Metinvest B.V.

Unaudited Interim Condensed Consolidated Financial Information

30 June 2017

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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Review report

To: general meeting and supervisory board of Metinvest B.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2017 of Metinvest B.V., The Hague, and its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2017, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the six-months period then ended and the selected explanatory notes. Management is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 29 September 2017
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.G.J. Gerritsen RA

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	Note	30 June 2017	31 December 2016
ASSETS			
Non-current assets			
Goodwill		584	543
Other intangible assets		122	125
Property, plant and equipment	8	4,340	4,724
Investments in associates and joint ventures	9	1,060	908
Deferred tax asset		102	96
Income tax prepaid		13	25
Trade and other receivables	10	143	137
Total non-current assets		**6,364**	**6,558**
Current assets			
Inventories		1,086	949
Income tax prepaid		11	18
Trade and other receivables	10	1,981	1,580
Cash and cash equivalents		258	226
Total current assets		**3,336**	**2,773**
TOTAL ASSETS		**9,700**	**9,331**
EQUITY			
Share capital		0	0
Share premium		6,225	6,225
Other reserves		(8,529)	(8,442)
Retained earnings		6,340	6,107
Equity attributable to the owners of the Company		**4,036**	**3,890**
Non-controlling interest		**108**	**138**
TOTAL EQUITY		**4,144**	**4,028**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	11	2,718	-
Retirement benefit obligations		320	326
Deferred tax liability		361	368
Other non-current liabilities		83	92
Total non-current liabilities		**3,482**	**786**
Current liabilities			
Loans and borrowings	11	200	2,879
Seller's notes	12	31	90
Trade and other payables	13	1,843	1,548
Total current liabilities		**2,074**	**4,517**
TOTAL LIABILITIES		**5,556**	**5,303**
TOTAL LIABILITIES AND EQUITY		**9,700**	**9,331**

Signed and authorized for release on behalf of Metinvest B.V. on “29” September 2017:

Originally signed by Director A, Yuriy Ryzhenkov

Originally signed by Director B, ITPS (Netherlands) B.V.

	Note	Six months ended 30 June 2017	2016
Revenue	6	3,913	2,880
Cost of sales		(3,006)	(2,240)
Gross profit		**907**	**640**
Distribution costs		(361)	(347)
General and administrative expenses		(93)	(82)
Other operating income/ (expenses), net		13	(5)
Operating profit		**466**	**206**
Results of the loss of control over the assets located on temporarily non-controlled territory	7	(329)	-
Finance income	14	74	13
Finance costs	15	(143)	(178)
Share of result of associates and joint ventures		118	70
Profit before income tax		**186**	**111**
Income tax expense	16	(114)	(21)
Profit for the period		**72**	**90**
Profit attributable to:			
Owners of the Company		81	87
Non-controlling interests		(9)	3
Profit for the period		**72**	**90**

Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

All amounts in millions of US dollars

		Six months ended 30 June 2017	2016
Profit for the period		72	90
Other comprehensive income / (loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		222	(175)
Items that will not be reclassified to profit or loss:			
Impairment of property, plant and equipment		(211)	(2)
Share in other comprehensive income/ (loss) of joint venture		1	(2)
Remeasurement of retirement benefit obligations	7	18	-
Income tax related to items that will not be reclassified subsequently to profit or loss		34	1
Total other comprehensive income / (loss)		**64**	**(178)**
Total comprehensive income / (loss) for the period		**136**	**(88)**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		146	(90)
Non-controlling interest		(10)	2
Total comprehensive income / (loss) for the period		**136**	**(88)**

	Note	Six months ended 30 June 2017	2016
Cash flows from operating activities			
Profit before income tax		**186**	**111**
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets		263	268
Impairment of property, plant and equipment and intangible assets		281	1
Gain on disposal of property, plant and equipment and intangible assets		(3)	-
Impairment of goodwill		1	-
Finance income	14	(74)	(13)
Finance costs	15	143	178
Foreign exchange gains less losses, net		(28)	(3)
Net change in retirement benefit obligations, except for interest costs, remeasurements and currency translation		(21)	(9)
Share of result of associates and joint ventures	9	(118)	(70)
Write-down / (reversal of write-down) of inventories, net		101	(43)
Impairment of trade receivables		3	2
Write-offs of accounts payable		(1)	-
Impairment of associates and joint ventures	9	7	-
Other non-cash operating income, net		(6)	(2)
Operating cash flows before working capital changes		**734**	**420**
Decrease / (increase) in inventories		(166)	3
Increase in trade and other accounts receivable		(352)	(237)
Increase / (decrease) in trade and other accounts payable		198	(19)
Cash generated from operations		**414**	**167**
Income taxes refunded / (paid)		(52)	45
Interest paid		(57)	(49)
Net cash from operating activities		**305**	**163**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(179)	(130)
Proceeds from sale of property, plant and equipment		-	6
Proceeds from sale of Black Iron (Cyprus) Limited		-	6
Interest received		10	9
Net cash used in investing activities		**(169)**	**(109)**
Cash flows from financing activities			
Repayment of seller's notes		(60)	-
Payments for loans commission		(36)	-
Other finance cost		(21)	(9)
Repayment of loans and borrowings		(2)	(8)
Net trade financing receipts / (repayments)		13	(33)
Net cash used in financing activities		**(106)**	**(50)**
Effect of exchange rate changes on cash and cash equivalents		2	(1)
Net increase in cash and cash equivalents		**32**	**3**
Cash and cash equivalents at the beginning of the year		**226**	**180**
Cash and cash equivalents at the end of the period		**258**	**183**

	Attributable to owners of the Company					Non-controlling interest (NCI)	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 31 December 2016	**0**	**6,225**	**(8,442)**	**6,107**	**3,890**	**138**	**4,028**
Impairment of property, plant and equipment	-	-	(201)	-	**(201)**	(10)	**(211)**
Share in other comprehensive income of joint venture	-	-	1	-	**1**	-	**1**
Remeasurement of retirement benefit obligation	-	-	-	17	**17**	1	**18**
Income tax related to items included in other comprehensive income	-	-	35	(3)	**32**	2	**34**
Currency translation differences	-	-	216	-	**216**	6	**222**
Other comprehensive income / (loss) for the period	**-**	**-**	**51**	**14**	**65**	**(1)**	**64**
Profit / (loss) for the period	-	-	-	81	**81**	(9)	**72**
Total comprehensive income / (loss) for the period	**-**	**-**	**51**	**95**	**146**	**(10)**	**136**
Realised revaluation reserve	-	-	(138)	138	**-**	-	**-**
Dividends declared by non-wholly-owned subsidiaries	-	-	-	-	**-**	(20)	**(20)**
Balance at 30 June 2017	**0**	**6,225**	**(8,529)**	**6,340**	**4,036**	**108**	**4,144**
Balance at 31 December 2015	**0**	**6,225**	**(8,013)**	**5,674**	**3,886**	**138**	**4,024**
Revaluation of property, plant and equipment	-	-	(2)	-	(2)	-	**(2)**
Share in other comprehensive income of joint venture	-	-	(2)	-	(2)	-	**(2)**
Income tax related to items included in other comprehensive income	-	-	1	-	1	-	**1**
Currency translation differences	-	-	(174)	-	(174)	(1)	**(175)**
Other comprehensive loss for the period	**-**	**-**	**(177)**	**-**	**(177)**	**(1)**	**(178)**
Profit for the period	-	-	-	87	**87**	3	**90**
Total comprehensive loss for the period	-	**-**	**(177)**	**87**	**(90)**	**2**	**(88)**
Realised revaluation reserve	-	-	(129)	129	**-**	-	**-**
Balance at 30 June 2016	**0**	**6,225**	**(8,319)**	**5,890**	**3,796**	**140**	**3,936**

1 Metinvest B.V. and its operations

Metinvest B.V. (the "Company" or "Metinvest"), is a private limited liability company registered in the Netherlands. The Company is beneficially owned by Mr. Rinat Akhmetov, through various entities commonly referred to as System Capital Management ("SCM"), and Mr. Vadim Novinsky, through various entities commonly referred to as "SMART" or "Smart Group".

The Company and its subsidiaries (together referred to as the "Group" or "Metinvest Group") are an integrated steel producer, owning assets in each link of the production chain – from iron ore mining, coking coal mining and coke production, through to semi-finished and finished steel production. The steel products, iron ore and coke and coal are sold on both the Ukrainian and export markets.

Until November 2007, the Company was indirectly 100% controlled by SCM (System Capital Management) Limited ("SCM Cyprus").

In November 2007, the Company acquired from parties known as Smart Group 82% of PJSC Ingulets Iron Ore Enrichment Works in exchange for the transfer to SMART of 25% of the Company. Following the November 2007 transaction, Metinvest B.V. was owned 75% by SCM Cyprus and 25% by SMART. SCM Cyprus and SMART additionally agreed that both would sell/contribute to the Group their remaining equity interests in certain metals and mining assets owned by SCM and SMART. In exchange, SMART would acquire certain additional rights over the management of the Company and the Group. Due to the complexity of the transaction, it was executed in several stages during 2007 through 2014; and was completed in July 2014.

In 2011, as part of the acquisition of Ilyich Group, the Company issued 5% of its share capital to the sellers of Ilyich Group.

As of 30 June 2017, Metinvest B.V. is owned 71.24% by SCM Cyprus and 23.76% by companies of the Smart Group. The remaining 5% interest in the Company has been acquired from the previous owners of Ilyich Group for the benefit of SCM and SMART. It is the intention of SCM and SMART to dispose of the said 5% interest in due course (after receipt of respective governmental approvals if such will be necessary), and in such manner that the ultimate interest of SCM in the Company shall be 75% minus 1 share, and the ultimate interest of SMART in the Company shall be 25% plus 1 share, thus SCM remaining as the controlling shareholder.

The principal subsidiaries of Metinvest B.V. are presented below:

Name	Effective % interest as at 30 June 2017	31 December 2016	Segment	Country of incorporation
Metinvest Holding LLC	100.0%	100.0%	Corporate	Ukraine
Metinvest Management B.V.	100.0%	100.0%	Corporate	Netherlands
PrJSC Azovstal Iron and Steel Works	96.7%	96.7%	Metallurgical	Ukraine
PrJSC Yenakiieve Iron and Steel Works	92.2%	92.2%	Metallurgical	Ukraine
JV Metalen LLC	100.0%	100.0%	Metallurgical	Ukraine
PrJSC Khartsyzsk Pipe Plant	98.5%	98.5%	Metallurgical	Ukraine
Ferriera Valsider S.p.A.	70.0%	70.0%	Metallurgical	Italy
Metinvest Trametal S.p.A.	100.0%	100.0%	Metallurgical	Italy
Spartan UK Limited	100.0%	100.0%	Metallurgical	UK
Metinvest International SA	100.0%	100.0%	Metallurgical	Switzerland
Metinvest Eurasia LLC	100.0%	100.0%	Metallurgical	Russia
Metinvest Service Metal Centres LLC	100.0%	100.0%	Metallurgical	Ukraine
JSC Promet Steel	100.0%	100.0%	Metallurgical	Bulgaria
PrJSC Makiivka Iron and Steel Works	90.2%	90.2%	Metallurgical	Ukraine
PrJSC Ilyich Iron and Steel Works	99.3%	99.3%	Metallurgical	Ukraine
PrJSC Avdiivka Coke Plant	94.6%	94.7%	Metallurgical	Ukraine
PrJSC Zaporozhcoke	52.2%	52.2%	Metallurgical	Ukraine
PrJSC Donetskcoke	93.7%	93.8%	Metallurgical	Ukraine
PrJSC Northern Iron Ore Enrichment Works	96.4%	96.4%	Mining	Ukraine
PrJSC Central Iron Ore Enrichment Works	99.8%	99.8%	Mining	Ukraine
PrJSC Ingulets Iron Ore Enrichment Works	99.8%	99.8%	Mining	Ukraine
PrJSC Komsomolske Flux Plant	99.7%	99.7%	Mining	Ukraine
United Coal Company LLC ("UCC")	100.0%	100.0%	Mining	USA
PrJSC Krasnodon Coal Company	92.9%	94.7%	Mining	Ukraine

As at 30 June 2017, the Group employed approximately 66 thousand people (31 December 2016: 85 thousand). The decrease is primarily driven by the loss of control over operations of entities located on the non-controlled territory (Note 7).

The Company's registered address is Nassaulaan 2A, 2514 JS, The Hague. The company is registered with the commercial trade register under the number 24321697. The principal places of production facilities of the Group are in Ukraine, Italy, the UK and the USA.

2 Operating environment of the Group

The ongoing political and economic instability in Ukraine has led to a deterioration of State finances, volatility of financial markets, illiquidity on capital markets, higher inflation and a depreciation of the national currency against major foreign currencies. It has continued throughout 2016 and 2017, though to a lesser extent as compared to 2014–2015.

As of the date of this report the official NBU exchange rate of Hryvnya against US dollar was UAH 26.52 per USD 1, compared to UAH 26.10 per USD 1 as at 30 June 2017 and UAH 27.19 per USD 1 as at 31 December 2016.

In 2016 and 2017, the National Bank of Ukraine ("NBU") has made certain steps to ease the currency control restrictions introduced in 2014–2015. In particular, the required share of foreign currency proceeds subject to mandatory sale on the interbank market was decreased from 75% to 65% starting from 9 June 2016 and further to 50% starting from 5 April 2017. The current restriction is effective until 13 December 2017. Additionally, the settlement period for export-import transactions in foreign currency was increased from 90 to 120 days starting from 28 July 2016 and further to 180 days starting from 26 May 2017. Also starting from 13 June 2016, the NBU allowed Ukrainian companies to pay dividends to non-residents with a limit of USD 5 million per month. As of 30 June 2017, the amount of undistributed retained earnings of the Group's Ukrainian subsidiaries was approximately USD 1,468 million.

The IMF continued to support the Ukrainian government under the four-year Extended Fund Facility ("EFF") Programme was approved in March 2015, providing the third and the fourth tranches of approximately USD 1 billion in September 2016 and April 2017, respectively. Further disbursements of IMF tranches depend on the continued implementation of Ukrainian government reforms, and other economic, legal and political factors. The banking system remains fragile due to its: weak level of capital; its weakening asset quality caused by the economic situation; currency depreciation; and other factors.

On 1 January 2016, the agreement on the free trade area between Ukraine and the EU came into force. Just after that, the Russian government implemented a trading embargo on many key Ukrainian export products. In response, the Ukrainian government implemented similar measures against Russian products. This had some, but not a significant, impact on Group's trading.

The majority of the Group's Metallurgical segment and some of the Mining segment is located in, or near to, the parts of the Donetsk and Lugansk regions where there has been armed conflict, which started in spring of 2014 and has not been resolved to date.

Entities located near the line of contact of conflicting parties have been negatively affected by the conflict. Two of the Group's largest steel plants, PrJSC Ilyich Iron and Steel Works and PrJSC Azovstal Iron and Steel Works have been experiencing decreases in production volumes during 2014-2017. The negative impact on production volumes has been caused primarily by disruptions in infrastructure (rail transportation, road transport and electricity and gas supply).

In February-March 2017 there was an escalation of military confrontation near Avdiivka (where PrJSC Avdiivka Coke Plant is located), which led to temporary suspension of the production. Production on PrJSC Yenakiieve Iron and Steel Works (which includes two facilities located in Yenakiieve and Makiivka) and PrJCS Krasnodon Coal Company has been disrupted since February 2017 by a blockade of railway transportation between Ukraine and the uncontrolled territory.

Following these events, in March of 2017, the Group determined that it had lost control over the operations of entities located on the non-controlled territory. The effect of loss of control on the Group financial information is disclosed in Note 7.

The decrease in the Group's steel production in the first half of 2017 (as compared to the first half 2016) was 6%, iron ore concentrate production decreased by 14%. There was also an 8% reduction in production of coking coal concentrate.

In the first half of 2016, the prices for steel, coking coal and iron ore started recovering from the decade-lowest levels reached in the fourth quarter of 2015. The benchmark price of hot-rolled coil (Metal Expert HRC CIS export FOB Black Sea) reached USD 385 in June 2016 which was 54% higher compared to January 2016. Benchmark iron ore price (Platts 62% Fe CFR China) increased from USD 42 per dry tonne in January 2016 to USD 52 per dry tonne in June 2016. Coking coal prices (HCC LV, FOB Australia) increased from USD 81 per tonne in January 2016 to USD 84 per tonne in June 2016. The trend of increasing prices continued into 2017. As at the June 2017, the benchmark price of hot-rolled coil (Metal Expert HRC CIS export FOB Black Sea) reached USD 439, benchmark iron ore price (Platts 62% Fe CFR China) - USD 57 and benchmark coking coal price (HCC LV, FOB Australia) - USD 148. These price dynamics had positive impact on the Group's gross margins and overall financial results in the first half of 2017 as compared to the first half of 2016.

As of 30 June 2017, the Group had significant balances receivable from and prepayments made to the State of Ukraine mainly including prepaid income taxes and VAT recoverable. The timing of settlement of these balances is uncertain and is dependent upon the availability of State funds and amounts of future taxable profits of Group's subsidiaries. During the first half of 2017, the Group's Ukrainian subsidiaries have received the refunds of prepaid income taxes and VAT recoverable of USD 5 million and USD 249 million, respectively.

2 Operating environment of the Group (continued)

Despite certain improvements in 2016 and the first half of 2017, the final resolution and the ongoing effects of the political and economic situation are difficult to predict but they may have further severe effects on the Ukrainian economy and the Group's business.

3 Going concern

In March 2015, the Group sought approval for a partial deferral of principal payments to May 2015 in respect of the pre-export financing (PXF) facilities due in March and April 2015. Whilst approval for the above deferral was obtained from the majority of PXF lenders under the facilities, the Group was unable to obtain the required consent of all PXF lenders. The Group introduced a broader restructuring and consequently did not make the necessary principal payment, triggering default and cross defaults under its bank and non-bank loans and borrowings, as well as bonds.

The Restructuring of bonds and PXF facilities was implemented on 22 March 2017 after a two year negotiation process. Based on the agreements reached, the three series of guaranteed notes were cancelled, delisted, and replaced with new listed senior secured notes totalling approximately USD1.2 billion, due in December 2021 and with new terms and conditions. In addition, four PXF syndicated loan agreements were amended and restated, the terms of which now provide for, among other things, the combining of the four existing PXF facilities into one facility of approximately USD1.1 billion due in June 2021. The terms of new debt instruments provide for the debt maturities to be extended by five years, including, in respect of the new PXF facility, a grace period on the scheduled amortization of principal until the end of 2018. The restructuring provides cash flow flexibility to the Group by imposing a requirement to pay only 30% of accrued interest in cash until the end of 2018. Certain covenants are imposed on the Group in respect of related parties including limitation to pay dividends and engage in certain transactions as well as subordination of existing and future loans from SCM and SMART in favour of the new bond and PXF facility.

In addition, on 4 January 2017, UCC Seller Notes were restructured. Under the terms of the restructured Notes, the interest rate is amended to 9.0% per annum starting from 15 December 2016 through the maturity date of 31 December 2021.

Considering the fact that the restructuring agreements have been concluded and improvements in markets and Group's performance (as discussed in Note 2), uncertainty which might have casted significant doubt about the Group's ability to continue as going concern which existed prior to the restructuring has been substantially reduced. Further, loss of control in 2017 over the operations of entities located in the non-controlled territory (Note 7) did not impact the application of the going concern assumption. As such, management have concluded that the application of going concern assumption for the preparation of these consolidated financial information is appropriate.

4 Basis of preparation and significant accounting policies

This interim condensed consolidated financial information for the six months ended 30 June 2017 has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union ("EU"). The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with IFRS as adopted by EU.

The basis of preparation, accounting policies and critical accounting estimates and judgments applied are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

Control over the legal entities whose operations on the non-controlled territory were lost. The Group has determined that it retains control over the legal entities whose operations are located on the temporarily non-controlled territories, as these entities are registered on the controlled territory of Ukraine. Additionally, the Group continues to perform transactions in accordance with the Ukrainian legislation. Thus, the Group continues to consolidate the remaining assets (largerly trade and other receivables) and liabilities of those entities as of 30 June 2017. Would the position be adopted that control over the legal entities is lost as at 15 March 2017, the net assets of the entities in the amount of USD 13 million (before the impairment disclosed in Note 7) would be deconsolidated and the fair value of accounts payable due to the entities and accounts receivable due from the entities would be recognised. Additionally, a reclassification of USD 601 of accumulated net negative Currency Translation Reserve ("CTR") from Other Comprehensive Income to profit and loss in the Income Statement would be required. If the legal entities are disposed of or abandoned in the future, the full amount of CTR as of that date would need to be reclassified from Other Comprehensive Income to the profit and loss.

Currency translation reserve related to entities located on the non-controlled territory. Management has determined that the operations located on the temporarily non-controlled territories over which control was lost do not represent a disposal of foreign operations as defined in IAS 21 The Effects of Changes in Foreign Exchange Rates and therefore no accumulated CTR on those entities is reclassified to profit and loss. This judgement was made on the basis that the lost operations were never consolidated directly but only together with the remaining operations of the existing legal entity. Operations and management were structured in such a way that the legal entity in its entirety was considered to be one entity and, therefore, the lost part of the entity does not represent a branch or a business. Would it be determined that operations lost represent a disposal of foreign operations, the relevant portion of this CTR would need to be reclassified from Other Comprehensive Income to the profit and loss, resulting in negative charge to Income Statement and no impact on total Comprehensive Income for the period.

4 Basis of preparation and significant accounting policies (continued)

The amount of this charge would be greater than USD 601 million, which is the amount of net CTR on assets and liabilities of the entities located on the non-controlled territory.

Impairment of property, plant and equipment located on the non-controlled territory. Management has determined that the loss of control over the assets does not require the derecognition of these assets. This is based on consideration that the Group still holds the legal title over assets; the seizure of assets is illegal and might be temporary; the Group may still be able to claim some compensation for the assets through international courts. As such, management of the Group has performed a revaluation of respective property, plant and equipment and determined that the value of these assets is zero, thus recognising USD 205 million as decrease of previously recognised revaluation in Other Comprehensive Income and USD 228 million as impairment charge in profit and loss. Would the judgement is made that the assets are derecognised, the whole amount of USD 433 million of decrease of carrying value of property, plant and equipment would need to be charged as impairment in profit and loss. Additionally, the remaining revaluation reserve related to these assets in the amount of USD 289 million (remained upon translation to presentation currency and raised on difference in exchange rates prevailing at revaluation date and average rates at which its annual utilisation was translated in subsequent years) would need to be transferred to retained earnings.

Current and deferred taxes. Income tax expense in the interim period is recognised based on management's best estimate of the weighted average effective annual income tax rate expected for the full financial year.

Exchange rate fluctuations. The following table summarises exchange rates of UAH against USD and Euro ("EUR") as of the dates used for translating foreign currency balances:

	30 June 2017	**31 December 2016**
USD / UAH	26.10	27.19
EUR / UAH	29.79	28.42

The following table summarises average exchange rates of UAH against USD and EUR:

	Six months ended 30 June	
	2017	**2016**
USD / UAH	26.76	25.46
EUR / UAH	28.94	28.42

Valuation techniques and inputs used to determine fair values of financial assets and liabilities in this interim condensed consolidated financial information for the six months ended 30 June 2017 are consistent with those used for the preparation of the annual financial statements for the year ended 31 December 2016. Unless otherwise stated, fair values of financial instruments approximate their carrying values as at 30 June 2017 and 31 December 2016.

5 Adoption of new and revised standards and interpretation

The following new standards, which are relevant to the Group's condensed consolidated interim financial statements, have been issued, but have not been endorsed by the European Union:

- ***Amendments to IAS 7: Disclosure Initiative*** (issued on 29 January 2016 and effective for annual periods on or after 1 January 2017);
- ***Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses*** (issued on 19 January 2016 and effective for annual periods on or after 1 January 2017);
- ***Annual Improvements to IFRS Standards 2014-2016 Cycle*** (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2017 and 1 January 2018);
- ***Clarifications to IFRS 15 Revenue from Contracts with Customers*** (issued on 12 April 2016 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration*** (issued on 8 December 2016 and effective for annual periods beginning on or after 1 January 2018);
- ***IFRIC 23 Uncertainty over Income Tax Treatments*** (issued on 7 June 2017 and effective for annual periods beginning on or after 1 January 2019);
- ***IFRS 16 Leases*** (issued on 13 January 2016 and effective for annual periods beginning on or after 1 January 2019).

The Group is assessing the possible impact of adoption of the above standards but it is not currently expected that it will be significant, except for IFRS 16. IFRS 16 will require the Group to recognise in the balance sheet assets taken in an operating lease and the related lease liabilities. Management has initiated an exercise to calculate the impact of this new standard. This is still ongoing and will be finalised by 1 January 2018. Management plans to apply IFRS 16 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

5 Adoption of new and revised standards and interpretation (continued)

The following new standards which are relevant to the Group's condensed consolidated interim financial statements, have been issued and endorsed by the European Union, but have not been effective for financial periods beginning on or after 1 January 2017:

- ***IFRS 9, Financial Instruments*** *(effective for annual periods beginning on or after 1 January 2018)*. When the standard is effective, the estimated impact would require that modifications of financial liabilities with the difference between the present value of the cash flows under the new terms discounted using the original effective interest rate and discounted present value of the remaining cash flows of the original financial liability to be charged into profit and loss upon modification.
- ***IFRS 15, Revenue from Contracts with Customers*** *(effective for the periods beginning on or after 1 January 2018)*. The Group has carefully considered IFRS 15 and has initially concluded that there is no impact on the vast majority of its revenue transactions.

Other new or revised standards or interpretations that will become effective for annual periods starting after 1 January 2017 will likely have no material impact to the Group.

6 Segment information

The Group is a vertically integrated steel and mining business. A significant portion of the Group's iron ore and coke and coal production is used in its steel production operations.

Segment information for the period ended 30 June 2017 was as follows:

	Metallurgical	Mining	Corporate overheads	Eliminations	Total
Six months ended 30 June 2017					
Sales – external	3,165	748	-	-	**3,913**
Sales to other segments	28	1,041	-	(1,069)	**-**
Total of the reportable segments' revenue	**3,193**	**1,789**	**-**	**(1,069)**	**3,913**
Adjusted EBITDA	**127**	**628**	**(36)**	**(59)**	**660**
Share in EBITDA of joint ventures	78	101	-	-	**179**
Adjusted EBITDA including share in EBITDA of joint ventures	**205**	**729**	**(36)**	**(59)**	**839**
Reconciling items:					
Depreciation and amortisation					**(263)**
Impairment of PPE and other intangible assets	(224)	(57)	-	-	**(281)**
Finance income					**74**
Finance costs					**(143)**
Share of result of associates and share of depreciation, amortisation, tax and finance income and costs of joint ventures					**(61)**
Foreign exchange gains less losses, net					**28**
Impairment of associates					**(7)**
Profit before tax					**186**

	Metallurgical	Mining	Corporate overheads	Eliminations	Total
Capital expenditure	71	117	5	-	**193**
Significant non-cash items included into adjusted EBITDA					
- Impairment of inventories recognised as a result of loss of control over the assets located on the temporarily non-controlled territory	81	11	-	-	**92**

6 Segment information (continued)

	Metallurgical	Mining	Corporate overheads	Eliminations	Total
Six months ended 30 June 2016					
Sales – external	2,290	590	-	-	**2,880**
Sales to other segments	38	397	-	(435)	-
Total of the reportable segments' revenue	**2,328**	**987**	**-**	**(435)**	**2,880**
Adjusted EBITDA	**332**	**214**	**(32)**	**(44)**	**470**
Share in EBITDA of joint venture	69	41			**110**
Adjusted EBITDA including share in EBITDA of joint venture	**401**	**255**	**(32)**	**(44)**	**580**
Reconciling items:					
Depreciation and amortisation					**(268)**
Finance income					**13**
Finance costs					**(178)**
Share of result of associates and share of depreciation, amortisation, tax and finance income and costs of joint venture					**(40)**
Foreign exchange gains less losses, net					**3**
Other reconciling items					**1**
Profit before tax					**111**

	Metallurgical	Mining	Corporate overheads	Eliminations	Total
Capital expenditure	61	53	2	-	**116**

There were no significant non-cash items included into adjusted EBITDA for six months ended 30 June 2016.

7 Loss of control over the assets located on the temporarily non-controlled territory

In February 2017 the self-proclaimed authorities on the temporarily non-controlled territory announced their intention to seize businesses located on the temporarily non-controlled territory and to require them to comply with local fiscal, regulatory and other requirements, which contradict Ukrainian legislation. On 15 March 2017, the Group determined that it had lost control over the operations of entities located on the temporarily non-controlled territory, including: PrJSC Yenakiieve Iron and Steel Works; JV Metalen LLC; PrJSC Makiivka Iron and Steel Works; PrJCS Krasnodon Coal Company; PrJSC Khartsyzsk Pipe Plant; PrJSC Komsomolske Flux Plant; and PrJSC Donetskcoke.

Combined Interim Income Statement and Statement of Comprehensive Income of these subsidiaries is presented below:

	Six months ended 30 June	
	2017	**2016**
Revenue	137	317
Cost of sales	(130)	(283)
Gross profit	**7**	**34**
Distribution costs	(7)	(16)
General and administrative expenses	(4)	(8)
Other operating income/ (expenses), net	14	(13)
Operating profit / (loss)	**10**	**(3)**
Results of the loss of control over the assets located on temporarily non-controlled territory	(293)	-
Finance income	-	2
Finance costs	(24)	(28)
Loss before income tax	**(307)**	**(29)**
Income tax (expense) / credit	(28)	6
Loss for the period	**(335)**	**(23)**
Loss attributable to:		
Owners of the Company	(311)	(21)
Non-controlling interests	(24)	(2)
Loss for the period	**(335)**	**(23)**
Other comprehensive income / (loss):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	(17)	(1)
Items that will not be reclassified to profit or loss:		
(Impairment) / revaluation of property, plant and equipment	(205)	-
Remeasurement of retirement benefit obligations	18	-
Income tax related to items that will not be reclassified subsequently to profit or loss	33	-
Total other comprehensive loss	**(171)**	**(1)**
Total comprehensive loss for the period	**(506)**	**(24)**
Total comprehensive loss attributable to:		
Owners of the Company	(473)	(22)
Non-controlling interest	(33)	(2)
Total comprehensive loss for the period	**(506)**	**(24)**

With respect to figures included within the disclosure above, trading operations presented until 15 March 2017, the moment when control was lost, and administrative expenses incurred during the entire six month period to 30 June 2017.

As of 15 March 2017, these subsidiaries' aggregate consolidated tangible assets located on the temporarily non-controlled territory amounted to USD 515 million (5% of the Group's total consolidated assets). Due to losing control over the assets located on the temporarily non-controlled territory in March 2017, management of the Group performed a revaluation of property, plant and equipment and determined that the value of these assets is zero. Also, other assets (inventories and certain intangible assets) of these subsidiaries were fully impaired. This resulted in the recognition of Property, Plant and Equipment impairment amounting to USD 433 million and impairment of inventory and replaceable equipment amounting to USD 82 million.

7 Loss of control over the assets located on the temporarily non-controlled territory (continued)

Management derecognizes financial liabilities from the statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expires. The amounts below derecognized represent management's assessment based on its analysis and evidence obtained to date. This accounting estimate may change in the future.

As a consequence of the loss of control over the operations of entities located on the non-controlled territory and the resultant dismissal of employees of these subsidiaries, management remeasured the retirement benefit obligation. The decrease in the obligation was primarily a result of applying an assumption that employees dismissed during 2015-2017 continue to work on the temporarily non-controlled territory and thus are unable to gain required experience to be entitled for preferential retirement under Ukrainian legislation. In addition, it was assumed that only a portion of pensioners eligible for early pension will register on Ukrainian territory and claim for their pensions. The resulting USD 18 million gain from the change of above assumptions were recorded in other comprehensive income.

Further, the obligations under collective bargaining agreements were decreased to reflect the loss of control over the operations producing such coal/domestic fuel for settlement of these.

Total result of loss of control over the operations of these subsidiaries charged to Consolidated Statement of Comprehensive Income of the Group is as follows:

	Recognised in profit and loss	**Recognised in Other comprehensive income**	**Total**
Result of loss of control over the assets of subsidiaries located on the temporarily non-controlled territory:			
Property plant and equipment	228	205	**433**
Inventory	82	-	**82**
Intangible assets and goodwill	2	-	**2**
Retirement benefit obligations	(15)	(18)	**(33)**
Other non-current liabilities	(4)	-	**(4)**
Total loss attributable to the assets of subsidiaries located on the temporarily non-controlled territory:	**293**	**187**	**480**
Result of loss of control over the assets of subsidiaries located on the controlled territory:			
Property plant and equipment	19	-	**19**
Inventory	10	-	**10**
Investment in associate	7	-	**7**
Total loss attributable to the assets of subsidiaries located on the controlled territory:	**36**	-	**36**
Total loss	**329**	**187**	**516**

Due to uncertainty of these entities` future taxable income, the Group reassessed the realisability of deferred tax assets attributable to reporting period losses as well as tax losses carry forward as at 31 December 2016. Thus, the Group did not recognise deferred tax asset of USD 58 million relating to the first half of 2017 losses and wrote-down deferred tax arisen on accumulated tax losses of prior periods in the amount of USD 20 million.

The above events have also affected subsidiaries whose operations are physically located on the controlled territory. As such, the Group charged impairment provision on tangible assets located on the temporarily non-controlled territory, but belonging to the subsidiaries whose operations are largely physically located on the controlled territory, as a result of the inability to access such assets. This resulted in recognition of an additional Property, plant and equipment impairment of USD 19 million and impairment of inventory and replaceable equipment of USD 10 million.

The Group also recognised impairment of JSC Yenakievskiy Koksohimprom of USD 7 million as operations of this associate are also located on the temporarily non-controlled territory.

Management have sought to actively manage and limit the impact of these events on the Group's operations by adopting a number of contingency arrangements.

8 Property, plant and equipment

The movements of property, plant and equipment during six-months period ended 30 June 2016 and 30 June 2017 were as follows:

	Land	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
As at 1 January 2016	**50**	**1,612**	**2,704**	**36**	**420**	**4,822**
Additions	-	-	-	-	111	**111**
Transfers	-	39	76	2	(117)	**-**
Disposals and other movements	-	-	(1)	(2)	(6)	**(9)**
Depreciation charge	-	(67)	(188)	(5)	-	**(260)**
Currency translation differences	-	(50)	(88)	(1)	(14)	**(153)**
Impairment	-	(2)	(1)	-	-	**(3)**
As at 30 June 2016	**50**	**1,532**	**2,502**	**30**	**394**	**4,508**

	Land	Buildings and structures	Plant and machinery	Furniture, fittings and equipment	Construction in progress	Total
As at 1 January 2017	**48**	**1,546**	**2,570**	**25**	**535**	**4,724**
Additions	-	-	-	-	185	**185**
Transfers	-	42	233	5	(280)	**-**
Disposals and other movements	-	-	(1)	(1)	(5)	**(7)**
Depreciation charge	-	(66)	(186)	(4)	-	**(256)**
Currency translation differences	4	55	99	1	23	**182**
Impairment	-	(215)	(191)	(8)	(74)	**(488)**
As at 30 June 2017	**52**	**1,362**	**2,524**	**18**	**384**	**4,340**

As at 30 June 2017, the Group considered that the fair value of property, plant and equipment is not substantially higher than its carrying value and no revaluation, other than that required for assets on the non-controlled territory (see Note 7), is required for this interim condensed consolidated financial information. In this consideration, management analysed the developments in the operating environment of the Group (Note 2) since the last revaluation of property, plant and equipment performed as at 31 December 2016.

Included into impairment for the six months ended 30 June 2017 are USD 452 million resulted from the loss of control over the operations of entities located on the temporarily non-controlled territory (Note 7) and USD 27 million of impairment of UCC property, plant and equipment. The UCC impairment was assessed by management based on the cash flow model used as of 31 December 2016 as updated for the passage of time, minor amendments to expectations for the future coal prices and cash costs per tonne for the remainder of 2017. The transportation costs all over the model were revised following the updated cost information. No other assumptions were changed by management in their assessment.

As at 30 June 2017, there were no indicators of impairment of other property, plant and equipment of Metallurgical and Mining operating segments.

9 Investments in associates and joint ventures

The principal associates and joint ventures of the Group are as follows:

			30 June 2017		31 December 2016	
Name	**Type of relationship**	**Segment**	**% of ownership**	**Carrying value**	**% of ownership**	**Carrying value**
Zaporozhstal Group	Joint venture	Metallurgical	49.9%	565	49.9%	491
PJSC Southern Iron Ore Enrichment Works	Joint venture	Mining	45.9%	481	45.9%	394
JSC Yenakievskiy Koksohimprom	Associate	Metallurgical	50.0%	-	50.0%	10
IMU	Associate	Metallurgical	49.9%	12	49.9%	11
PJSC Zaporozhogneupor	Associate	Metallurgical	45.4%	2	45.4%	2
Other	Associate	Mining	n/a	0	n/a	0
Total				**1,060**		**908**

Key changes in the carrying amount of the Group's investments in associates and joint ventures during the six months ended 30 June 2017 were due to Group's share in their after tax results of USD 118 million, impairment of JSC Yenakievskiy Koksohimprom investment in the amount of USD 7 million and positive currency translation differences of USD 41 million due to appreciation of UAH against USD.

10 Trade and other receivables and other non-current assets

	30 June 2017	**31 December 2016**
Non-current assets		
Loans issued to related parties	121	118
Other non-current financial assets	6	6
Other non-current non-financial assets	16	13
Total non-current assets	**143**	**137**
Current financial assets		
Trade receivables and receivables on commission sales	1,301	907
Loans issued to related parties	98	98
Other financial receivables	86	69
Total current financial assets	**1,485**	**1,074**
Recoverable value added tax	262	200
Prepayments made	137	177
Covered letters of credit related to inventory purchases	30	74
Prepaid expenses and other non-financial receivables	67	55
Total current non-financial assets	**496**	**506**
Total current assets	**1,981**	**1,580**
Total trade and other receivables	**2,124**	**1,717**

The Group has legal right to request settlement of the current loans issued to related parties within a twelve month period after the reporting date. The decision on whether to call for repayment or extend the term of the loan is subject to future developments and yet to be done.

11 Loans and borrowings

	30 June 2017	**31 December 2016**
Non-current		
Bonds	1,176	-
Bank borrowings	1,099	-
Non-bank borrowings	443	-
Total non-current loans and borrowings	**2,718**	**-**
Current		
Bonds	13	1,183
Bank borrowings	5	1,110
Non-bank borrowings	-	425
Trade finance	182	161
Total current loans and borrowings	**200**	**2,879**
Total loans and borrowings	**2,918**	**2,879**

As disclosed in Note 3, in 2015, the Group breached its payment covenants and, consequently, as a result of this breach and the associated impact of cross default, all loans and borrowing were reclassified to current loans and borrowings as at 31 December 2016. Following the long process of negotiations with debt holders, in March 2017, new terms for both bonds and PXF facilities were agreed upon and restructuring agreements came into effect. As a result, the majority of current borrowings was reclassified to non-current.

The transaction was treated as a modification of original financial instrument as the difference between the present value of the cash flows under the new terms discounted using the original effective interest rate and discounted present value of the remaining cash flows of the original financial liability is less than 10 per cent. This difference (including the transaction fees paid) was accounted for through the change of the effective interest rate resulting in an increase from 5% to 7% for the PXF facilities and 10% to 12% for bonds.

The Group consistently presents transaction fees paid related to debt restructuring (such as legal and consulting expenses) within the financing activities of the consolidated statement of cash flows.

As of 30 June 2017, the Group's 2021 bonds were traded on open markets with a discount of approximately 9% to their nominal value.

12 Seller's notes

As of 30 June 2017, seller's notes were carried at USD 31 million (31 December 2016: USD 90 million). During the reporting period the Group repaid USD 60 million of principal according to the updated terms of notes agreement (Note 3) providing that principal should be repaid via several options, including on monthly basis to the extent that United Coal Company's price of coal sold exceeds a certain threshold, and it receives funds associated with various railroad rebate programs. Based on current market coal prices forecasts, management expects to settle the notes within twelve months of the reporting date.

13 Trade and other payables

	30 June 2017	31 December 2016
Trade payables and payables on sales made on commission	1,307	1,081
Dividends payable to shareholders of Metinvest B.V.	88	88
Dividends payable to non-controlling shareholders of Company subsidiaries	21	2
Payable for acquired property, plant and equipment and other intangible assets	41	38
Other financial liabilities	24	61
Total financial liabilities	**1,481**	**1,270**
Prepayments received	118	105
Accruals for employees' unused vacations and other payments to employees	50	54
Income tax payable	52	18
Other taxes payable	96	61
Wages and salaries payable	19	17
Other allowances	27	23
Total trade and other payables	**1,843**	**1,548**

According to terms of restructuring (Note 3), any payment of dividends prior to the settlement of 45% of relevant borrowings principal would trigger the ability of lenders to call for immediate repayment of borrowings.

As at 30 June 2017, the Group had contractual capital expenditure commitments in respect of property, plant and equipment totaling USD 167 million (31 December 2016: USD 135 million).

14 Finance income

Finance income for the six months ended 30 June were as follows:

	Six months ended 30 June	
	2017	2016
Net foreign exchange gain	60	-
Interest income		
- loans issued	10	10
- bank deposits	4	2
- imputed interest on other financial instruments	-	2
Total finance income	**74**	**13**

The increase in net foreign exchange gain is a reflection of UAH appreciation against major foreign currencies in the first half of 2017, as described in Note 2.

15 Finance costs

Finance costs for the six months ended 30 June were as follows:

	Six months ended 30 June	
	2017	2016
Net foreign exchange loss	-	30
Interest expense		
- borrowings	50	47
- bonds	62	60
- seller's notes	5	3
- imputed interest on seller's notes	-	2
Interest cost on retirement benefit obligations	20	22
Other finance costs	6	14
Total finance costs	**143**	**178**

16 Income tax

The increase of effective tax rate in 2017 is driven by write down of deferred tax asset raised on entities located on the non-controlled territory as a result of loss of control over their operations, as described in Note 7.

17 Balances and transactions with related parties

Unless stated otherwise, other related parties are related through common control under SCM. As at 30 June 2017 and 31 December 2016, significant balances outstanding with related parties are detailed below:

	30 June 2017					31 December 2016				
	SCM Limited	**Asso-ciates**	**Joint ventures**	**SCM and related entities**	**Smart Group**	**SCM Limited**	**Asso-ciates**	**Joint ventures**	**SCM and related entities**	**Smart Group**
ASSETS										
Other non-current assets, including:	**-**	**-**	**-**	**37**	**84**	**-**	**-**	**-**	**36**	**82**
Long-term loans issued	-	-	-	37	84	-	-	-	36	82
Other non-current assets	-	-	-	-	-	-	-	-	-	-
Trade and other receivables, including:	**-**	**29**	**560**	**145**	**2**	**-**	**62**	**368**	**130**	**2**
Trade receivables and receivables on commission sales	-	27	462	56	2	-	61	269	30	2
Prepayments made	-	-	-	57	-	-	-	-	69	-
Loans issued	-	-	98	-	-	-	-	98	-	-
Other financial receivables	-	2	-	32	-	-	1	1	31	-
Cash and cash equivalents	**-**	**-**	**-**	**56**	**-**	**-**	**-**	**-**	**60**	**-**

	30 June 2017					31 December 2016				
	SCM Limited	**Asso-ciates**	**Joint ventures**	**SCM and related entities**	**Smart Group**	**SCM Limited**	**Asso-ciates**	**Joint ventures**	**SCM and related entities**	**Smart Group**
LIABILITIES										
Non-bank borrowings	-	-	-	329	114	-	-	-	315	110
Other non-current liabilities	-	-	-	5	-	-	-	-	11	-
Trade and other payables, including:	**40**	**57**	**710**	**152**	**48**	**41**	**81**	**510**	**139**	**48**
Dividends payable	40	-	-	15	48	40	-	-	-	48
Trade payables and payables on sales made on commission	-	36	710	121	-	-	62	510	87	-
Prepayments received	-	20	-	14	-	-	19	-	4	-
Payables for acquired property, plant and equipment, intangibles	-	1	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	2	-	1	-	-	48	-

17 Balances and transactions with related parties (continued)

Significant transactions with related parties during the six months ended 30 June 2017 are detailed below:

	Associates	Joint ventures	SCM and related entities	Smart Group	Total
Sales, including:	**10**	**362**	**36**	**-**	**408**
Steel	-	14	31	-	**45**
Scrap metal	-	15	-	-	**15**
Coke and coking coal	9	193	1	-	**203**
Iron ore	-	105	1	-	**106**
Other	1	35	3	-	**39**
Other operating income / (expense) net, including:	**1**	**1**	**(1)**	**-**	**1**
Other operating income / (expense)	1	1	(1)	-	**1**
Finance income / (expense), including:	**-**	**5**	**(12)**	**(1)**	**(8)**
Interest income	-	5	1	3	**9**
Interest expense	-	-	(13)	(4)	**(17)**

Significant transactions with related parties during the six months ended 30 June 2016 are detailed below:

	Associates	Joint ventures	SCM and related entities	Smart Group	Total
Sales, including:	**10**	**214**	**16**	**1**	**241**
Steel	-	8	13	1	**22**
Scrap metal	-	13	1	-	**14**
Coke and coking coal	8	96	-	-	**104**
Iron ore	-	62	-	-	**62**
Other	2	35	2	-	**39**
Finance income / (expense), including:	**-**	**5**	**(11)**	**(2)**	**(8)**
Interest income	-	5	4	2	**11**
Interest expense	-	-	(15)	(4)	**(19)**

The following is a summary of purchases from related parties during the six months ended 30 June 2017:

	Associates	Joint ventures	SCM and related entities	Total
Purchases, including:	**26**	**683**	**599**	**1,308**
Steel products	-	666	11	**677**
Coke and coking coal	17	-	35	**52**
Raw materials and spare parts	5	14	37	**56**
Electricity	-	-	190	**190**
Gas	-	2	106	**108**
Fuel	-	-	43	**43**
Services, including transportation	1	-	171	**172**
Other	3	1	6	**10**

17 Balances and transactions with related parties (continued)

The following is a summary of purchases from related parties during the six months ended 30 June 2016:

	Associates	Joint ventures	SCM and related entities	Total
Purchases, including:	**37**	**462**	**484**	**983**
Steel products	1	450	-	**451**
Coke and coking coal	28	-	19	**47**
Raw materials and spare parts	5	10	30	**45**
Electricity	-	-	189	**189**
Gas	2	1	82	**85**
Fuel	-	-	24	**24**
Services, including transportation	1	-	138	**139**
Other	-	1	2	**3**

Not included in the tables above are Group's transactions on purchase and further re-sale of iron ore, coal and steel products from or to joint ventures where the Group is acting as an agent and not as principal. Income and costs related to such transactions are presented net within other operating income / (expense). Group's net gain on such transactions was USD 7 million during the six months ended 30 June 2017 (six months ended 30 June 2016: USD 2 million).

During the six months ended 30 June 2017, the remuneration of key management personnel of the Group comprised current salaries and related bonuses totaling USD 9 million (six months ended 30 June 2016: USD 6 million).

As at 30 June 2017, key management held the Group's bonds in the total amount of less than USD 1 million. Rights of these bondholders are not different from the rights of other bondholders.

18 Events after the balance sheet date

There were no events after the balance sheet date other than those already disclosed in this interim condensed consolidated financial information.