

KUIBYSHEVAZOT GROUP

**International Financial Reporting Standards
Consolidated Financial Statements**

30 June 2017

KuibyshevAzot Group
Consolidated statement of financial position
(in millions of Russian Roubles)



| | RR million | | Supplementary information US\$ million | |
|---|--------------------|------------------------|---|------------------------|
| | At 30 June 2017 | At 31 December 2016 | At 30 June 2017 | At 31 December 2016 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 1 338 | 1 264 | 23 | 21 |
| Receivables and prepayments | 6 365 | 5 329 | 108 | 88 |
| Inventories | 8 030 | 7 575 | 136 | 125 |
| Current income tax receivable | - | 59 | - | 1 |
| Other financial assets | 1 034 | 984 | 18 | 16 |
| Total current assets | 16 767 | 15 211 | 285 | 251 |
| Non-current assets | | | | |
| Property, plant and equipment | 28 042 | 26 801 | 475 | 442 |
| Prepayments for PPE | 372 | 1 943 | 6 | 1 |
| Investments in an associate and a joint venture | 5 134 | 4 996 | 87 | 32 |
| Intangible assets | 1 979 | 55 | 33 | 82 |
| Financial assets | 3 422 | 4 013 | 58 | 66 |
| Total non-current assets | 38 949 | 37 808 | 659 | 623 |
| Total assets | 55 716 | 53 019 | 944 | 874 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade payables | 2 521 | 1 650 | 43 | 27 |
| Other than income taxes payable | 252 | 18 | 4 | - |
| Current income tax payable | 32 | 149 | 1 | 2 |
| Short-term borrowings | 5 078 | 5 568 | 86 | 92 |
| Advances received and other current liabilities | 1 439 | 2 280 | 24 | 38 |
| Total current liabilities | 9 322 | 9 665 | 158 | 159 |
| Non-current liabilities | | | | |
| Long-term borrowings | 19 433 | 18 311 | 329 | 303 |
| Deferred tax liability | 1 048 | 1 041 | 18 | 17 |
| Retirement benefit obligations | 378 | 378 | 6 | 6 |
| Total non-current liabilities | 20 859 | 19 730 | 353 | 326 |
| Total liabilities | 30 181 | 29 395 | 511 | 485 |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 634 | 634 | 11 | 10 |
| Additional share capital | 919 | 919 | 16 | 15 |
| Treasury shares | (2 225) | (2 225) | (38) | (37) |
| Foreign currency translation reserve | 346 | 470 | 6 | 8 |
| Retained earnings | 25 619 | 23 582 | 434 | 389 |
| | 25 293 | 23 380 | 429 | 385 |
| Non-controlling interests | 242 | 244 | 4 | 4 |
| Total equity | 25 535 | 23 624 | 433 | 389 |
| Total liabilities and equity | 55 716 | 53 019 | 944 | 874 |

A. V. Gerasimenko
 General Director

V.N. Kudashev
 Chief Accountant

KuibyshevAzot Group
Consolidated statement of comprehensive income
(in millions of Russian Roubles)



| | RR million | | Supplementary information US\$ million | |
|---|--------------------|--------------|---|------------|
| | Year ended 30 June | | Year ended 30 June | |
| | 2017 r. | 2016 r. | 2017 r. | 2016 r. |
| Sales | 24 410 | 21 982 | 413 | 313 |
| Cost of sales | (18 124) | (15 527) | (307) | (221) |
| Gross profit | 6 286 | 6 455 | 106 | 92 |
| Distribution costs | (2 046) | (1 997) | (35) | (28) |
| General and administrative expenses | (1 221) | (1 110) | (21) | (16) |
| Other operating income | 520 | 367 | 9 | 5 |
| Other operating expenses | (244) | (339) | (4) | (5) |
| Operating profit | 3 295 | 3 376 | 55 | 48 |
| Finance income | 536 | 856 | 9 | 12 |
| Finance cost | (737) | (344) | (12) | (5) |
| Income from associates | (231) | 575 | (4) | 8 |
| Profit before income tax | 2 863 | 4 463 | 48 | 63 |
| Income tax expense | (632) | (884) | (11) | (13) |
| Profit for the year | 2 231 | 3 579 | 37 | 50 |
| Other comprehensive income (loss) | | | | |
| Foreign currency translation reserve | (125) | 508 | (2) | 7 |
| Other comprehensive income (loss) for the year, net of taxes | (125) | 508 | (2) | 7 |
| Total comprehensive income for the year, net of taxes | 2 106 | 4 087 | 35 | 57 |
| Profit attributable to: | | | | |
| Equity holders of the Company | 2 233 | 3 644 | 37 | 51 |
| Non-controlling interests | (2) | (65) | - | (1) |
| | 2 231 | 3 579 | 37 | 50 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 2 108 | 4 152 | 35 | 58 |
| Non-controlling interests | (2) | (65) | - | (1) |
| | 2 106 | 4 087 | 35 | 57 |
| Earnings per share, basic/diluted (in Russian Roubles and US\$ per share): | | | | |
| - for profit attributable to the equity holders of the Company | 10,34 | 19,06 | 0,17 | 0,3 |