

## Key segmental highlights

USD million (unless stated otherwise)	2016	2015	Change
<b>Revenue</b>	8,259	8,542	(3%)
Group GMK <sup>1</sup>	6,194	6,590	(6%)
Group KGMK <sup>2</sup>	664	773	(14%)
NN Harjavalta	727	757	(4%)
Other metallurgical	7	30	(77%)
Other non- metallurgical	1,699	1,182	44%
Eliminations	(1,032)	(790)	31%
<b>EBITDA</b>	3,899	4,296	(9%)
Group GMK <sup>1</sup>	3,883	4,429	(12%)
Group KGMK <sup>2</sup>	117	257	(54%)
NN Harjavalta	45	63	(29%)
Other metallurgical	(11)	(12)	(8%)
Other non-metallurgical	119	(81)	(247%)
Eliminations	112	26	4x
Unallocated	(366)	(386)	(5%)
<b>EBITDA margin</b>	47%	50%	(3 p.p.)
Group GMK <sup>1</sup>	63%	67%	(4 p.p.)
Group KGMK <sup>2</sup>	18%	33%	(15 p.p.)
NN Harjavalta	6%	8%	(2 p.p.)
Other metallurgical	(157%)	(40%)	(117 p.p.)
Other non- metallurgical	7%	(7%)	14 p.p.

## Revenue

### REVENUE BY SEGMENT

In 2016, revenue of Group GMK segment decreased 6% y-o-y, while revenue of Group KGMK segment was down by 14% y-o-y, to USD 6,194 million and USD 664 million, respectively. In both segments the revenue decline was primarily driven by lower realized metal prices. In Group GMK segment this negative effect was partly offset by the sale of metal stocks.

Revenue of NN Harjavalta decreased 4% y-o-y to USD 727 million. This was primarily driven by lower realized metal prices, which was partly compensated for by an

increase of metals output resulting from the reconfiguration of the Company's metallurgical facilities in Russia.

Revenue of Other metallurgical segment decreased 77% y-o-y to USD 7 million following the sale of international assets in 2015.

Revenue of Other non-metallurgical segment increased 44% y-o-y to USD 1,699 million owing to the increased revenue of the Group's trading subsidiaries, resulting from recovery in metal prices and the sale of metal stocks in 2016.

<sup>1</sup> Includes Polar division and subsidiaries, supporting production in Norilsk.

<sup>2</sup> Includes Kola MMC and subsidiaries located in Monchegorsk agglomeration.