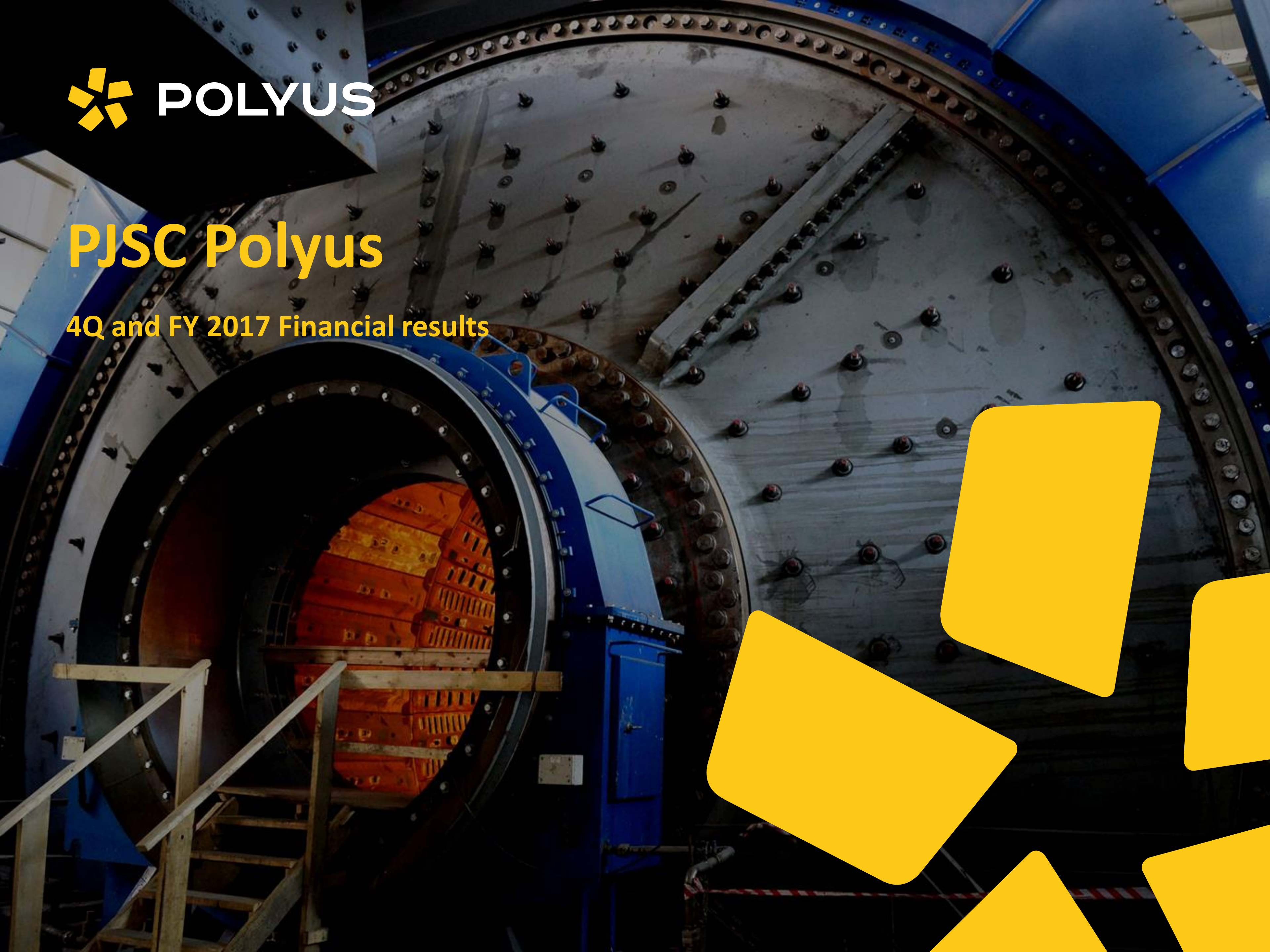

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PJSC Polyus

4Q and FY 2017 Financial results

4Q and FY 2017 key highlights

Continued strong top-line performance

- The Company sold a total of 597 thousand ounces of gold in 4Q 2017, up 3% compared to 3Q 2017. In 2017, the Company sold a total of 2,158 thousand ounces of gold, up 13% compared to the prior-year.
- In 4Q 2017, revenue totaled $743 mln and remained almost flat compared 3Q 2017. In 2017, revenue totaled $2,721 mln, compared to $2,458 mln in 2016.

Superior profitability profile

- The Group's TCC decreased 15% to $324/oz in 4Q 2017 from $380/oz in 3Q 2017. The Group's TCC decreased 6% y-o-y to $364/oz, AISC increased 9% y-o-y to $621/oz.
- In 4Q 2017, adjusted EBITDA amounted to $465 mln. In 2017, adjusted EBITDA amounted to $1,702 mln, a 11% increase from the prior-year.
- In 4Q 2017, adjusted EBITDA margin stood slightly lower at 63%, compared to 64% in 3Q 2017. For the year 2017 the adjusted EBITDA margin increased to 63%, compared to 62% in 2016.
- In 4Q 2017, adjusted net profit amounted to $242 mln. In 2017, adjusted net profit amounted to $1,015 mln, a 7% increase from the prior-year.

Robust funding position

- Net cash inflow from operations amounted to $344 mln in 4Q 2017. In 2017, net cash inflow from operations amounted to $1,292 mln driven by strong EBITDA.
- In 4Q 2017, capex increased to $279 mln compared to the previous quarter. In 2017, Capex was $804 mln, primarily due to the ramp-up of construction activity at Natalka.
- Cash and cash equivalents amounted to $1,204 mln as at the end of 2017, compared to $1,121 mln as at the end of 3Q 2017 respectively.
- Net debt decreased to $3,077 mln at the end of 4Q 2017 compared to $3,151 mln as at the end of 3Q 2017.
- Net debt/LTM adjusted EBITDA as at the end of 2017 stood at 1.8x, down from 1.9x as at the end of 3Q 2017 and from 2.1x at the end of 2016 respectively.

Industry leading shareholder return

- In the reporting period, the Company made dividend payments for 2H 2016 and 1H 2017 in the amount of $574 mln.

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Financial results

4Q and FY 2017 financial highlights

Key highlights

	4Q 2017	3Q 2017	Q-o-Q	2017	2016	Y-o-Y
Gold production, koz	580	642	(10%)	2,160	1,968	10%
Average realised refined gold price excl. SPPP, $/oz	1,275	1,279	(0%)	1,260	1,250	1%
Average realised refined gold price, incl. SPPP, $/oz	1,275	1,279	(0%)	1,271	1,287	(1%)
Total cash cost (TCC), $/oz	324	380	(15%)	364	389	(6%)
All-in sustaining cash cost (AISC) , $/oz	662	599	11%	621	572	9%
Revenue, $mln	743	744	(0%)	2,721	2,458	11%
Adjusted EBITDA, $mln	465	475	(2%)	1,702	1,536	11%
Adjusted EBITDA margin, %	*63%*	*64%*	*(1) ppts*	*63%*	*62%*	*1 ppts*
Adjusted net profit, $mln	242	298	(19%)	1,015	952	7%
Net cash inflow from operations, $mln	344	398	(14%)	1,292	1,178	10%
Capital expenditure, $mln	279	224	25%	804	466	73%
Free cash flow[1], $mln	149	181	(18%)	610	902	(32%)

Financial position

	4Q 2017	3Q 2017	2Q 2017	1Q 2017	4Q 2016
Net debt, $mln	3,077	3,151	3,084	3,128	3,241
Net debt/adjusted EBITDA, x	1.8	1.9	1.9	2.0	2.1

[1] Free cash flow is presented on an unlevered basis

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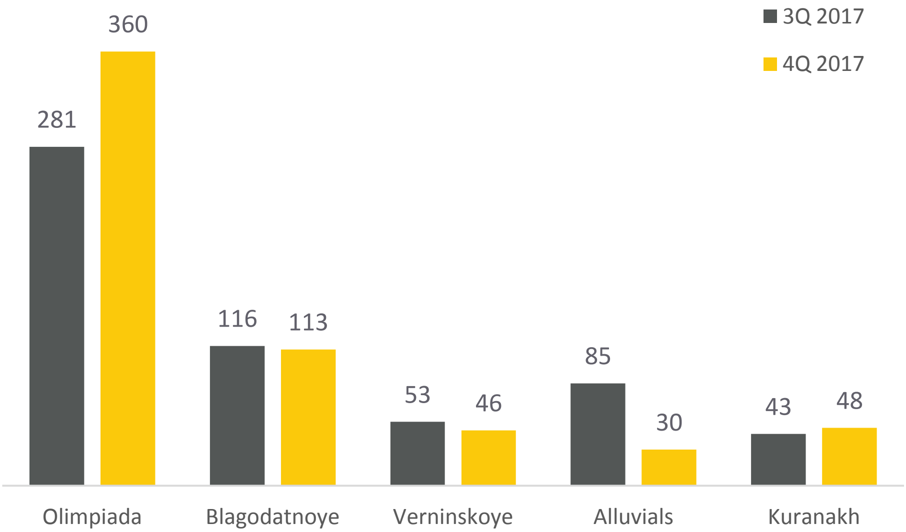
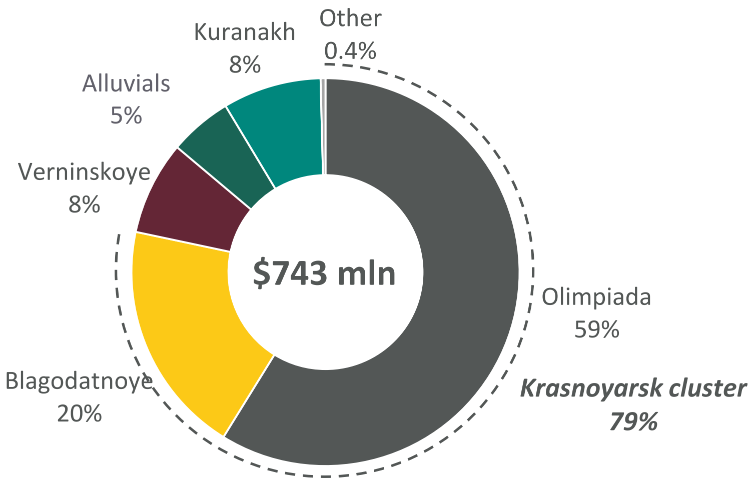
Financial Results
Revenue analysis

Sales by mine dynamics, koz



Revenue breakdown by mine, 4Q 2017, %



- In 4Q 2017, the Group's revenue from gold sales amounted to $743 mln, remained flat compared to 3Q 2017 as the lower average realised price was fully offset by higher sales volumes during the period.
- The average realised refined gold price was slightly lower compared to 3Q 2017 and amounted to $1,275 per ounce, whilst gold sales totaled 597 thousand ounce, a 3% increase quarter-on-quarter.
- The average LBMA gold price was almost flat in comparison with 3Q 2017 and stood at $1,275 per ounce.

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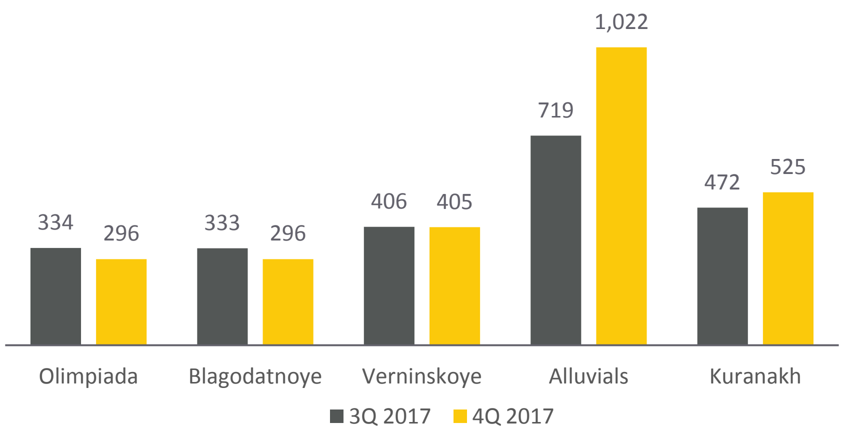
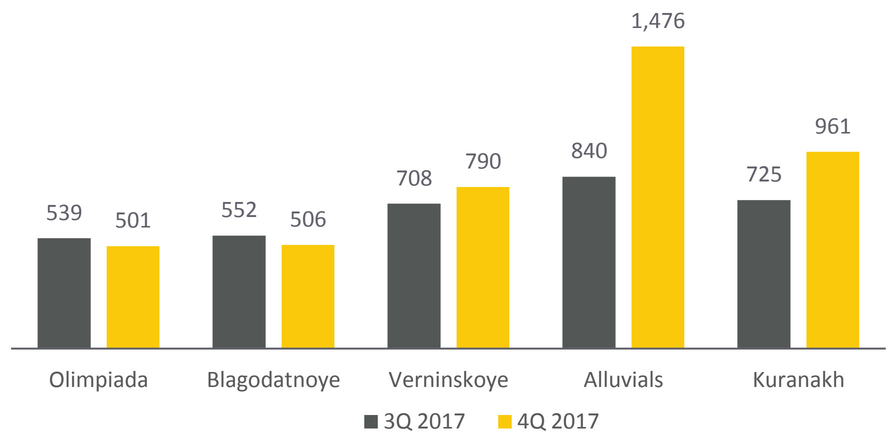
Financial Results
TCC & AISC performance

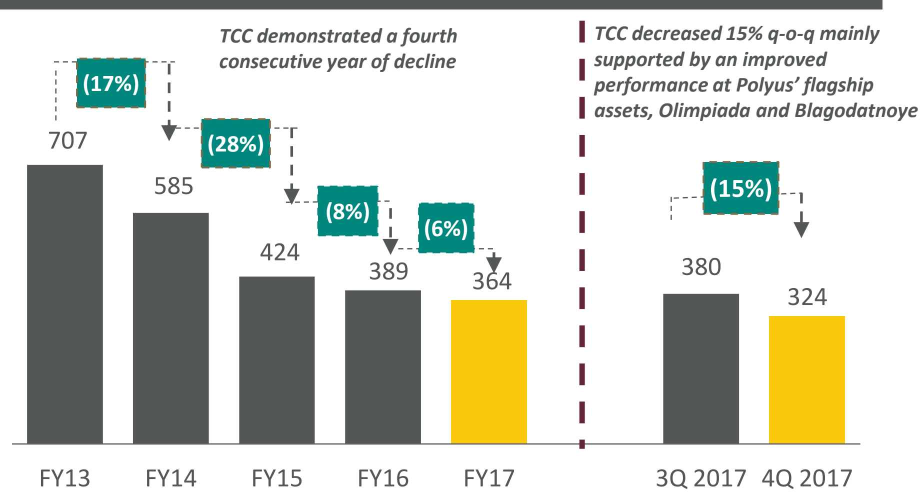
TCC dynamics by mines, $/oz



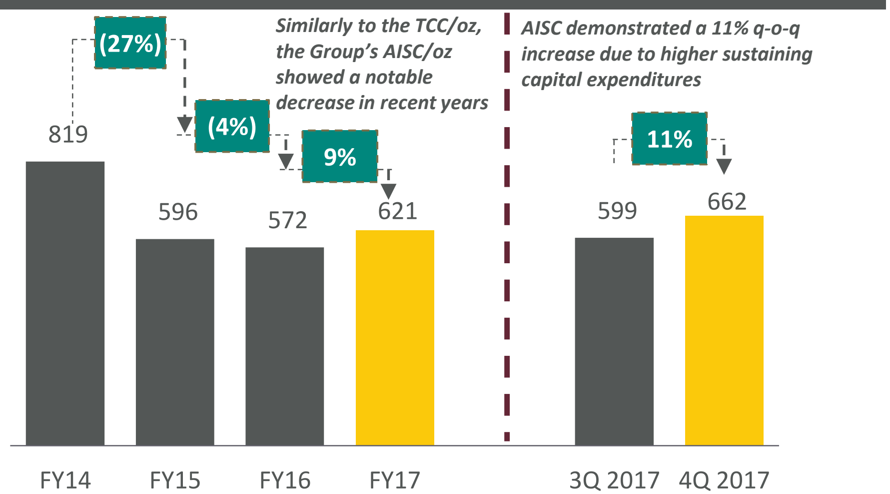
AISC dynamics by mines, $/oz



TCC dynamics in 2013 – 2017, $/oz



AISC dynamics in 2014 – 2017, $/oz



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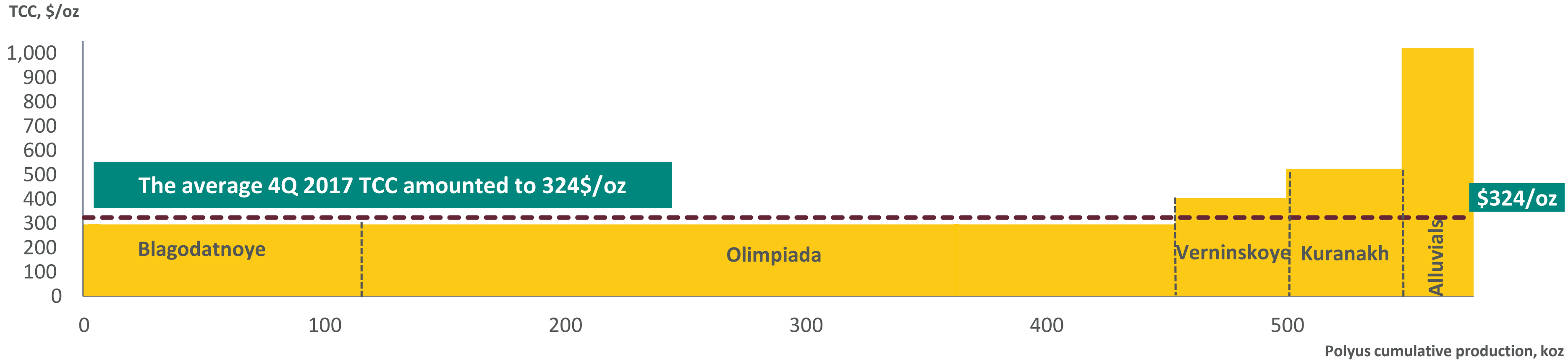
Financial Results
Polyus TCC curve

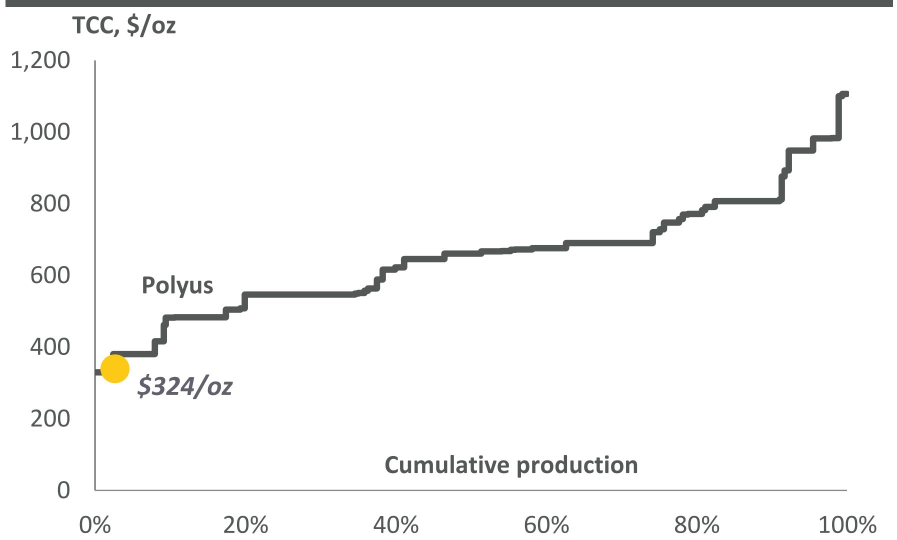
Polyus TCC curve in 4Q 2017



Highlights

- In 4Q 2017, group TCC decreased 15% to $324 per ounce mainly supported by improved performance at Polyus' flagship assets, Olimpiada and Blagodatnoye.
- In 4Q 2017, TCC at Olimpiada declined to $296 per ounce, posting an 11% decrease from 3Q 2017. This decline was mainly attributable to an increased share of lower cost flotation concentrate as part of the total gold sold during the quarter as well as an adjustment of annual remuneration reserve and lower transportation costs.
- At Blagodatnoye, TCC amounted to $296 per ounce, down 11% compared to 3Q 2017, primarily due to higher average grades in ore processed (2.1 grams per tonne in 4Q 2017 compared to 1.9 grams per tonne in 3Q 2017) and an increase in hourly throughput.

Global TCC curve[1]



[1] Source: Metals Focus (estimates for 3Q 2017)

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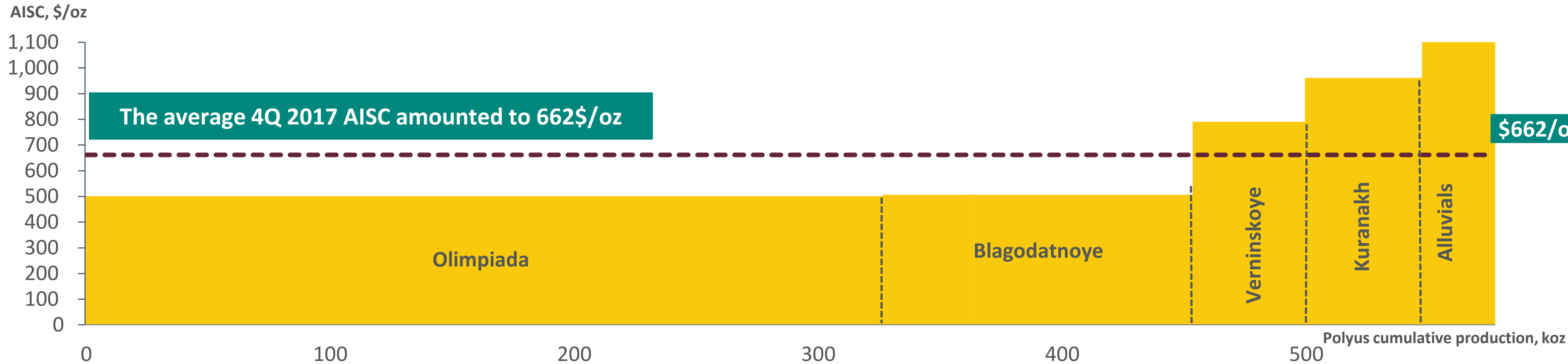
Polyus AISC curve

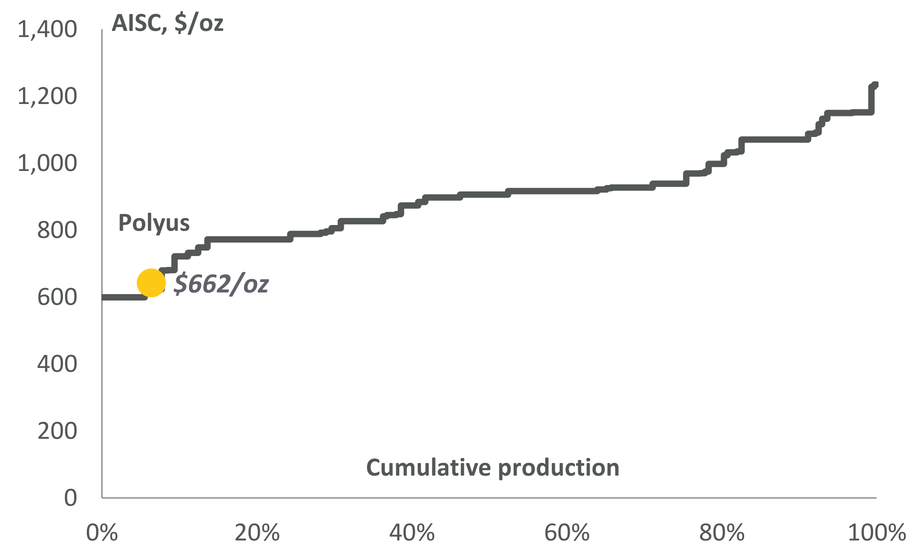
Polyus AISC curve in 4Q 2017



Highlights

- In 4Q 2017, the Group's AISC per ounce increased to $662 per ounce, up 11% compared to 3Q 2017 trending in line with TCC and supported by higher sustaining capital expenditures.
- In 4Q 2017 AISC at Olimpiada decreased to $501 per ounce while at Blagodatnoye AISC decreased to $506 per ounce both driven by lower TCC for the period.
- AISC at Verninskoye increased to $790 per ounce while at Kuranakh, AISC increased to $961 per ounce both driven by higher sustaining capital expenditures for the period.

Global AISC curve[1]



[1] Source: Metals Focus (estimates for 3Q 2017)

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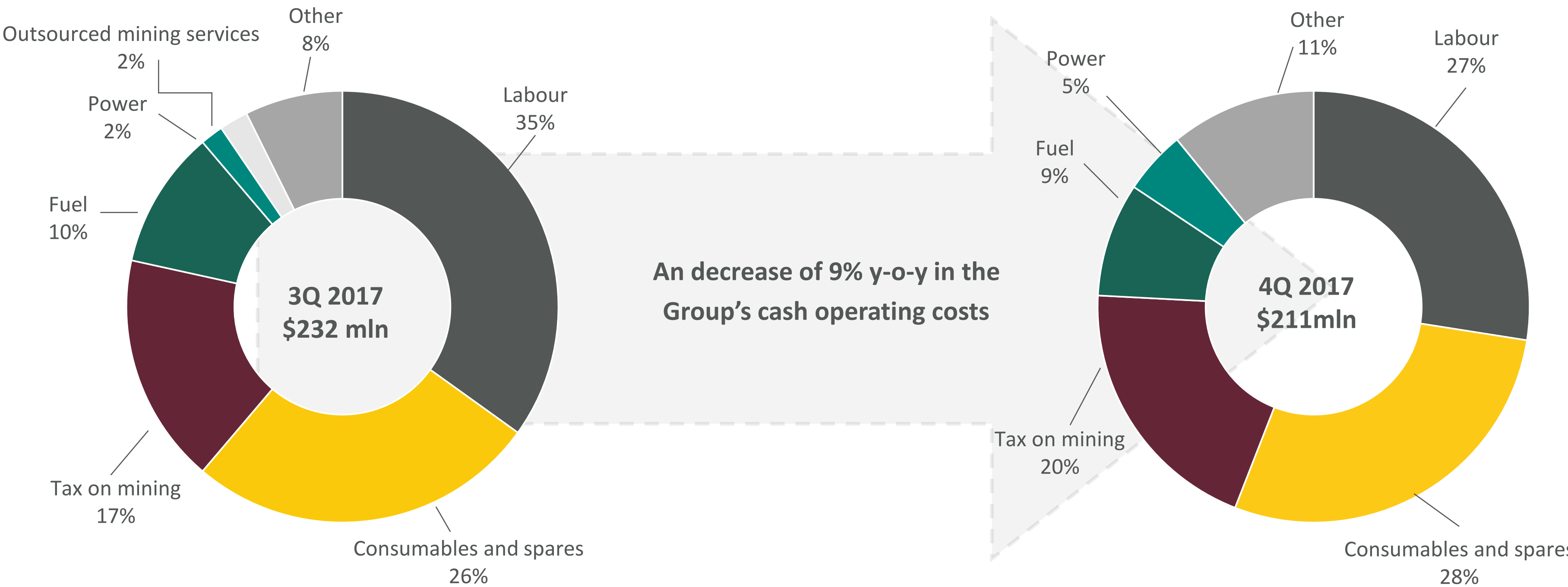
Financial Results

Operating cash costs

The Group's cash operating costs breakdown by item, 3Q 2017 / 4Q 2017



- During 4Q 2017, the Group's cash operating costs decreased by 9% compared to the 3Q 2017, to $211 mln.
- Specifically, labour expenses decreased by 28% in 4Q 2017 compared to the previous quarter and accounted for 27% of total cash operating costs, mainly reflecting a seasonal downscale of mining activity at the Alluvials operations.
- The Company remains focused on operational optimization and improving efficiency.

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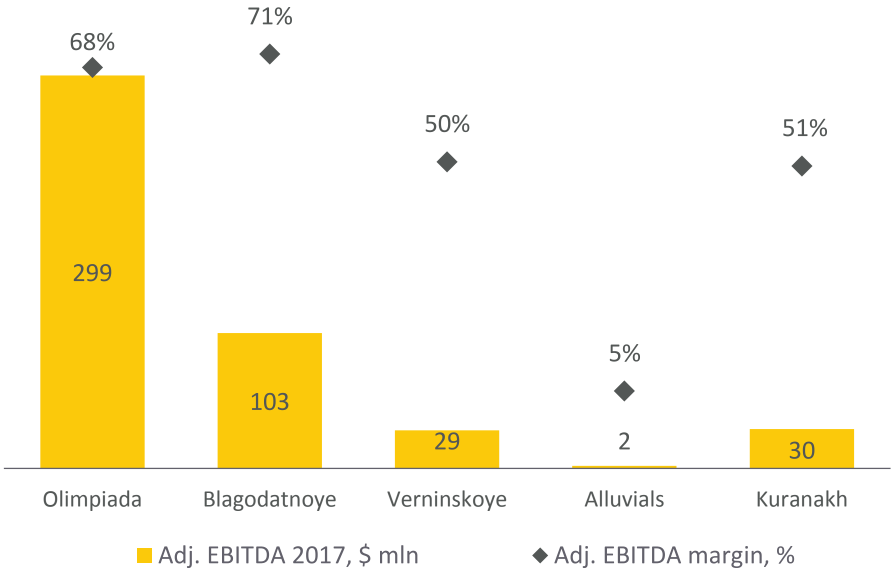
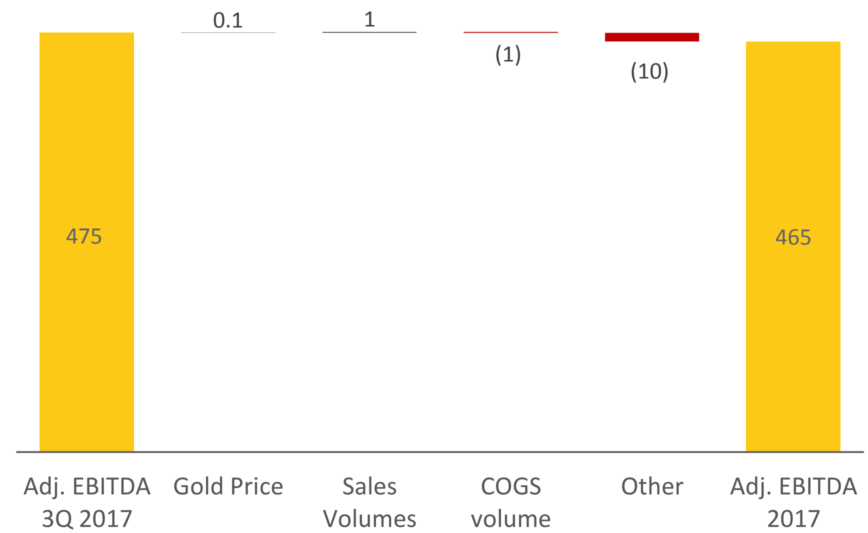
Financial Results
Adjusted EBITDA performance

Adj. EBITDA and adj. EBITDA margin, 4Q 2017



Adj. EBITDA bridge, $ mln



- In 4Q 2017, adjusted EBITDA decreased 2% y-o-y to $465 mln, with an adjusted EBITDA margin contracting 1 ppt q-o-q to 63% mainly due to increase in SG&A costs and FX rate dynamics.
- At the same time, this performance was offset by stable sales volumes and lower cash operating costs during the period supported by the continued focus on improving operational efficiency and cost control as TCC decreased on a per ounce basis in 4Q 2017 compared to 3Q 2017.

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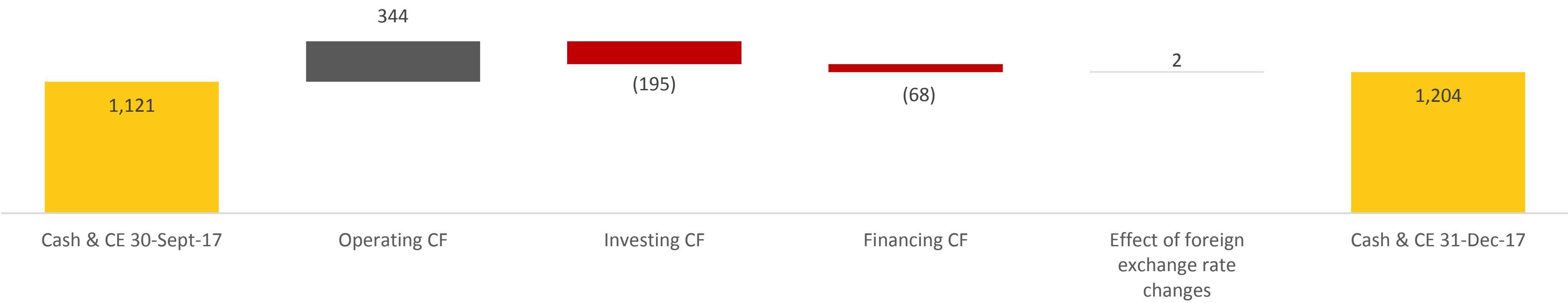
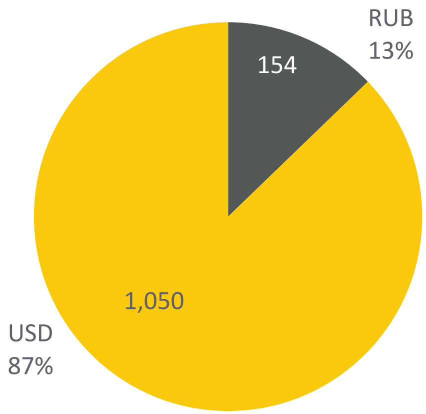
Financial Results
Cash flow dynamics

4Q 2017 cash flow bridge, $ mln



- In 4Q 2017, cash flow from operations reached $344 mln, compared to $398 mln in 3Q 2017.
- Cash outflow on investing activities decreased to $195 mln compared to $217 mln in 3Q 2017.
- In 4Q 2017, net financing cash outflow totaled $68 mln compared to $543 million of cash outflow in the prior period as most repayments of the credit facilities scheduled for the second half of the year were completed in 3Q 2017.
- As of the end of 2017, the Group's cash and cash equivalents and bank deposits totaled $1,204 mln.

Cash & CE breakdown by currency



The Group's cash position is primarily denominated in USD

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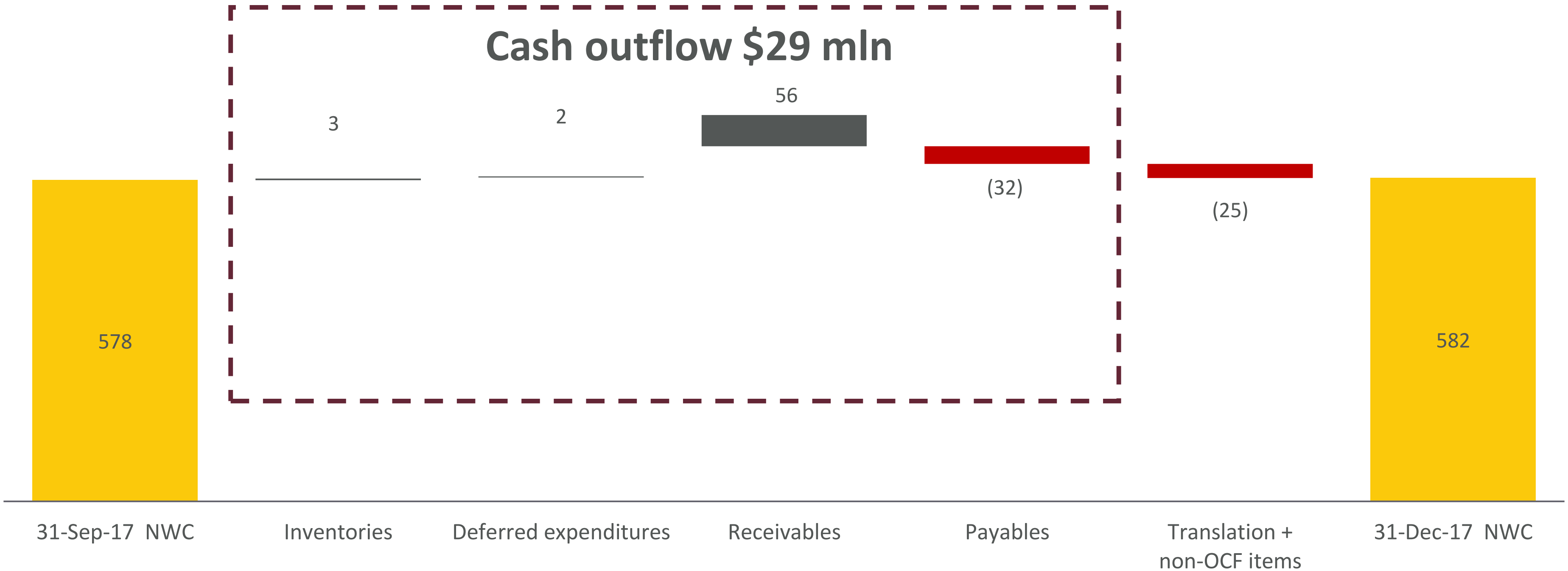
Net working capital dynamics

4Q 2017 net working capital bridge, $ mln



- The Group registered $29 mln of working capital outflow in 4Q 2017.
- This reflects an increased scope of operations, in particular, the accumulation of ore stockpiles at Natalka, Krasnoyarsk, Verninskoye and Kuranakh, and the increase in receivables due to flotation concentrate sales.
- In the meantime, strict working capital control continues to remain a priority for the Group.

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Financial Results
Capex analysis

Capex breakdown, $ mln

$ million	4Q 2017	3Q 2017	Q-o-Q	2017	2016	Y-o-Y
Natalka, including						
Purchase of equipment	54	69	(22%)	226	109	107%
Capitalisation of borrowing costs	16	23	(30%)	93	80	16%
Capitalisation of operating costs	24	15	60%	59	24	146%
Natalka, total	94	107	(12%)	378	213	77%
Olimpiada	84	41	105%	177	80	121%
Blagodatnoye	19	17	12%	49	20	145%
Verninskoye	16	11	45%	39	24	63%
Alluvials	9	5	80%	26	16	63%
Kuranakh	26	17	53%	65	33	97%
Other*	31	7	N.A.	70	80	(13%)
CAPEX	**279**	**205**	**36%**	**804**	**466**	**73%**

- In 4Q 2017, capital expenditures increased to $279 from $205 million in 3Q 2017.
  - Capital expenditures at Natalka, the Group's main development project, decreased 12% in 4Q 2017, to $94 million as the major part of the project's investment program for 2017 was completed in the first three quarters of the year. The entire processing flow sheet now is fully operational, with technical works completed at the desorption circuits. Currently, Natalka operates in a ramp-up mode, with the full ramp up anticipated to be completed in the second half of 2018.
  - Capital expenditures at Olimpiada increased to $84 million in 4Q 2017 mainly due to the procurement of the mining fleet for the Vostochny pit.
- In 2018, Polyus plans to invest approximately $850 million across the business, including $250 million of maintenance capex. Net of $150 million of capitalised operating expenses related to the Natalka operations, the capex programme for 2018 is expected to stand at $700 million.

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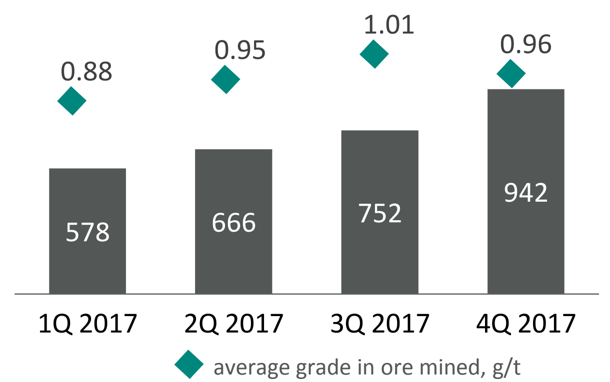
*Reflects expenses related to exploration business unit, construction of Razdolinskaya-Taiga, Peleduy-Mamakan grid lines and Sukhoi Log expenses, net of the deposit license acquisition cost and payments to RT.

Financial Results
Natalka: mining

Key highlights

- In 2017, volumes of rock moved totalled 21.8 million tonnes, while the volumes of ore mined amounted to 2.9 million tonnes
- Average grades in ore mined were 0.96 g/t, as mining works were concentrated on lower grade zones of the ore body according to the mine plan

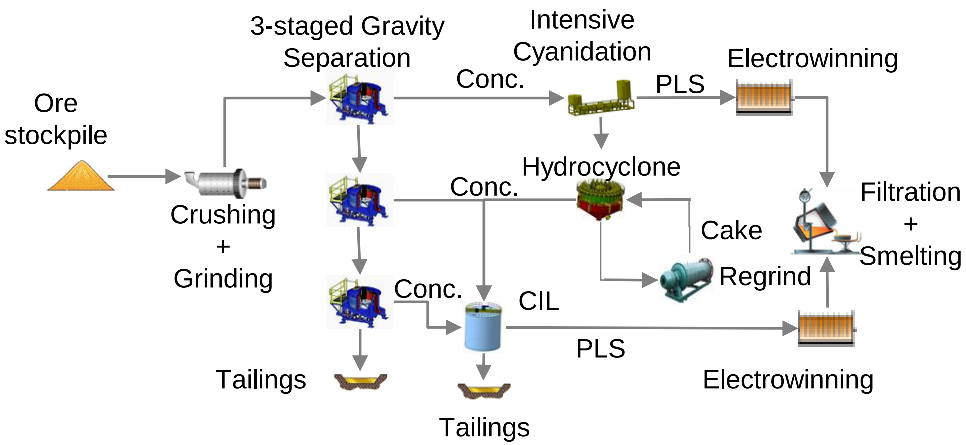
Volumes of ore mined at Natalka, kt



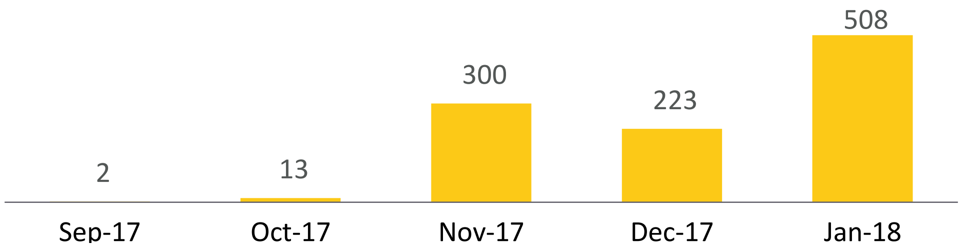



Financial Results
Natalka: processing Mill

Processing flowsheet

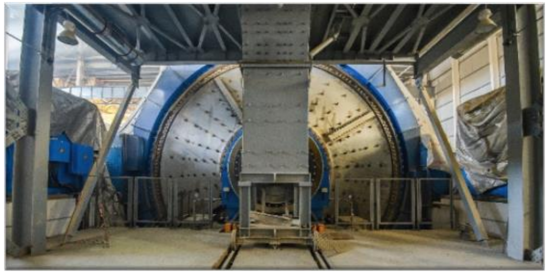


Volumes of ore processed at the Natalka Mill, kt



Ramp up status

- The entire processing flow sheet is fully operational
- Rostechnadzor conducted an industrial audit, with a positive resolution issued
- In December 2017, the first doré gold has been poured at the Natalka Mill
- Natalka operates in a ramp-up mode at ca. 55-60% of design capacity, processing 17 kt of ore on a daily basis
- Operations anticipated to be fully ramped over the course of 2H 2018 versus the previously anticipated timeline to ramp up the Natalka operations by the end of 2018



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Debt maturity profile as of the end of 2017

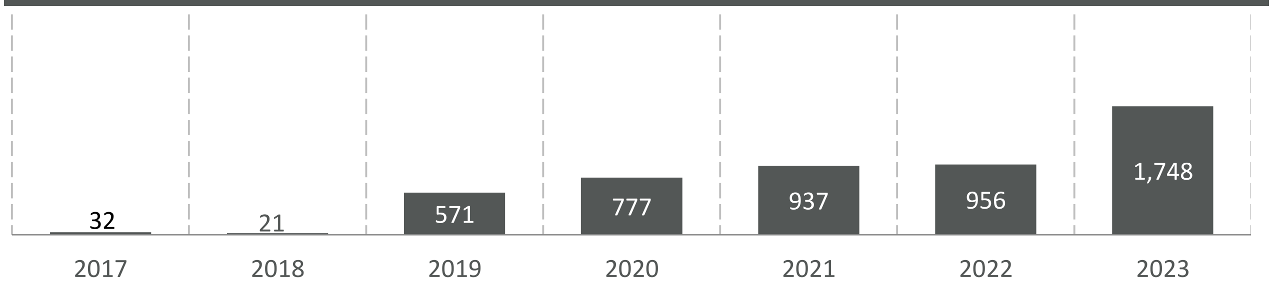
- Polyus has comfortable debt maturity profile and proactively manages upcoming redemptions.
- As of the end of 2017, the debt portfolio is represented by $1.25 bln Sberbank loan (2023), Eurobonds (2020, 2022 & 2023) in the overall amount of $2.03 bln, local rouble bonds (2021) and other banking facilities.

- On 1 February 2017, Polyus priced an issuance of USD 800 million notes due 7 February 2023 with a coupon of 5.250% per annum

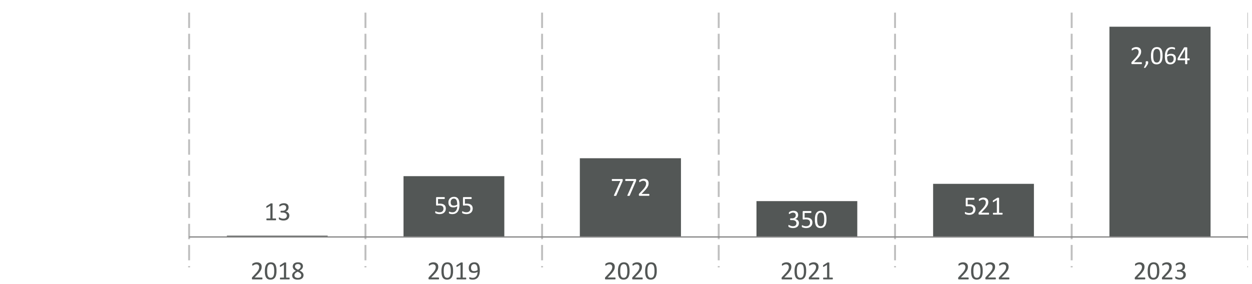
- On 30 June 2017, Polyus priced a SPO on the LSE and the MOEX with the size of $858 mln including the greenshoe. The primary component amounted to $400 mln

- In second half of the year 2017, the Company used most of those proceeds to make an early prepayment of several bank credit facilities

Maturity schedule as of 31 December 2016, $ mln[1]



Maturity schedule as of 31 December 2017, $ mln[1]



- In January 2018, Polyus Finance Plc, an indirect wholly-owned finance subsidiary of PJSC Polyus, priced $500 mln Eurobonds due 2024 with a coupon of 4.70% and $250 mln Convertible Bonds due 2021 with a coupon of 1.00%

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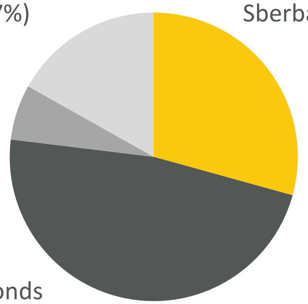
[1] The sum of repayments does not equal to the total debt per FS due to IFRS adjustments for credit lines commissions

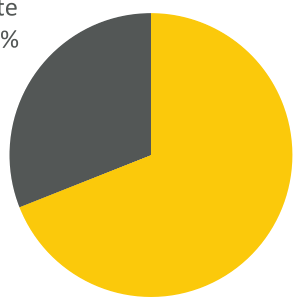
Financial Results

Debt structure and interest rate dynamics[1]

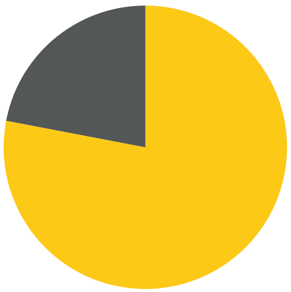
Debt breakdown by source



Debt breakdown by interest rates

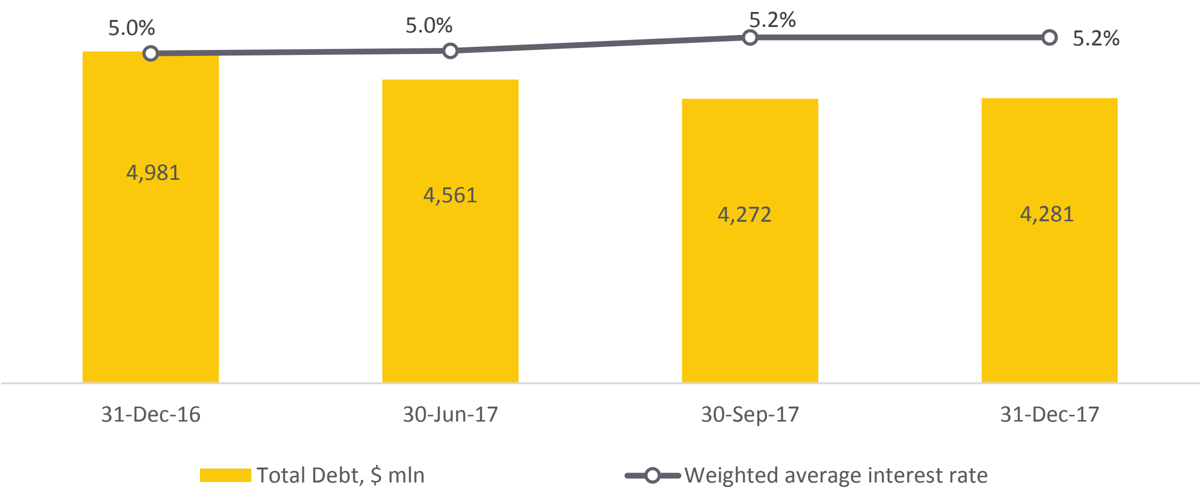


Debt breakdown by currency[2]



- As at 31 December 2017, the Group's gross debt amounted to $4,281 mln, down 14% compared to $4,981 mln as at 31 December 2016.
- With regard to currency, the Group's debt portfolio remains composed of mainly USD denominated instruments.

Debt outstanding and interest rate



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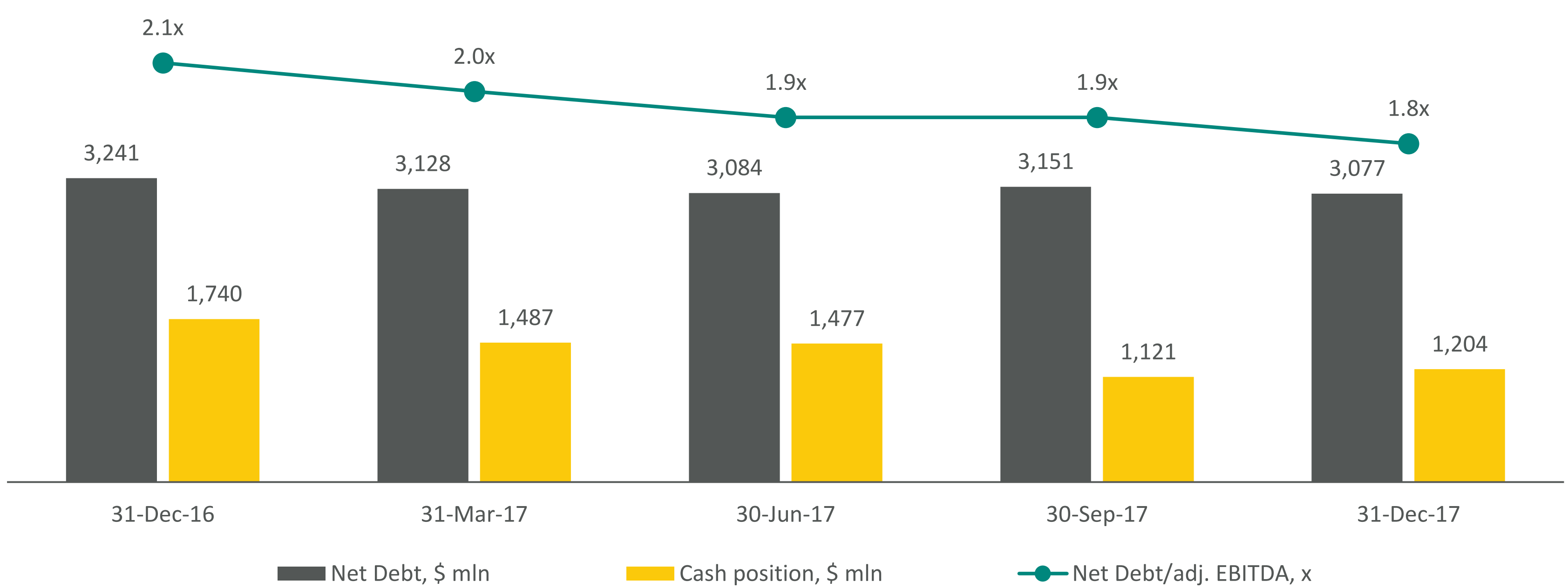
[1] As of 31 December 2017
[2] The debt breakdown is shown before cross currency SWAPs. Effectively almost all of the debt is swapped into USD

Financial Results
Net debt position

- By the end of 2017, the Group's net debt stood at $3,077 mln, down 5% from $3,241 mln as of 31 December 2016.
- The net debt/adjusted EBITDA ratio as at 31 December 2017 decreased to the level of 1.8x compared to the end of 2016, reflecting a decrease in the net debt position and adjusted EBITDA expansion for the last 12 months.

Net Debt & Cash evolution of PJSC Polyus



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1. The net debt/adjusted EBITDA ratio of PJSC Polyus for the last 12 months

Operating results

Operational Performance
Key highlights

- In 2017, the Company produced 2,160 koz of gold (including 170 koz of gold contained in concentrate from Olimpiada), 10% higher y-o-y as a result of increased throughput capacity at the Company's core assets and higher grades in ore processed
- An 8% y-o-y increase in volumes of ore processed was due to higher volumes of ore treatment at Olimpiada, Blagodatnoye, Kuranakh and Verninskoye

	4Q'17	3Q'17	Q-o-Q	2Q'17	1Q'17	4Q'16	Y-o-Y	2017	2016	Y-o-Y
Olimpiada	297.9	264.1	13%	226.2	219.1	272.3	10%	1,007.3	816.9	23%
Blagodatnoye	126.7	116.0	9%	105.8	108.2	119.7	6%	456.7	456.5	0%
Titimukhta	-	-	N.A.	-	-	-	N.A.	-	40.2	(100%)
Poputninskoye	-	-	N.A.	-	-	-	N.A.	-	7.4	(100%)
Verninskoye	45.6	53.1	(14%)	53.3	53.7	43.6	5%	205.7	186.5	10%
Alluvials	29.8	85.0	(65%)	30.9	-	39.5	(25%)	145.7	168.5	(14%)
Kuranakh	48.4	43.4	11%	38.7	41.0	42.0	15%	171.5	159.7	7%
Natalka	3.3	-	N.A.	-	-	1.3	2.5x	3.3	5.7	(43%)
Refined gold, koz	551.7	561.6	(2%)	454.9	422.0	518.3	7%	1,990.2	1,841.4	8%
Gold in flotation concentrate, koz	28.1	80.7	(65%)	33.0	28.2	55.0	(49%)	170.0	126.4	34%
Total gold output, koz	579.8	642.3	-10%	487.9	450.2	573.4	1%	2,160.2	1,967.8	10%
Rock moved, kt	63,256	61,898	2%	52,197	47,072	36,978	71%	224,423	144,360	55%
Ore mined, kt	10,065	9,915	2%	9,210	8,620	9,085	11%	37,810	29,682	27%
Ore processed, kt	7,809	7,299	7%	6,925	6,630	6,993	12%	28,663	26,445	8%
Recovery rate, %	82.7%	83.8%	(1.1) ppts	83.9%	83.3%	83.1%	(0.4) ppts	83.4%	83.9%	(0.5) ppts
Total doré & slime gold output, koz	554.7	635.8	(13%)	531.5	439.9	535.5	4%	2,161.9	1,966.4	10%

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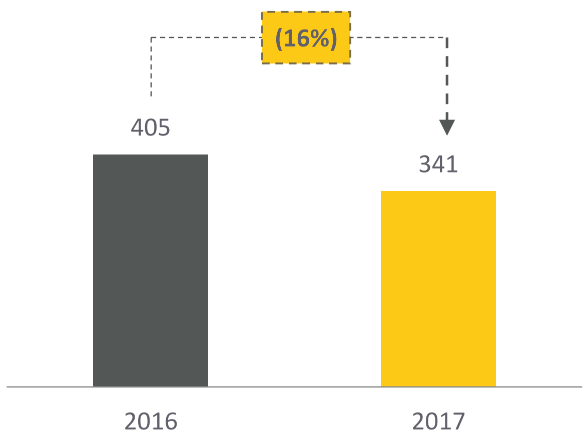
[1] Including refined gold produced from ore purchased from the 3rd party-owned Veduga mine under an off-take agreement

Operational Performance
Olimpiada

Operations	4Q'17	3Q'17	Q-o-Q	2017	2016	Y-o-Y
Total rock moved, kt	24,108	20,812	16%	76,067	51,917	47%
Stripping ratio, t/t	6.7	5.9	14%	5.2	4.3	22%
Ore mined, kt	**3,149**	**3,035**	**4%**	**12,184**	**9,782**	**25%**
Grade in ore mined, g/t	3.90	4.19	(7%)	4.08	3.37	21%
Ore processed[1], kt	**3,140**	**3,490**	**(10%)**	**12,442**	**11,336**	**10%**
Grade in ore processed, g/t	3.94	3.93	0%	3.80	3.31	15%
Recovery, %	80.2%	81.4%	(1.2) ppts	80.7%	81.0%	(0.3) ppts
Total gold output, koz	**326.0**	**344.8**	**(5%)**	**1,177.3**	**943.4**	**25%**

TCC 2016 – 2017, $/oz



Highlights

- In 2017, total gold output increased 25% y-o-y to 1,177 koz primarily due to higher processing volumes, resulted from Mill-1 reconfiguration, and increased hourly throughput capacity at Mill-2 and Mill-3, which fully offset a minor decline in recoveries
- Also, mining operations at higher-grade areas in line with the mining plan contributed to a strong performance in the reporting period

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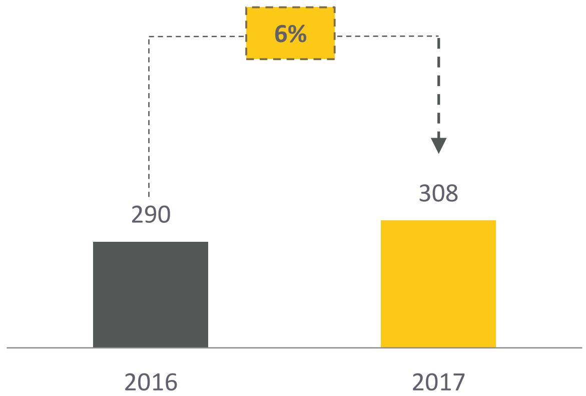
[1] Including refined gold produced from ore purchased from the 3rd party-owned Veduga mine under an off-take agreement

Operational Performance
Blagodatnoye

Operations	4Q'17	3Q'17	Q-o-Q	2017	2016	Y-o-Y
Total rock moved, kt	20,392	20,495	(1%)	75,859	49,021	55%
Stripping ratio, t/t	4.7	4.9	(4%)	4.9	3.3	51%
Ore mined, kt	**3,569**	**3,477**	**3%**	**12,833**	**11,515**	**11%**
Grade in ore mined, g/t	1.90	1.90	0%	1.94	2.01	(4%)
Ore processed, kt	**2,199**	**1,880**	**17%**	**8,161**	**7,753**	**5%**
Grade in ore processed, g/t	2.06	1.93	7%	1.99	2.07	(4%)
Recovery, %	87.7%	88.0%	(0.3) ppts	87.8%	88.0%	(0.2) ppts
Refined gold output, koz	**126.7**	**116.0**	**9%**	**456.7**	**456.5**	**0%**

TCC 2016 – 2017, $/oz



Highlights

- In 2017, refined gold output remained flat y-o-y at 457 koz, as higher processing volumes fully mitigated the negative impact from the decline in grades and recoveries

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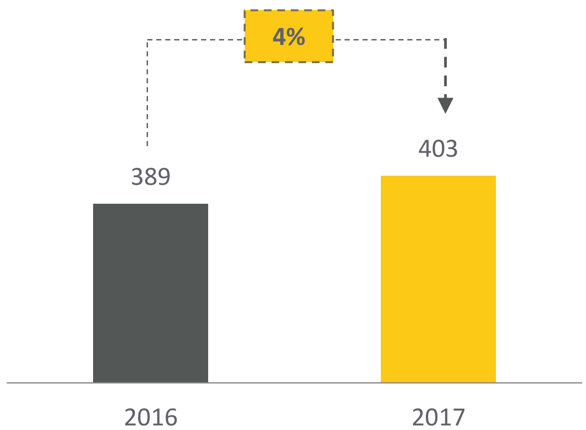
Operational Performance
Verninskoye

Operations	4Q'17	3Q'17	Q-o-Q	2017	2016	Y-o-Y
Total rock moved, kt	4,504	4,629	(3%)	18,378	16,300	13%
Stripping ratio, t/t	3.6	4.5	(20%)	3.9	3.9	1%
Ore mined, kt	**982**	**846**	**16%**	**3,747**	**3,355**	**12%**
Grade in ore mined, g/t	2.06	2.36	(13%)	2.18	2.20	(1%)
Ore processed, kt	**760**	**693**	**10%**	**2,789**	**2,501**	**11%**
Grade in ore processed, g/t	2.57	2.61	(1%)	2.60	2.65	(2%)
Recovery, %	88.8%	88.7%	0.1 ppts	88.5%	87.3%	1.2 ppts
Refined gold output, koz	**45.6**	**53.1**	**(14%)**	**205.7**	**186.5**	**10%**

TCC 2016 – 2017, $/oz



Highlights

- In 2017, refined gold output rose 12% y-o-y, to 207 koz, due to higher ore treatment volumes and improved recovery rates, this followed the implementation of the capacity expansion project at the Verninskoye Mill

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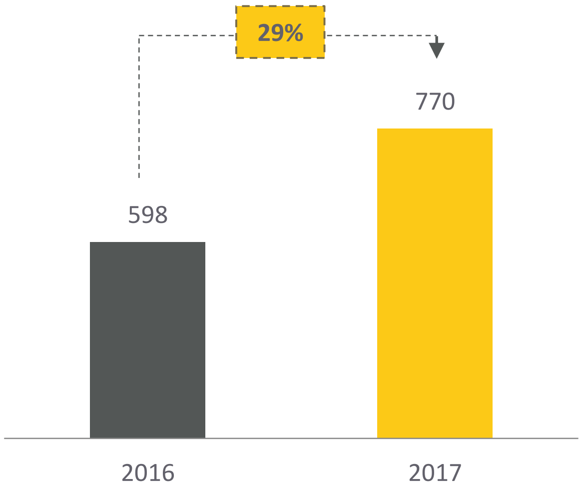
Operational Performance
Alluvials

Operations	4Q'17	3Q'17	Q-o-Q	2017	2016	Y-o-Y
Sands washed, 000 m^3	1,092	4,999	(78%)	8,342	8,611	(3%)
Average grade, g/m^3	0.53	0.55	(5%)	0.54	0.61	(11%)
Gold in slime, koz	18.4	88.9	(79%)	145.5	168.3	(14%)
Refined gold output, koz	**29.8**	**85.0**	**(65%)**	**145.7**	**168.5**	**(14%)**

TCC 2016 – 2017, $/oz



Highlights

- In 2017, refined gold output amounted to 146 koz (down 14% y-o-y)
- The y-o-y decrease was primarily the result of a lower average grade, due to the planned reduction of the average sand grade

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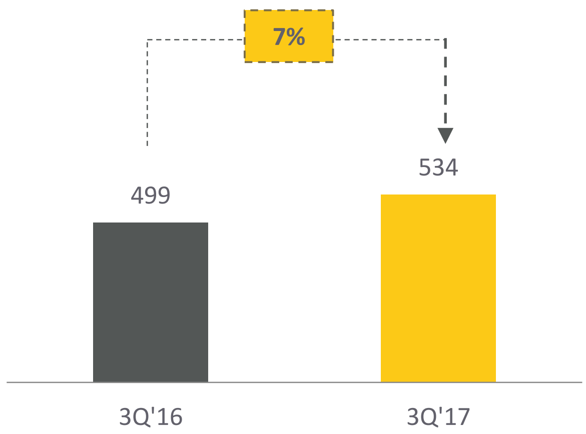
Operational Performance
Kuranakh

Operations	4Q'17	3Q'17	Q-o-Q	2017	2016	Y-o-Y
Total rock moved, kt	7,795	8,836	(12%)	31,951	25,530	25%
Stripping ratio, t/t	4.5	4.2	6%	4.3	5.0	4.3
Ore mined, kt	**1,424**	**1,698**	**(16%)**	**5,977**	**4,257**	**5,977**
Grade in ore mined, g/t	1.25	1.16	8%	1.18	1.29	1.18
Ore processed, kt	**1,176**	**1,234**	**(5%)**	**4,701**	**4,223**	**4,701**
Grade in ore processed, g/t	1.25	1.16	8%	1.30	1.30	(1%)
Recovery, %	88.6%	88.5%	0.1 ppts	88.5%	88.2%	0.3 ppts
Refined gold output, koz	**48.4**	**43.4**	**11%**	**171.5**	**159.7**	**7%**

TCC 2016 – 2017, $/oz



Highlights

- In 2017, refined gold output rose 9% y-o-y to 172 koz on the back of the higher volumes of ore processed and increased recovery rate, reflecting ongoing initiatives to further expand throughput capacity and operational improvements targeting recovery

Operational Performance
Natalka

Operations	4Q'17	3Q'17	Q-o-Q	2017	2016	Y-o-Y
Total rock moved, kt	6,458	6,772	(5%)	21,766	421	51.8x
Stripping ratio, t/t	5.9	8.0	(27%)	6.4	0.6	10.3x
Ore mined, kt	**942**	**752**	**26%**	**2,938**	**255**	**11.5x**
Grade in ore mined, g/t	0.96	1.01	(6%)	0.96	1.20	(20%)
Ore processed, kt	**536**	**2**	**N.A.**	**570**	**45**	**N.A.**
Grade in ore processed, g/t	0.56	0.56	0%	0.61	1.81	(67%)
Recovery, %	37.9%	37.0%	0.9 ppts	42.7%	72.3%	(29.6) ppts
Refined gold output, koz	**3.3**	**-**	**N.A.**	**3.3**	**5.7**	**(43%)**

Highlights

- In 4Q 2017, ore treatment volumes reached 536 kt and the first doré gold has been poured at the Natalka Mill
- As the Company plans to process lower grade stockpiles during the ramp up period, ores grading from 0.5 to 0.6 g/t have been treated during the 4Q 2017
- Currently, Natalka operates in a ramp-up mode at ca. 60% of design capacity, processing 19 kt of ore on a daily basis
- In April-May 2018, Polyus plans to carry out scheduled maintenance at Natalka. Following that, the Mill will be gradually ramped up to its design parameters over the course of 2H 2018 versus the previously anticipated timeline to ramp up the Natalka operations by the end of 2018
- In addition, Polyus will proceed with the construction of power and auxiliary facilities as well as tailings facility expansion in 2018

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Appendix

Financial Statements
Balance sheet highlights

Assets, $ mln	31 December 2017	31 December 2016
Non-current assets	**4,558**	**3,371**
Property, plant and equipment	4,005	2,938
Derivative financial instruments and investments	38	57
Inventories	300	264
Deferred tax assets	60	75
Other receivables	97	-
Other non-current assets	58	37
Current assets	**1,889**	**2,295**
Inventories	435	369
Derivative financial instruments and investments	-	10
Deferred expenditures	14	10
Trade and other receivables	101	58
Advances paid to suppliers an prepaid expenses	21	19
Taxes receivable	114	89
Cash and cash equivalents	1,204	1,740
Total Assets	**6,447**	**5,666**

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Financial Statements
Balance sheet highlights (cont.)

Equity and Liabilities, $ mln	31 December 2017	31 December 2016
Share capital	5	7
Additional paid-in capital	1,948	2,288
Treasury shares	(89)	(3,712)
Other reserves	(2)	-
Cash flow hedge revaluation reserve	-	12
Translation reserve	(2,723)	(2,720)
Retained earnings	1,425	3,617
Equity attributable to shareholders of the parent company	**564**	**(508)**
Non-controlling interest	92	94
Non-current liabilities	**5,374**	**5,482**
Borrowings	4,269	4,698
Derivative financial instruments	448	456
Deferred revenue	132	76
Deferred consideration	216	-
Deferred tax liabilities	217	182
Site restoration, Decommissioning & Environmental obligations	47	38
Other non-current liabilities	45	32
Current liabilities	**417**	**598**
Borrowings	12	283
Trade, other payables and accrued expenses	318	222
Other taxes payable	87	93
Total liabilities	**5,791**	**6,080**
Total Equity and liabilities	**6,447**	**5,666**

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Profit and loss statement highlights

$ mln	2017	2016	Y-o-Y
Gold sales	2,684	2,429	10%
Other revenue	37	29	28%
Total revenue	**2,721**	**2,458**	**11%**
Cost of gold sales	(969)	(891)	9%
Other cost of sales	(31)	(28)	11%
Total cost of sales	**(1,000)**	**(919)**	**9%**
Gross profit	**1,721**	**1,539**	**12%**
SG&A	(211)	(151)	40%
Other (expenses) / incomes, net	(55)	(27)	104%
Operating profit/(loss)	**1,455**	**1,361**	**7%**
Operating profit margin, %	*54%*	*55%*	*(1) ppts*
Finance costs, net	(200)	(145)	38%
Interest income	28	40	(30%)
Gain on investments and revaluation of derivative financial instruments, net	118	119	(1%)
Foreign exchange gain/(loss), net	130	396	(67%)
Profit before income tax	**1,531**	**1,771**	**(14%)**
Income tax expense	(290)	(326)	(11%)
Profit for the period	**1,241**	**1,445**	**(14%)**
Adj. Profit for the period	1,015	952	**7%**
Adj. profit margin, %	*37%*	*39%*	*(2) ppts*
Adj. EBITDA	**1,702**	**1,536**	**11%**
EBITDA margin, %	*63%*	*62%*	*1 ppts*

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Financial Statements
Cash flow highlights

	2017	2016	Y-o-Y
Profit before income tax	**1,531**	**1,771**	**(14%)**
Finance costs, net	200	145	38%
Interest income	(28)	(40)	(30%)
Gain on investments and revaluation of derivative financial instruments, net	(118)	(119)	(1)
Depreciation and amortisation	178	148	20%
Foreign exchange gain, net	(130)	(396)	(67%)
Other	23	22	5%
	1,656	**1,531**	**8%**
Movements in working capital			
Inventories	(64)	(42)	52%
Deferred expenditures	(4)	(1)	N.M.
Trade and other receivables	(28)	(47)	(40%)
Advances paid to suppliers and prepaid expenses	(7)	(10)	(30%)
Taxes receivable	(18)	(27)	(33%)
Trade and other payables and accrued expenses	6	13	(54%)
Taxes payable	17	23	(26%)
Other	(2)	(1)	100%
Cash flows from operations	**1,556**	**1,439**	**8%**
Income tax paid	(264)	(261)	1%
Net cash generated from operating activities	**1,292**	**1,178**	**10%**
Investing activities			
Purchase of property, plant and equipment (excluding payments for the Sukhoi Log deposit)	(831)	(405)	105%
Payments for the Sukhoi Log deposit	(36)	(138)	N.A.
Proceeds from government grants	53	76	(30%)
Interest received	33	50	(34%)
Proceeds from repayment of loans issued	-	124	N.A.
Proceeds from disposal of joint venture	100	-	N.A.
Proceeds from disposal of subsidiary, net of cash disposed	-	10	N.A.
Proceeds from disposal of electricity transmission grids	63	-	N.A.
Other	-	3	N.A
Net cash utilised in investing activities	**(618)**	**(280)**	**121%**
Financing activities			
Interest paid	(291)	(245)	19%
Commissions on borrowings	(11)	(51)	(78%)
Proceeds from sales and leaseback transactions	11	2	N.A.
Repayments under lease	(5)	(1)	N.A.
Net proceeds on exchange of interest payments under interest and cross currency rate swaps	42	44	(5%)
Payment for buy-back of shares	(1)	(3,443)	(100%)
Proceeds from issuance of shares	400	-	N.A.
Direct expenses associated with issuance of the Company's shares	(11)	-	N.A.
Proceeds from borrowings	800	3,432	(77%)
Repayment of borrowings	(1,577)	(734)	115%
Dividends paid to shareholders of the Company	(574)	-	N.A.
Dividends paid to non-controlling interests	(7)	(16)	(56%)
Cash used to increase ownership in subsidiaries	-	(3)	N.A.
Net cash utilised in financing activities	**(1,224)**	**(1,015)**	**21%**
Net decrease in cash and cash equivalents	**(550)**	**(117)**	**N.A.**
Cash and cash equivalents at the beginning of the period	**1,740**	**1,825**	**-5%**
Effect of foreign exchange rate changes on cash and cash equivalents	14	32	-56%
Cash and cash equivalents at the end of the period	**1,204**	**1,740**	**-31%**

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