

Statement of cash flows

USD mln	2016	2015	Change
Cash generated from operations before changes in working capital and income tax	3,958	4,489	(12%)
Movements in working capital	64	(112)	(157%)
Income tax paid	(530)	(672)	(21%)
Net cash generated from operating activities	3,492	3,705	(6%)
Capital expenditure	(1,695)	(1,654)	2%
Other investing activities	(206)	354	(158%)
Net cash used in investing activities	(1,901)	(1,300)	46%
Net cash used in financing activities	(2,399)	(998)	140%
Effects of foreign exchange differences on balances of cash and cash equivalents	37	(113)	(133%)
Other	18	(33)	(155%)
Net (decrease)/increase in cash and cash equivalents	(753)	1,261	(160%)

In 2016, net cash generated from operating activities decreased by 6% y-o-y to USD 3.5 billion owing to the following:

- –USD 397 million – decrease in EBITDA;
- +USD 176 million – decrease of working capital in 2016 and respective increase in 2015 due to realization of temporary metal stock accumulated in 2015.

Reconciliation of the net working capital changes between the balance sheet and cash flow statement is presented below.

USD mln	2016	2015
Change of the net working capital in the balance sheet	587	57
One-off factors ¹	(296)	–
Normalized change of the net working capital in the balance sheet, less:	291	57
Foreign exchange differences	38	(357)
Change in income tax payable	(161)	89
Change of working capital within assets classified as held for sale	–	12
Other changes, including reserves	(104)	87
Change of working capital per cash flow	64	(112)

¹ Related to the purchase of copper concentrate from Rostec.

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CAPEX breakdown by project is presented below:

USD mln	2016	2015	Change
Polar Division, including:	884	989	(11%)
Skalisty mine	153	256	(40%)
Taymirsky mine	68	72	(6%)
Komsomolsky mine	40	45	(11%)
Oktyabrsky mine	59	70	(16%)
Talnakh enrichment plant	253	257	(2%)
Reconstruction/modernisation of production facilities related with closing of Nickel plant	24	61	(61%)
Kola MMC	89	118	(25%)
Chita (Bystrinsky) project	269	107	151%
Other production projects	107	151%	(2%)
Other non-production assets	5	4	20%
Intangible assets	47	28	68%
Total	1,695	1,654	2%

In 2016, CAPEX increased by 2 % y-o-y to USD 1.7 billion primarily due to construction of Chita (Bystrinsky) project.

In 2016, other investing activities changed by USD 560 million and became negative USD 206 million primarily due to investments in skiing resort in Sochi in 2016 as compared to positive USD 354 million in 2015 resulting primarily from the proceeds from the sale of shares of utilities' stocks.

CAPEX, USD mln



In 2016, CAPEX in Chita project was

USD **269** mln

In 2016, CAPEX in Talnakh enrichment plant was

USD **253** mln