



**News Release**  
May 14, 2010

Company: **Global Railway Industries Ltd.**  
Stock Symbol: **GBI**  
Listing: **Toronto Stock Exchange**  
Outstanding Shares: **15.2 Million**  
Web Site: **www.globalrailway.com**

## Global Railway Reports Q1 Results for 2010

**London, Ontario – May 14, 2010 - Global Railway Industries Ltd., - (GBI:TSX):** Global Railway Industries Ltd., [www.globalrailway.com](http://www.globalrailway.com), ("Global" or the "Company"), today reports the Company's first quarter financial results for the three-month period ended March 31, 2010. All dollar figures are reported in Canadian currency unless otherwise noted.

### 2010 Q1 Financial Highlights:

- Total revenue increased by 27.3% to \$18.7 million compared to \$14.7 million in Q1 2009
- Net earnings improved to \$89,000 compared to a \$1.5 million net loss in Q1 2009
- Earnings per share improved to \$0.01 compared to loss per share of (\$0.10) in Q1 2009

Terry McManaman, Chairman, President and CEO of Global commented, "Management is pleased to report Global's return to profitability during the first quarter of 2010, and the reduction of its bank debt by \$1.5 million. Global's first quarter earnings were in line with Management's expectations and can be attributed to improved profitability of the VIA Rail Canada ("VIA") business, as well as operational efficiencies, cost cutting initiatives, and scale economies."

Fausto Levy, President of CAD Railway Industries Ltd. ("CADRI") commented, "The VIA project learning curve is now essentially behind us and CADRI is showing positive margins on the locomotives currently in production. Another positive signal for CADRI is that the railroad industry may have reached the bottom in the downward cycle of railcar loadings. We believe some railroads will return stored locomotives and railcars back into revenue service by the end of the current year which could further benefit CADRI's locomotive and railcar maintenance business." Levy continued, "As at March 31, 2010, CADRI had successfully delivered a total of 12 locomotives to VIA in accordance with the agreed delivery schedule, four of which were delivered during the first quarter of 2010. Additionally, CADRI continues to bid on contracts for the overhaul of diesel engines for mid size to large size organizations. Management believes that CADRI is well positioned to win additional contracts during 2010 as well as bolster its locomotive and components businesses."

"Bach-Simpson Corporation ("Bach") increased first quarter 2010 sales by over 15% compared to the same prior year period, although gross margin was softened by the impact of a strengthening Canadian Dollar, which approached parity with the US Dollar, and by the temporary delay of new, higher margin development projects," said McManaman. "Bach's backlog as at March 31, 2010 was more than \$8.5 million, still robust, although down from \$9.7 million at December 31, 2009."

"In its local currency, G&B Specialties, Inc. ("G&B") sales were up nearly 7% and gross margins were essentially unchanged compared to the first quarter of 2009," said McManaman. "G&B's strong employee safety record has also contributed to the reduced cost of operations and improved customer service."

McManaman cautioned, "Although Management is pleased with the progress made by Global during the first quarter of 2010, we believe that 2010 will remain a challenging year for many businesses, including the railway industry and Global. On a positive note, 2010 North American carload and intermodal traffic volumes have increased compared to the same period in 2009."

## Amended Credit Agreement with Lenders

During the first quarter of 2010, Management and the Lenders agreed to terms for amending the Company's Credit Agreement. The amendments required the Company to enter into a final offer of purchase for one or more subsidiaries before June 30, 2010; or alternatively obtain a commitment by June 30, 2010 for a new facility of not less than \$5,000,000, for a combination of equity and subordinated debt, which is to include a minimum equity injection of \$2,500,000. Global, through its Special Committee, is pursuing opportunities in respect of both of these mandated courses of action and anticipates, given the current status of those opportunities, compliance with the Lenders' requirements within the specified timelines.

### Financial Summary:

Summary Income Statement (unaudited)	Three months ending March 31, 2010	Three months ending March 31, 2009	Change
Revenues	\$18,678,419	\$14,677,013	\$4,001,406
Net earnings (loss)	\$88,853	(\$1,549,149)	\$1,638,002
Earnings (loss) per share (diluted)	\$0.01	(\$0.10)	\$0.11

The Company's 2010 Q1 financial statements and Management's discussion and analysis will be posted later today in the investor information section of Global's web site at [www.globalrailway.com](http://www.globalrailway.com) and are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

THIS NEWS RELEASE MAY CONTAIN FORWARD LOOKING INFORMATION. ACTUAL FUTURE RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTEMPLATED. THE RISKS, UNCERTAINTIES AND OTHER FACTORS, BOTH KNOWN AND UNKNOWN, THAT COULD INFLUENCE ACTUAL RESULTS MAY BE SUBSTANTIAL AND INCLUDE THOSE DESCRIBED IN DOCUMENTS FILED WITH REGULATORY AUTHORITIES, SUCH AS THE COMPANY'S MOST RECENTLY FILED ANNUAL REPORT AND ANNUAL INFORMATION FORM. ACCORDINGLY, NO ASSURANCES CAN BE GIVEN THAT ANY OF THE EVENTS ANTICIPATED BY THE FORWARD-LOOKING STATEMENTS WILL TRANSPIRE OR OCCUR, OR IF ANY OF THEM DO SO, WHAT BENEFITS THE COMPANY WILL DERIVE THEREFROM.

**About Global Railway Industries:** Global Railway Industries Ltd. is a diversified rail product company serving the railway industry in North America. Global Railway is a public company whose shares are listed for trading on the Toronto Stock Exchange (TSX) under the symbol "GBI". For more information: visit [www.globalrailway.com](http://www.globalrailway.com) or [www.investorfile.com](http://www.investorfile.com).

#### Company Contact:

Terry McManaman  
Chairman, President & CEO  
Tel: 585-419-9720

E-mail:  
[tmcmanaman@globalrailway.com](mailto:tmcmanaman@globalrailway.com)

#### Company Contact

Brian McMullan  
CFO  
Tel: 585-419-9720

E-mail:  
[bmcmullan@globalrailway.com](mailto:bmcmullan@globalrailway.com)