount as reported in the Company's balance sheet.

**Note 3. Management estimates**

According to International Financial Reporting Standards, management needs to make certain decisions and pass judgement which may impact the assets and liabilities reported in the financial statements in the next financial year. Management estimates and judgements have been reviewed on an ongoing basis and they are based on historical experience and other factors considered reasonable under current circumstances. In addition to estimates, management exercises its judgement regarding the application of accounting policies. The areas which require more significant management decisions and which have the most significant impact on the amounts recognised in the financial statements and estimates which may lead to major adjustments in the carrying amount of assets and liabilities in the next financial year include: determination of useful lives of property, plant and equipment (Note 7), evaluation of the allowance for doubtful receivables (Note 5), and contingent liabilities (Note 17).

*Evaluation of the allowance for doubtful receivables*

The estimated collectability of individually significant receivables is assessed separately for each receivable. The circumstances indicating potential impairment of receivables include bankruptcy or significant financial difficulties of the debtor and violation of payment terms. The amount of the allowance is adjusted at each balance sheet date, using the data based on prior experience in respect of how many of the receivables deemed doubtful will be collected and how many of them will not be collected in a subsequent period. In the reporting period, the Company has not recognised any receivables as doubtful or irrecoverable (2011: no receivables recognised as doubtful or irrecoverable) (Notes 5, 16).

*Determination of useful lives of property, plant and equipment*

Management has evaluated the useful lives of items of property, plant and equipment while considering business conditions and volumes, historical experience in this area and potential future use. The depreciation charge of the Company in the reporting period totalled EUR 1,796 thousand (2011: EUR 902 thousand). If the depreciation rates are increased/reduced by 10%, the annual depreciation charge will increase/decrease by approximately EUR 180 thousand (2011: depreciation would increase/decrease by about EUR 90 thousand). The depreciation rates based on management estimates are disclosed in Note 1 under accounting policies of property, plant and equipment.

*Contingent liabilities*

In estimating the probability of settlement of contingent liabilities, management considers historical experience, general information about the economic and social environment, and the assumptions and conditions of the possible events in the future based on the best knowledge of the situation.

**Note 4. Cash and cash equivalents***Cash and cash equivalents*

	31.12.2012	31.12.2011
Cash at bank	2,398	211
<b>Total</b>	<b>2,398</b>	<b>211</b>

*Cash and cash equivalents – credit ratings of banks*

According to the ratings of the international rating agency Moody's, the Company's monetary funds have been deposited in financial institutions as follows:

	31.12.2012	31.12.2011
A2	2,112	211
Aa3	285	0
A3	1	0
<b>Total cash and cash equivalents</b>	<b>2,398</b>	<b>211</b>

**Note 5. Trade receivables and other short-term receivables***Trade receivables*

	31.12.2012	31.12.2011
Accounts receivable for lease of rolling stock	5,260	2,077
<i>incl. from related parties (Note 16)</i>	<i>1,435</i>	<i>669</i>

In the reporting period, the Company has not recognised any receivables as doubtful or irrecoverable (2011: no receivables recognised as doubtful or irrecoverable) (Note 16).

*Trade receivables – by due date:*

	31.12.2012	31.12.2011
Not overdue	2,433	1,548
Overdue up to 1 month	1,470	247
Overdue by 1 - 3 months	1,040	238
Overdue by 3 - 6 months	266	0
Overdue up to 1 year	52	44
<b>Total</b>	<b>5,260</b>	<b>2,077</b>

The Company's management has adopted necessary timely measures for collection of overdue receivables recognised at the year-end. Clients are regularly contacted and compromise is reached. Accounts receivable also include receivables which are offset with prepayments received from clients (see Note 10).

By the date of preparation of the annual report, some of these receivables have been collected. The Company's management believes that all overdue receivables will be collected in the next financial year.

*Other short-term receivables*

	31.12.2012	31.12.2011
Prepaid expenses	155	0
<b>Total</b>	<b>155</b>	<b>0</b>



## Note 6. Taxes

Tax	31.12.2012		31.12.2011	
	Receivable	Liability	Receivable	Liability
Value added tax	209	0	463	0
Personal income tax charge	0	1	0	0
Personal income tax payable	0	1	0	0
Social security tax charge	0	1	0	0
Social security tax payable	0	1	0	0
<b>Total</b>	<b>209</b>	<b>3</b>	<b>463</b>	<b>0</b>

## Note 7. Property, plant and equipment

	<u>Railway tanks</u>
<b>Balance as at 31.12.2010</b>	
Cost	17,498
Accumulated depreciation	-2,289
<b>Carrying amount</b>	<b>15,209</b>
<b>Transactions occurred in 2011</b>	
Additions	9,900
Depreciation charge	-902
<b>Balance as at 31.12.2011</b>	
Cost	27,398
Accumulated depreciation	-3,191
<b>Carrying amount</b>	<b>24,207</b>
<b>Transactions occurred in 2012</b>	
Additions	26,952
Depreciation charge	-1,796
<b>Balance as at 31.12.2012</b>	
Cost	54,350
Accumulated depreciation	-4,987
<b>Carrying amount</b>	<b>49,363</b>

## Note 8. Finance lease and operating lease

## Finance lease

The Company is the lessee

As at 31.12.2012, the Company has 1,198 railway tanks (as at 31.12.2011: 624 railway tanks) acquired under the finance lease terms. According to the lease agreements, the Company is not entitled to sublease the assets without a written consent from the lessor.

Lease agreements do not set any restrictions on the Company's dividend and financing policies; after the expiration of the agreements, ownership is transferred to the Company.

Finance lease liabilities are disclosed in Note 9.

*Carrying amount of railway tanks acquired under finance lease terms:*

	31.12.2012	31.12.2011
Cost	42,234	10,937
Accumulated depreciation	-3,852	-1,761
<b>Carrying amount</b>	<b>38,382</b>	<b>9,177</b>

*Minimum lease payments:*

	31.12.2012	31.12.2011
Minimum lease payments	25,506	7,479
Unrealised finance costs	-1,578	-336
<b>Present value of minimum lease payments (Note 9)</b>	<b>23,928</b>	<b>7,143</b>

	31.12.2012		31.12.2011	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Incl. due in 12 months	5,531	4,979	2,224	2,075
1-5 years	19,975	18,949	5,256	5,069
over 5 years	0	0	0	0
<b>Total</b>	<b>25,506</b>	<b>23,928</b>	<b>7,479</b>	<b>7,143</b>

All railway tanks acquired under a finance lease are subleased under the operating lease terms (see "Operating lease" below).

**Operating lease**The Company is the lessee

As at 31.12.2012, the Company leases 1,234 railway tanks under the operating lease terms (as at 31.12.2011: 729 railway tanks).

*Operating lease payments*

	2012	2011
Operating lease payments made during the period (Note 14)	10,723	4,783
Future operating lease payments on the basis of effective contracts as at the end of the period	9,547	6,422
Future minimum operating lease payments under non-cancellable operating leases	7,011	4,268

The Company is the lessor

As at 31.12.2012, the Company leased out 2,800 railway tanks (as at 31.12.2011: 1,795 railway tanks) under operating lease terms.

*Operating lease income*

	2012	2011
Operating lease income (Note 12)	26,829	13,704
Expected operating lease income on the basis of effective contracts as at the end of the period	23,420	15,774
Future minimum lease income under non-cancellable operating leases	12,430	8,918



## Note 9. Borrowings

*Borrowings and finance lease liabilities*

	Balance as at 31.12.2012	incl. current portion	incl. non- current portion	Maturity	Interest rate
<b>Loans</b>					
Bank loans	236	236	0	2013	6 month USD LIBOR+2.2%
<b>Total loans</b>	<b>236</b>	<b>236</b>	<b>0</b>		
<b>Finance lease liabilities (Note 8)</b>	<b>23,928</b>	<b>4,965</b>	<b>18,962</b>	2013-2017	6 month USD LIBOR+ 1.95 -2.2%
<b>Total borrowings</b>	<b>24,164</b>	<b>5,201</b>	<b>18,962</b>		

	Balance as at 31.12.2011	incl. current portion	incl. non- current portion	Maturity	Interest rate
<b>Loans</b>					
Loans from other entities related to owners (Note 16)	7,821	0	7,821	2015	4% 6 month USD
Bank loans	929	688	241	2013	LIBOR+2.2%
<b>Total loans</b>	<b>8,750</b>	<b>688</b>	<b>8,062</b>		
<b>Finance lease liabilities (Note 8)</b>	<b>7,143</b>	<b>2,075</b>	<b>5,068</b>	2013-2017	6 month USD LIBOR+ 1.95 -2.2%
<b>Total borrowings</b>	<b>15,893</b>	<b>2,763</b>	<b>13,130</b>		

In 2012, the Company made finance lease payments in the total amount of EUR 7,027 thousand (2011: EUR 2,443 thousand), loan repayments in the total amount of EUR 13,263 thousand (2011: EUR 10,186 thousand), received refinancing in the amount of EUR 23,743 thousand (2011: EUR 7,491) and received a loan in the amount of EUR 4,847 thousand (2011: EUR 7,989 thousand).

## Note 10. Trade payables and customer prepayments

	31.12.2012	31.12.2011
Trade payables	1,254	858
<i>incl. to related parties (Note 16)</i>	<i>760</i>	<i>561</i>
Customer prepayments	1,662	577
<i>incl. from related parties (Note 16)</i>	<i>296</i>	<i>101</i>
<b>Total:</b>	<b>2,916</b>	<b>1,435</b>

## Note 11. Equity

Share capital as at 31.12.2012 consists of 400 common shares with the nominal value of EUR 150 (as at 31.12.2011: EUR 63.91). All issued shares have been fully paid for. The maximum allowed number of common shares is 1,600 as set by the Articles of Association of the Company. On 26 February 2012, the shareholders of the Company made a decision to increase the share capital of the Company, by increasing the proportion of the nominal value. Increase of the share capital was enacted from retained earnings of the Company.

As at 31 December 2012, the Company's retained earnings totalled EUR 30,273 thousand (2011: EUR 18,995 thousand). Upon the payment of dividends, the corporate income tax is 21/79 on the amount paid out as net dividends. As at the balance sheet date, it would have been possible to pay out EUR 23,914 thousand (31 December 2011: EUR 15,006 thousand) as dividends and the corresponding income tax would have amounted to EUR 6,356 thousand (31 December 2011: EUR 3,989 thousand). The Company has proposed to the shareholders not to pay dividends from the net profit for 2012. No dividends were paid in 2011 and 2010.



**Note 12. Revenue****Revenue by activities:**

	2012	2011
Lease of rolling stock (Note 8)	26,829	13,704
Other	1,118	287
<b>Total</b>	<b>27,947</b>	<b>13,992</b>

**Revenue by geographical region:**

	2012	2011
Kazakhstan	16,494	8,039
Finland	5,006	2,842
Estonia	5,280	2,018
Other	1,167	1,093
<b>Total</b>	<b>27,947</b>	<b>13,992</b>

**Note 13. Other income and expenses**

	2012	2011
Foreign exchange gains/losses	-5	128
<b>Total</b>	<b>-5</b>	<b>128</b>

**Note 14. Operating expenses**

	2012	2011
Rent of railway tanks (Note 8)	10,723	4,783
Maintenance of rolling stock	1,859	1,519
Other operating expenses	1,435	868
<i>incl. receivables deemed as doubtful (Note 5)</i>	0	0
<b>Total</b>	<b>14,017</b>	<b>7,170</b>

**Note 15. Finance income and costs**

	2012	2011
<b>Finance costs</b>		
<b>Interest expenses</b>		
Interest expense on loans from owners and other related parties (Note 16)	-129	-38
Interest expense on bank loans	-19	-31
Interest expense on finance lease	-602	-186
<b>Total interest expenses</b>	<b>-749</b>	<b>-256</b>
<b>Currency gains /-loss</b>	<b>-68</b>	<b>-50</b>
<b>Total finance costs</b>	<b>-817</b>	<b>-306</b>

**Note 16. Related party transactions**

In preparing the Company's financial statements, the following entities have been considered as related parties:

- owners (parent company and owners of the parent company);
- other entities in the same consolidation group;
- management and supervisory boards;
- close relative of the persons mentioned above and the entities related to them.

The parent of the Company is Globaltrans Investment Plc. which until July 2012 was owned by Transportation Investments Holding Limited (TIHL), the ultimate controlling party of which was Mirbay International Inc. From July 2012, the ownership interest of TIHL in GTI decreased (as at 31.12.2012: 34.5%) and from July 2012, the legal entity with the highest level of control over the Company is its parent company Globaltrans Investment Plc.

**Purchases and services rendered:**

	2012		2011	
	Purchases	Sales	Purchases	Sales
Lease of rolling stock (Group entities)	5,715	6,677	3,358	4,674
Lease of rolling stock (other related entities)	2,077	0	0	0
Maintenance of rolling stock (Group entities)	778	648	1,028	125
Maintenance of rolling stock (other related entities)	5	29	0	0
Other services (Group entities)	538	0	632	0
Other services (other related entities)	114	177	0	0
Non-current assets (Group entities)	267	0	0	0
Non-current assets (other related entities)	26,618	0	9,900	0
Interest (Group entities)	129	0	38	0
<b>Total</b>	<b>36,241</b>	<b>7,532</b>	<b>14,955</b>	<b>4,799</b>

**Loans and interests received and paid off:**

	2012		2011	
	Loans received	Repayments of loans	Loans received	Repayments of loans
Loans (Group entities)	4,847	-12,574	7,989	-9,593
Interests (Group entities)	0	150	0	54

**Balances with the related parties:**

	31.12.2012	31.12.2011
<b>Short-term receivables</b>		
<b>Group entities</b>		
Trade receivables (Note 5)	1,435	669
<b>Total short-term receivables</b>	<b>1,435</b>	<b>669</b>
<b>Other related parties</b>		
Prepayments for non-current assets	0	9,380
<b>Group entities</b>		
Short-term payables (Note 10)	1,056	663
Interest	0	12
<b>Total current liabilities</b>	<b>1,056</b>	<b>675</b>
<b>Non-current liabilities</b>		
<b>Group entities</b>		
Long-term loans (Note 9)	0	7,821
<b>Total non-current liabilities</b>	<b>0</b>	<b>7,821</b>

Upon expiration or premature termination of an employment contract, the members of the Management Board are not paid any compensation. In the reporting period, the Company paid remuneration to the members of the Management and Supervisory Boards in the amount of EUR 422 thousand (in 2011 the Company did not pay any remuneration to the members of the Management and Supervisory Boards).



**Note 17. Contingent liabilities****Potential liabilities arising from the tax audit**

The tax authorities have the right to verify the Company's tax records up to 6 years from the time of submitting the tax declaration and upon finding errors, impose additional taxes, interest and fines.

The Company's management estimates that there are not any circumstances which may lead the tax authorities to impose additional significant taxes on the Company.

**Note 18. Liquidity of the Company**

As at 31 December 2012, the current liabilities of the Company exceeded current assets by EUR 64 thousand and as at 31.12.2011, by EUR 1,432 thousand. Such a situation is related to the fact that the lease of the railway tanks acquired has been accounted for as finance lease (thus the future lease payments are recognised as a liability in the balance sheet; see Notes 9 and 10) and transactions to lease out the railway tanks have been recognised as an operating lease (thus, the future lease receivables are accounted for off balance sheet; the expected lease receivable is specified in Note 9). All railway tanks are covered by long-term or extendable contracts.

Considering the above, the Company's management is convinced that the Company does not have liquidity problems and its business is sustainable.



## **INDEPENDENT AUDITOR'S REPORT**

(Translation of the Estonian original)\*

To the Shareholders of AS Spacecom Trans

We have audited the accompanying financial statements of AS Spacecom Trans (the Company), which comprise the balance sheet as of 31 December 2012 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

### **Management Board's Responsibility for the Financial Statements**

Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

AS PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read "Tiit Raimla".

Tiit Raimla  
Auditor's Certificate No.287

A handwritten signature in blue ink, appearing to read "Stan Nahkor".

Stan Nahkor  
Auditor's Certificate No.508

28 March 2013


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*\* This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

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**PROFIT ALLOCATION PROPOSAL**

The Management Board of AS Spacecom Trans proposes to the General Meeting of Shareholders to transfer EUR 3 thousand from the net profit for 2012 to statutory reserve capital and leave the remaining EUR 11,309 thousand undistributed and transfer it to retained earnings.

  
\_\_\_\_\_  
Jekaterina Pistsalkina  
Member of the Management Board  
\_\_\_\_\_  
Boriss Pereskokov  
Member of the Management Board



**Signatures of the Management to the 2012 Annual Report**

Signing of AS SPACECOM TRANS 2012 annual report at 28 March 2013:



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Member of the Management Board  
Boriss Pereskokov



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Member of the Management Board  
Jekaterina Pistsalkina

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Revenue of AS Spacecom Trans according to EMTAK 2008

EMTAK Area of activity	2012
77391 Renting and leasing of railroad vehicles	26,829
82991 Other business support service activities not classified elsewhere	1,118
Total revenue	27,947