



**News Release**  
August 12, 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 Q2 Results for 2010

**Lachine, Quebec – August 12, 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 2010 second quarter financial results for the three-month and six-month periods ended June 30, 2010. All dollar figures are reported in Canadian currency unless otherwise noted.

### 2010 Q2 Financial Highlights: 3-months ended June 30, 2010

- Total revenue increased 15.1% to \$20.0 million compared to \$17.4 million in Q2 2009
- Net income of \$498,000 compared to a net loss of \$875,000 in Q2 2009
- Earnings per share of \$0.03 compared to loss per share (\$0.06) in Q2 2009

### 2010 Financial Highlights: 6-months ended June 30, 2010

- Total revenue increased 20.6% to \$38.7 million compared to \$32.1 million for the same six month period in 2009
- Net income of \$587,000 compared to a net loss of \$2.4 million for the same six month period in 2009
- Earnings per share of \$0.04 compared to loss per share (\$0.16) for the same six month period in 2009

Mr. Fausto Levy, Interim President and CEO of Global commented, "We are encouraged by our favorable operating progress, the sale of G&B Specialties, Inc. ("G&B") and the pending sale of the assets of Bach-Simpson Corporation ("Bach-Simpson"), and resolving the obligations under our credit agreements."

The favorable progress of the VIA Rail Canada ("VIA") locomotive remanufacturing contract is tempered by the slow economic recovery negatively impacting the freight car repair business. With the economy now showing signs of growth, the outlook of the railroad industry also appears to be improving. However, overall railroad volumes are improving slowly. Despite the mild economic recovery, there likely will be a lag between recovery of shipping volumes and the decision of railroads to start restoring previously cancelled capital and maintenance programs.

Mr. Levy continues, "Global continued to benefit from the growing transit business in the second quarter and six month periods, with more than 50% of Global's revenues currently generated from transit customers. Volume gains and improved gross profit margins in the second quarter exceeded management's expectations. Improvements were driven by operational efficiencies, cost cutting initiatives and business growth. Management will continue to aggressively pursue new contracts and new opportunities while continuing a focus on cost reduction and operational efficiency gains."

### Amended Credit Agreement with Lenders

On June 30, 2010, Management and the Company's lenders agreed to terms for a Fifth Amendment to the Company's credit agreement (the "Amendment"). In accordance with the Amendment, Global concluded the sale of G&B following the end of the quarter and anticipates completing the sale of the assets of Bach-Simpson before October 31, 2010. Proceeds from the sales have been and will be used to repay the Company's credit facilities, at which time the Company's Credit Facilities will be permanently cancelled. The Company's lenders have confirmed that following the repayment of the various credit facilities, the Company's financial covenants will be revised and amended. The Company is currently in discussions with one of its existing lenders, as well as other potential lenders, regarding the establishment of new credit facilities.

### Strategic Review

The Special Committee will continue its mandate to evaluate strategic alternatives for CAD Railway Industries Ltd. and Global.

**Financial Summary:**

<b>Summary Income Statement (unaudited)</b>	<b>Three months ending June 30, 2010</b>	<b>Three months ending June 30, 2009</b>	<b>Change</b>
Revenues	\$20,005,794	\$17,386,252	\$2,619,542
Net earnings (loss)	\$497,962	(\$874,554)	\$1,372,516
Earnings (loss) per share (diluted)	\$0.03	(\$0.06)	\$0.09

<b>Summary Income Statement (unaudited)</b>	<b>Six months ending June 30, 2010</b>	<b>Six months ending June 30, 2009</b>	<b>Change</b>
Revenues	\$38,684,213	\$32,063,265	\$6,620,948
Net earnings (loss)	\$586,815	(\$2,423,703)	\$3,010,518
Earnings (loss) per share (diluted)	\$0.04	(\$0.16)	\$0.20

The Company's 2010 second quarter financial statements and Management's discussion and analysis will be posted 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).

**Forward Looking Statements:**

*This news release contains certain forward-looking statements about the objectives, strategies, financial conditions, results of operations and businesses of Global. Statements that are not historical facts are forward-looking and are subject to important risks, uncertainties and assumptions. These statements are based on the Company's current expectations about its business and the markets in which it operates, and upon various estimates and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events if known or unknown risks, trends or uncertainties affect the Company's business, or if its estimates or assumptions turn out to be inaccurate. As a result, there is no assurance that the circumstances described in any forward-looking statement will materialize. Significant and reasonably foreseeable factors that could cause the Company's results to differ materially from its current expectations are discussed in the section entitled "Business Risks" contained in the Company's Management's Discussion and Analysis for the year ended December 31, 2009 filed by Global with the Canadian securities commissions (available on SEDAR at [www.sedar.com](http://www.sedar.com)), as updated in its most recent Management's Discussion and Analysis for the six months ended June 30, 2010. The Company disclaims any intention or obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.*

**About Global Railway Industries:** Global Railway Industries Ltd. is a public company whose shares are listed for trading on the Toronto Stock Exchange (TSX) under the symbol "GBI". Through its operating subsidiaries, Global Railway provides sales and services, including parts, maintenance and remanufacture of locomotives and diesel engines, to the domestic and international railway industries. For more information: visit [www.globalrailway.com](http://www.globalrailway.com) or [www.investorfile.com](http://www.investorfile.com).

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