

/ Financial Overview /

EBITDA

USD mln	2016	2015	Change
Operating profit	3,281	3,506	(6%)
Depreciation and amortisation	557	506	10%
Impairment of non-financial assets	61	284	(79%)
EBITDA	3,899	4,296	(9%)
EBITDA margin	47%	50%	(3 p.p.)

In 2016, EBITDA of Group GMK segment decreased 12% y-o-y to USD 3,883 million. The reduction was mostly driven by lower metal prices and cost inflation, partly offset by the sale of metal stocks and effect of RUB depreciation on cash costs.

EBITDA of Group KGMK segment was down by 54% y-o-y to USD 117 million primarily due to lower metal prices and downstream reconfiguration. This negative effect was partly offset by the decrease in cash costs driven by the depreciation of RUB against USD.

EBITDA of NN Harjavalta decreased by 29% y-o-y to USD 45 million primarily due to revenue decline resulting from lower metal prices.

EBITDA of Other non-metallurgical segment increased by USD 200 million in 2016 and turned positive USD 119 million primarily as a result of the increase in sales margin of the Group's trading subsidiaries.

Net profit before impairment charges and foreign exchange (gains)/losses

USD mln	2016	2015	Change
Net profit	2,531	1,716	47%
Impairment of non-financial assets and available for sale investments	214	284	(25%)
Foreign exchange (gain)/loss	(485)	865	(156%)
Loss from disposal of subsidiaries and assets classified as held for sale	4	302	(99%)
Net profit before impairment charges and foreign exchange (gains)/losses	2,264	3,167	(29%)

EBITDA in 2016

USD **3,899** mln

Net profit in 2016

USD **2,531** mln