Management Discussion and Analysis for the three-month period ended 31 March 2016

The first quarter of 2016 was particularly interesting from the point of Georgian Railway's Passenger SBU. On 26 March 2016 the ISO 9001:2015 certificate has been given to the Passenger SBU. It should be noted that Georgian Railway has become the first owner of this latest standard in Georgia.

The decision was made to offer customers an innovation by purchasing in 2016 two new Stadler Kiss passenger trains and two more trains are planned to be purchased next year. These trains are equipped with all necessary modern equipment and security systems, which are in full compliance with European safety standards and completely meet the needs of physically disabled persons. The trains are expected to run from Tbilisi to the Black Sea resorts from the summer season of 2016 and aim to attract additional passengers.

Revenue from passenger transportation during the first quarter of 2016 has increased by 3 percent compared to the same period of 2015 and is expected to increase further after launching two modern trains in summer.

Transportation volume during the first quarter of 2016 has decreased by 25 percent compared to the same period of the previous year, which was mostly due to the decreased transportation activities in the region. The reduced transportation volume was the main reason of the reduction in revenue. The appreciation of GEL against USD as at the balance sheet date had positive effect on the Group's net profit, contributing GEL 12.6 million from the net foreign exchange gain. In the first quarter of 2016 the Group showed net profit of GEL 35.0 million, compared to GEL 123.0 million net loss in the same period of 2015. Net loss in the first quarter of 2015 was driven by foreign exchange losses as a result of GEL depreciation against USD.

Table of Contents

1. Profit & Loss Statement

Profit and loss statement

In GEL '000

3 month period ended 31 March

	Q1 2016	Q1 2015	% Change	Abs. Change
Revenue	107,829	143,079	-24.6%	-35,250
Other income	4,684	2,789	67.9%	1,895
Employee benefits expense	-34,762	-38,444	-9.6%	3,682
Depreciation and amortization	-26,185	-25,844	1.3%	-341
Electricity and materials used	-10,450	-11,191	-6.6%	741
Other expenses	-20,325	-20,014	1.6%	-311
Result from operating activities	**20,791**	**50,375**	**-58.7%**	**-29,584**
Finance income	19,637	3,854	409.5%	15,783
Finance cost	-15,676	-174,060	-91.0%	158,384
Net finance income/(loss)	**3,961**	**-170,206**	**-102.3%**	**174,167**
Profit before income tax	**24,752**	**-119,831**	**-120.7%**	**144,583**
Income tax	10,243	-3,175	-422.6%	13,418
Net income	**34,995**	**-123,006**	**-128.4%**	**158,001**
EBITDA	**46,976**	**76,219**	**-38.4%**	**-29,243**
EBITDA margin	**43.6%**	**53.3%**	**N/A**	**-9.7%**

2. P&L Analysis

Following paragraphs present the analysis of the profit and loss statement for the three-month period ended 31 March 2016 and 2015:

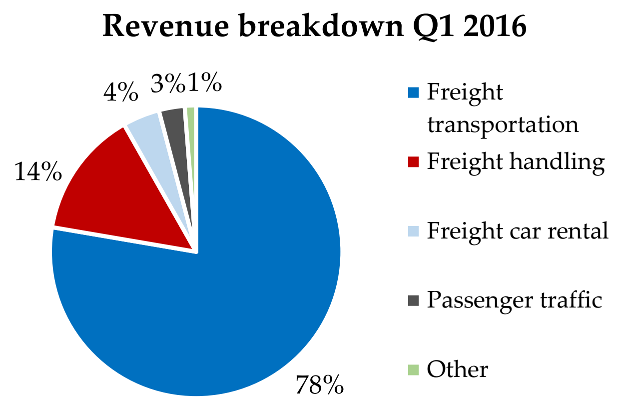
2.1 Revenues

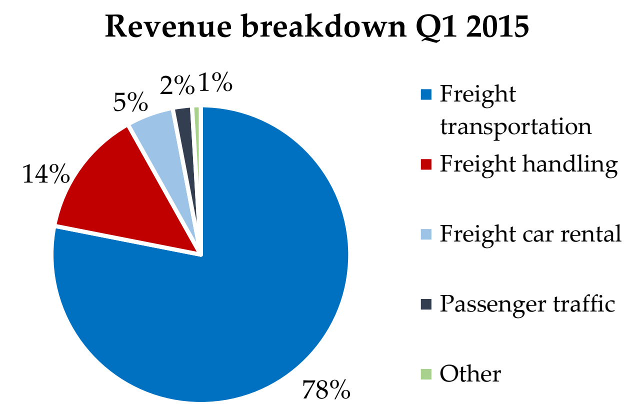
Revenue breakdown *In GEL '000*

3 month period ended 31 March

	Q1 2016	Q1 2015	% Change	% Change at constant currency	Abs. Change
Freight transportation	83,770	111,728	-25.0%	-36.2%	-27,958
Freight handling	15,205	19,719	-22.9%	-32.7%	-4,513
Freight car rental	4,416	7,298	-39.5%	-46.2%	-2,882
Passenger traffic	3,079	2,981	3.3%	2.8%	98
Other	1,358	1,353	0.4%	NM	5
Revenue	**107,829**	**143,079**	**-24.6%**	**-35.0%**	**-35,250**
Other income	**4,684**	**2,789**	**68.0%**	**NM**	**1,896**
Freight transportation	**83,770**	**111,728**	**-25.0%**	**-36.2%**	**-27,958**
Liquid cargoes	**43,044**	**64,759**	**-33.5%**	**-43.4%**	**-21,715**
Oil products	34,988	50,578	-30.8%	-41.1%	-15,591
Crude oil	8,056	14,181	-43.2%	-51.6%	-6,125
Dry cargoes	**40,727**	**46,970**	**-13.3%**	**-26.2%**	**-6,243**
Cement	277	243	14.2%	-2.8%	34
Chemicals and fertilizers	2,849	2,037	39.9%	19.1%	812
Construction freight	1,754	2,786	-37.1%	-46.4%	-1,032
Ferrous metals and scrap	6,796	9,400	-27.7%	-38.5%	-2,604
Grain	1,883	4,431	-57.5%	-63.8%	-2,549
Industrial freight	757	1,613	-53.1%	-60.0%	-856
Ores	6,568	6,183	6.2%	-9.6%	385
Sugar	5,865	2,770	111.7%	80.2%	3,095
Other	13,978	17,506	-20.2%	-32.0%	-3,529
Freight turnover (million tkm)	837	1,159	-27.8%	NA	-322
Revenue / tkm (in Tetri)	10.0	9.6	3.8%	-11.6%	0.4

The following charts represent revenue breakdown for the three-month period ended 31 March 2016 and 2015:





Freight transportation revenue

Freight transportation revenue, which represents about 78 percent of the Group's total revenue, has decreased by 25 percent (GEL 28.0 million) in the three-month period ended 31 March 2016 compared to the same period of the previous year. This decrease was mainly caused by reduced transportation turnover by 28 percent, which was partially offset by depreciation of GEL against USD during the period.

As the Group's tariffs for freight transportation are denominated in USD, the Group's transportation revenue depends on several factors, including GEL/USD exchange rate. Depreciation of GEL against USD also effects the Group's profitability, as far as significant part of the expenses are denominated in GEL.

In GEL

	Average rate			Reporting date spot rate			
	Q1 2016	**Q1 2015**	**% Change**	**31-Mar-16**	**31-Dec-15**	**31-Mar-15**	**31-Dec-14**
USD	2.44	2.07	17.5%	2.37	2.39	2.23	1.86
CHF	2.45	2.18	12.4%	2.46	2.42	2.31	1.88

Freight volume transported by the Group during the three-month period of 2016 has decreased in both liquid and dry cargoes (see Appendix 1 and Appendix 2) compared to the same period of 2015. However, there were some product categories (cement, chemicals, fertilizers and sugar) that showed an increase in the first quarter of 2016.

Oil products

	Q1 2016	**Q1 2015**	**% Change**	**% Change at constant currency**
Revenues (000'GEL)	34,988	50,578	-30.8%	-41.1%
Freight turnover (million tkm)	303	498	-39.2%	NM
Revenue / tkm (in Tetri)	11.55	10.16	13.8%	-3.2%

Transportation turnover of oil products in the three-month period ended 31 March 2016 has decreased by 39 percent compared to the same period of 2015, which was mainly due to the reduced transportation of heavy fuel oil from Kazakhstan and gas oil from Azerbaijan and Kazakhstan.

The increase in average revenue per ton-kilometer in the first quarter of 2016 compared to the same period of 2015 was mostly due to the depreciation of GEL against USD.

Crude oil

	Q1 2016	Q1 2015	% Change	% Change at constant currency
Revenues (000'GEL)	8,056	14,181	-43.2%	-51.6%
Freight turnover (million tkm)	149	180	-17.3%	NM
Revenue / tkm (in Tetri)	5.40	7.86	-31.3%	-41.5%

Transportation revenue of crude oil in the three-month period of 2016 decreased by 43 percent (GEL 6.1 million) compared to the same period of 2015. The decrease was mainly due to the reduced average revenue per ton-kilometer and reduced transportation turnover, which was partially offset by depreciation of GEL against USD.

The decrease in average revenue per ton-kilometer was mainly driven by the reduction in tariffs for crude oil transportation, which took place in the first quarter of 2016. Another factor that contributed for decrease in average revenue per ton-kilometer was increased share of crude oil cargo transported from Turkmenistan, which is one of the least profitable directions. In the first quarter of 2015 significant share of crude oil freight was from Azerbaijan and Kazakhstan.

Cement

	Q1 2016	Q1 2015	% Change	% Change at constant currency
Revenues (000'GEL)	277	243	14.2%	-2.8%
Freight turnover (million tkm)	5	3	81.9%	NM
Revenue / tkm (in Tetri)	5.33	8.48	-37.2%	-46.6%

Transportation revenue of cement during the three-month period of 2016 has increased by 14 percent compared to the same period of the previous year, while the average revenue per ton-kilometer has reduced by 37 percent. The decrease in average revenue per ton-kilometer was more than offset by the significant (82 percent) increase in freight turnover.

Higher increase in transportation turnover than in transportation volume, 82 percent against 25 percent accordingly, was mainly caused by the increased average transportation distance within Georgia. Share of transportation turnover within Georgia has also increased and resulted in reduced average revenue per ton-kilometer, as transportation within Georgia is relatively cheaper.

Industrial freight

	Q1 2016	Q1 2015	% Change	% Change at constant currency
Revenues (000'GEL)	757	1,613	-53.1%	-60.0%
Freight turnover (million tkm)	9	18	-48.9%	NM
Revenue / tkm (in Tetri)	8.29	9.02	-8.1%	-21.8%

Transportation turnover of industrial freight decreased by 49 percent in the first quarter of 2016 compared to the same period of 2015, while there was 6 present increase in transportation volume (see appendix 1). This was mainly caused by reduced transportation volume to Azerbaijan and increased transportation volume to Georgia, which covers smaller distances.

The change in product category mix, related to reduced transportation of natural barium sulfate to Azerbaijan and increased transportation of clinker cement to Georgia, combined with changes in transportation direction mix contributed to the reduction in average revenue per ton-kilometer.

Sugar

	Q1 2016	Q1 2015	% Change	% Change at constant currency
Revenues (000'GEL)	5,865	2,770	111.7%	80.2%
Freight turnover (million tkm)	46	32	43.3%	NM
Revenue / tkm (in Tetri)	12.75	8.63	47.8%	25.8%

The increased transportation turnover of sugar by 43 percent in the first quarter of 2016 compared to the same period of 2015 was mainly driven by the increased transportation from Brazil to Azerbaijan and also 29 thousand tons (24 percent of total sugar transported during the first quarter of 2016) transported from Brazil to Armenia, while there was no transportation from Brazil to Armenia in the first quarter of 2015.

The increase in average revenue per ton-kilometer by 48 percent was mainly caused by the increased transportation volume and transportation share of more profitable directions like Azerbaijan and Armenia.

The increase in transportation turnover, in average revenue per ton-kilometer and depreciation of GEL against USD contributed to the increase in revenue from sugar transportation by 112 percent during the three-month period ended 31 March 2016 compared to the same period of 2015.

Freight handling

The decrease in freight handling revenue by GEL 4.5 million, (23 percent) during the first quarter of 2016 compared to the same period of 2015 was mainly caused by reduced revenues from more than 24 hours station services.

Freight car rental

The reduction in revenue from freight car rental by GEL 2.9 million (39 percent) during the first quarter of 2016 compared to the same period of 2015 was driven by the reduced transportation volume, causing the reduction of the revenue generated from the usage of rail cars, mainly from open top box cars and box cars.

Passenger transportation

Passenger transportation has increased by 3 percent during the first quarter of 2016 compared to the same period of the previous year. The increase was achieved, despite the 2 percent reduction in number of passengers. The increase in the revenue was mostly generated from main line transportation.

Other income

The increase in other income by GEL 1.9 million in the first quarter of 2016 compared to the same period of 2015 was mainly due to penalties on debtors.

2.2 Operating expenses

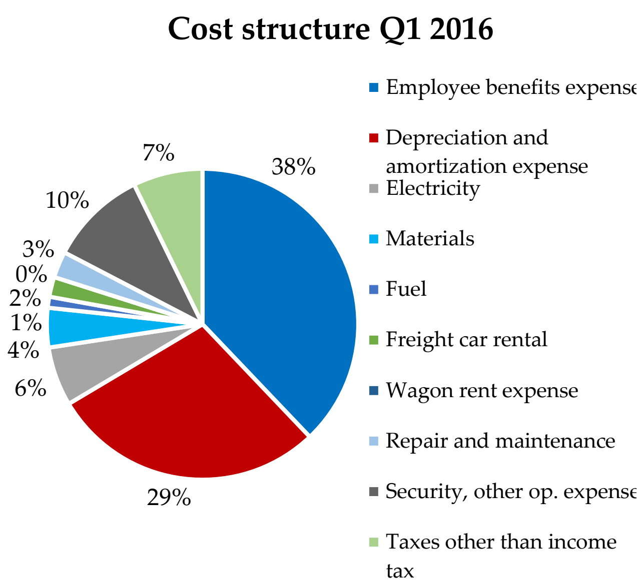
Operating expenses

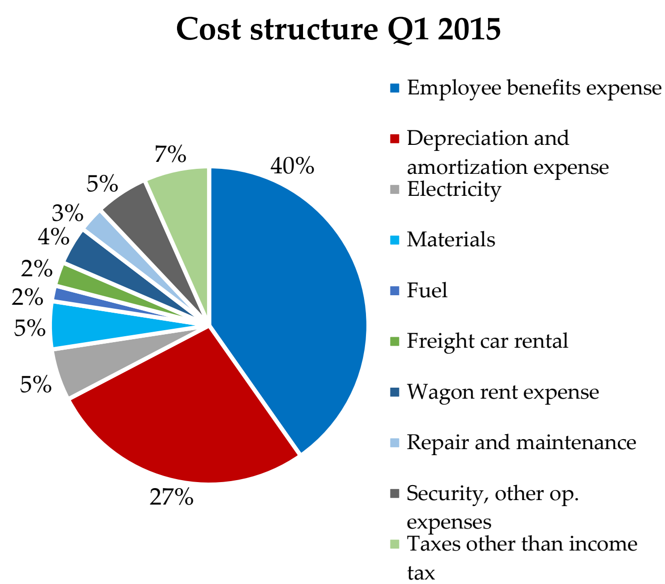
3 month period ended 31 March — *In GEL '000*

	Q1 2016	Q1 2015	% Change	Abs. Change
Employee benefits expense	34,762	38,444	-9.6%	-3,682
Depreciation and amortization expense	26,185	25,844	1.3%	340
Electricity	5,639	5,023	12.3%	616
Materials	3,766	4,650	-19.0%	-884
Fuel	1,045	1,518	-31.2%	-473
Freight car rental	1,899	2,322	-18.2%	-423
Wagon rent expense	0	3,730	-100.0%	-3,730
Repair and maintenance	2,509	2,472	1.5%	37
Security, other op. expenses	9,280	5,143	80.4%	4,137
Taxes other than income tax	6,637	6,348	4.6%	289
Total	**91,721**	**95,493**	**-4.0%**	**-3,772**

Total operating expenses for the three-month period ended 31 March 2016 decreased by 4 percent (GEL 3.8 million) compared to the same period of 2015. The main reason of the decrease was employee benefits expense and wagon rent expense, which were partially offset by the increase in security and other operating expenses.

The following charts represent the cost structure for the first quarter of 2016 and 2015:





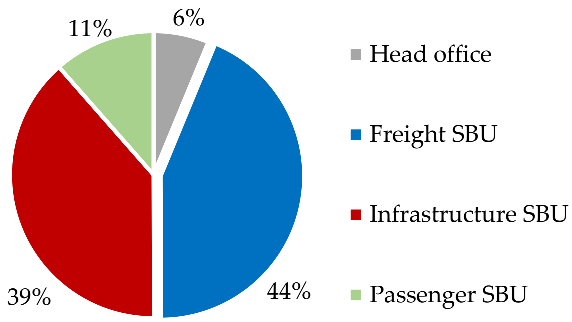
Employee benefits expense

Employee benefits expense has decreased by 10 percent (GEL 3.7 million) during the three-month period ended 31 March 2016 compared to the same period of 2015. The reduction was mainly due to the lower bonuses.

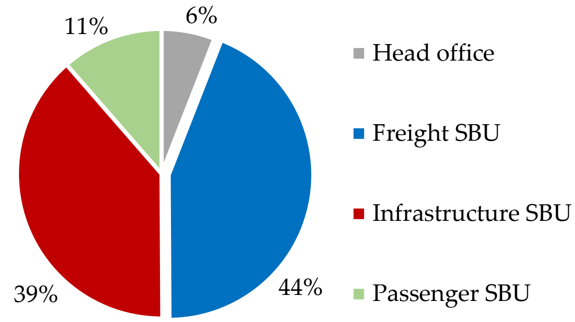
Employee number (excluding subsidiaries) at the end of March 2016 was equal to 12,659 and at the end of March 2015 the number of employees was 12,668.

Following charts show the headcount by strategic business units and head office of the Company (excluding subsidiaries):

Distribution of staff by business units at the end of March 2016



Distribution of staff by business units at the end of March 2015



Materials, repair and maintenance expenses

The Group's materials, repair and maintenance expenses are tied to its rolling stock equipment balance and subsequent utilization level. During the first three-month period of 2016 the utilization rate of rail cars has decreased to estimated 56 percent compared to 66 percent in the same period of 2015. Material expense during the first quarter of 2016 has decreased by 19 percent (GEL 0.9 million) compared to the same period of 2015 and repair and maintenance expenses have remained at about the same level.

Electricity expenses

Electricity expenses

3 month period ended 31 March *In GEL '000*

	Q1 2016	Q1 2015	% Change	Abs. Change
Electricity expense for traction	4,551	4,207	8.2%	345
Utility expenses	1,087	816	33.2%	271
Total electricity expenses	**5,639**	**5,023**	**12.3%**	**616**

Electricity expense for traction increased by 8 percent during the first three-month period of 2016 compared to the same period of 2015, despite the decrease in gross ton-kilometers (about 26 percent). The increase in electricity expenses was due to the increase in electricity tariffs. GR's agreement on electricity procurement considers fixed tariffs until 2021 but it also considers review in case of change in regulated tariffs, Georgian National Energy and Water Supply Regulatory Commission (GNERC) has made a decision about increasing electricity tariffs in August 2015. In the following years (until

2021), according to the agreement, electricity tariffs will be fixed at the current level, unless another decision about tariff changes from the GNERC.

Purchased electricity and average tariff

3 month period ended 31 March

	Q1 2016				Q1 2015			
	GWh	Gross tkm (mln.)	GWh per gross bln tkm	Average tariff (GEL)	GWh	Gross tkm (mln.)	GWh per gross bln tkm	Average tariff (GEL)
January	12.4	491.3	25.3	0.119	16.6	763.5	21.8	0.088
February	13.5	586.8	22.9	0.119	14.4	642.3	22.5	0.090
March	12.7	536.2	23.7	0.115	16.2	763.1	21.2	0.089
Total	**38.6**	**1,614.2**	**23.9**	**0.118**	**47.2**	**2,168.9**	**21.8**	**0.089**

Fuel expenses

Total fuel expenses decreased by 31 percent (GEL 0.5 million) in the first three-month period of 2016 compared to the same period of 2015. This change was mainly driven by the reduced transportation volume during the given period. Cost reduction was also contributed by the decrease in fuel price.

Freight car rental expense

Freight car rental expense decreased by 18 percent (GEL 0.4 million) in the first three-month period of 2016 compared to the same period of the previous year. The decrease was mainly due to the reduced freight cars used for dry cargoes in line with reduced freight volumes, which was partly offset by the increased usage of tanks.

Wagon rent expense

In 2012 the Group had an expectation for the increased transportation of liquid cargoes and in order to be prepared to handle the expected increased volume, starting from 30 March 2012 the Company has rented from the contractor 425 tank cars (rent price was set in USD on daily basis). The contract expired in April 2015. Currently the Company does not plan to extend the contract, as transportation of liquid cargoes decreased significantly due to the decreased transportation in crude oil. As the Group owns some quantity of tanks that can be used for transportation of liquid cargoes, current fleet along with the use of other railway's tanks is considered to be sufficient to handle the expected volume transportation in liquid cargoes.

In the first quarter of 2016 the Group had no wagon rent expenses, which was due to the expired contract for 425 wagon rent in April 2015.

Security and other expenses

Security and other expenses

3 month period ended 31 March *In GEL '000*

	Q1 2016	Q1 2015	% Change	Abs. Change
Security	2,261	2,155	4.9%	106
Other op. expenses	7,019	2,988	134.9%	4,031
Total security and other operating expenses	**9,280**	**5,143**	**80.4%**	**4,137**

The increase in other operating expenses by GEL 4.0 million (135 percent) during the first three-month period of 2016 compared to the same period of the previous year was significantly influenced by the gain from realization of assets in 2015, which in the first three-month period of 2015 was included in other operating expenses and partly offset the expenses, later this item was moved to other operating income.

Taxes other than income tax

Taxes other than income tax

3 month period ended 31 March *In GEL '000*

	Q1 2016	Q1 2015	% Change	Abs. Change
Property tax	3,360	3,259	3.1%	101
Land tax	2,812	2,745	2.4%	67
Other taxes	464	343	35.3%	121
Taxes other than income tax	**6,637**	**6,348**	**4.6%**	**289**

**Other taxes also include all subsidiaries' taxes (other than income taxes).*

Taxes other than income tax increased by 5 percent (GEL 0.3 million) in the first three-month period of 2016 compared to the same period of 2015. The increase was mainly caused by other taxes, namely unaccounted VAT.

2.3 Finance costs and income

Breakdown of financial costs and income

3 month period ended 31 March — *In GEL '000*

	Q1 2016	Q1 2015	% Change	Abs. Change
Interest income	7,003	3,854	81.7%	3,150
Interest expense on financial liabilities	-13,497	-14,255	-5.3%	758
Impairment loss on trade receivables	-2,179	-11,240	-80.6%	9,061
Net foreign exchange gain/loss	12,634	-148,564	-108.5%	161,198
Net finance gain/loss	**3,961**	**-170,206**	**-102.3%**	**174,167**

In the first quarter of 2016 the Group showed GEL 4.0 million net finance gain, compared to GEL 170.2 million net finance loss in the same period of 2015. The positive difference of GEL 174.2 million was mainly due to the fluctuation of GEL against foreign currencies.

GEL/USD exchange rate fluctuation has significant effect on net finance gain/loss. Considering appreciation of GEL during the first three-month period of 2016, the Group experienced net foreign exchange gain, however due to the depreciation of GEL during the first three-month period of 2015, the Group showed net foreign exchange loss of GEL 148.6 million.

Higher interest income by GEL 3.2 million in the first three-month period of 2016 compared to the same period of 2015 was mainly due to the higher interest rates on cash deposits and higher average GEL/USD exchange rate. Another reason was interest income from the loan receivable of USD 16 million.

In the three-month period ended 31 March 2016 impairment loss on trade receivables was GEL 2.2 million, which was 81 percent smaller compared to the same period of the previous year.

2.4 Income tax benefit/expense

Income tax benefit in the first quarter of 2016 was due to the deferred tax. Income tax for the current year accounted for GEL 0.7 million.

2.5 Profitability

Calculation of EBITDA and EBITDA margin

In GEL '000

3 month period ended 31 March

	Q1 2016	Q1 2015	% Change	Abs. Change
Revenues	107,829	143,079	-24.6%	-35,250
Other income	4,684	2,789	67.9%	1,895
Operating expenses	-91,722	-95,493	-3.9%	3,771
Result from operating activities	**20,791**	**50,375**	**-58.7%**	**-29,584**
Operating profit margin	**19.3%**	**35.2%**	**-45.2%**	**-15.9%**
Depreciation add-back	26,185	25,844	1.3%	341
EBITDA	**46,976**	**76,219**	**-38.4%**	**-29,243**
EBITDA Margin	**43.6%**	**53.3%**	**-18.2%**	**-9.7%**

In the first half of 2016, GEL fluctuation against foreign currencies as described in the scenarios below, would have affected the Group's profit and loss statement in the following way:

Sensitivity analyses*

3 month period ended 31 March

	Actual	Scenario 1	Scenario 2	Scenario 3
Revenue	107,829	92,952	87,594	110,211
EBITDA	46,976	32,097	26,739	49,357
EBIT	20,791	5,912	554	23,172
EBT	24,752	4,830	51,210	(30,680)

**The analyses assume that all other variables remain constant and ignore any impact of changes in sales and purchases.*

Description of scenarios

	31 Dec 2015 - 31 Mar 2016 FX changes at balance date	Q1 2015 - Q1 2016 Average rate change
Scenario 1	0%	0%
Scenario 2	-5%	-20%
Scenario 3	5%	20%

3. Cash flows

Cash flow statement

In GEL '000

3 month period ended 31 March

	Q1 2016	Q1 2015
Cash flows from operating activities		
Cash receipts from customers	102,769	130,445
Cash paid to suppliers and employees	-54,479	-55,288
Cash flows from operations before income taxes paid	**48,290**	**75,157**
Income tax paid	-1,915	-2,000
Net cash from operating activities	**46,375**	**73,157**
Cash flows from investing activities		
Acquisition of property, plant and equipment	-62,749	-37,859
Proceeds from sale of property, plant and equipment	94	1
Interest received	5,860	4,117
Net cash used in investing activities	**-56,795**	**-33,740**
Cash flows from financing activities		
Interest paid	-46,800	-39,126
Dividends paid	-1,607	-300
Net cash from /(used in) financing activities	**-48,407**	**-39,426**
Net increase/(decrease) in cash and cash equivalents	**-58,827**	**-9**
Cash and cash equivalents at 1 January	294,784	300,983
Effect of exchange rate fluctuations on cash and cash equivalents	-1,302	29,033
Cash and cash equivalents at 31 March	**234,655**	**330,007**

Operating activities

Net cash from operating activities decreased by GEL 26.8 million in the first three-month period of 2016 compared to the same period of the previous year. The change was driven by the decrease in cash receipts from customers by about GEL 27.7 million mainly due to the decreased transportation volume. Cash paid to suppliers and employees and income tax paid remained at about the same level.

Investing activities

Net cash used in investing activities in the first three-month period of 2016 increased by GEL 23.1 million, while the expenditures on modernization of fixed assets has reduced by GEL 12.9 million compared to the same period of the previous year. This was mainly due to the faster implementation pace of the Modernization project compared to the three-month period of 2015.

Financing activities

Net cash used in financing activities increased by GEL 9.0 million in the first three-month period of 2016, compared to the same period of the previous year. This increase was mainly due to the depreciation of GEL against USD, as the Company's debts are denominated in USD.

4. Balance sheet

Balance sheet

In GEL '000

3 month period ended 31 March

	31-Mar-16	31-Dec-15	% Change	% Change at constant currency	Abs. Change
TOTAL ASSETS	**3,065,127**	**3,093,917**	**-0.9%**	**N/A**	**-28,790**
Changes are mainly due to:					
Other non-current assets	175,443	147,998	18.5%	18.5%	27,445
Cash and cash equivalents	234,655	294,784	-20.4%	-20.0%	-60,129
TOTAL LIABILITIES	**1,558,912**	**1,622,707**	**-3.9%**	**N/A**	**-63,795**
Changes are mainly due to:					
Loans and borrowings (LT)	1,179,848	1,193,301	-1.1%	0.0%	-13,453
Loans and borrowings (ST)	21,260	44,855	-52.6%	-52.1%	-23,595
Trade payables and advances received	75,517	89,258	-15.4%	-14.4%	-13,741

Significant changes in assets

GEL 27.4 million increase in other non-current assets was mainly due to the prepayments under the Modernization project.

The lower cash and cash equivalents balance on 31 March 2016 compared to 31 December 2015 was mainly due to the lower transportation volume and higher expenditures on the Modernization project.

Significant changes in liabilities

The change in long term loans and borrowings was due to revaluation of the Group's borrowings as they are denominated in USD and GEL has appreciated against USD.

The decrease in short-term loans and borrowings was caused by the payment of accrued interest (GEL 46.8 million) on Eurobonds in January 2016.

The decrease in trade payables and advances received as for 31 March 2016 compared to 31 December 2015 was mainly due to reduction in payables under the Modernization project and advances received from customers.

Appendix 1

Breakdown of freight transportation in tons

3 month period ended 31 March — *In thousand tons*

	Q1 2016	Q1 2015	% Change	Abs. Change
Total liquid & dry cargoes	**2,837**	**3,774**	**-24.8%**	**-938**
Liquid cargoes	**1,327**	**1,912**	**-30.6%**	**-585**
Oil products	949	1,456	-34.8%	-507
Crude oil	377	456	-17.2%	-79
Dry cargoes	**1,510**	**1,862**	**-18.9%**	**-352**
Cement	18	14	24.7%	4
Chemicals and fertilizers	127	100	27.2%	27
Construction freight	289	344	-15.9%	-55
Ferrous metals and scrap	177	257	-31.1%	-80
Grain	64	139	-53.9%	-75
Industrial freight	59	55	5.7%	3
Ores	318	399	-20.3%	-81
Sugar	125	89	39.5%	35
Other	333	464	-28.3%	-131

Appendix 2

Breakdown of freight transportation in ton-kilometer by freight type

3 month period ended 31 March *In million ton-kilometer*

	Q1 2016	Q1 2015	% Change	Abs. Change
Total liquid & dry cargoes	**837**	**1,159**	**-27.8%**	**-322**
Liquid cargoes	**452**	**678**	**-33.4%**	**-226**
Oil products	303	498	-39.2%	-195
Crude oil	149	180	-17.3%	-31
Dry cargoes	**385**	**481**	**-19.9%**	**-96**
Cement	5	3	81.9%	2
Chemicals and fertilizers	39	26	47.6%	13
Construction freight	42	55	-24.4%	-13
Ferrous metals and scrap	47	75	-37.2%	-28
Grain	19	43	-55.1%	-24
Industrial freight	9	18	-48.9%	-9
Ores	81	79	2.3%	2
Sugar	46	32	43.3%	14
Other	97	150	-35.2%	-53