

MONTHLY REPORT FOR JANUARY 2018

29 March 2018 – Metinvest B.V., the parent company of a vertically integrated group of steel and mining companies (jointly referred to as “Metinvest” or “the Group”), today published this monthly report for January 2018, in compliance with clause 8.4 and condition 4(w) of the trust deed dated 22 March 2017 (“the Trust Deed”) executed between Madison Pacific Trust Limited as trustee and Metinvest B.V. as issuer.

The information in this monthly report has been prepared based on preliminary financial results. Intragroup transactions have been eliminated in consolidation. This monthly report does not contain sufficient information to constitute a full set of financial statements. The following preliminary results may differ from financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The numbers in this monthly report have not been audited or reviewed. Metinvest B.V. publishes consolidated financial statements prepared in accordance with IFRS for the six months ending 30 June and for the year ending 31 December. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided.

FINANCIAL HIGHLIGHTS

(US\$ mn)	Metallurgical	Mining	Corporate overheads	Eliminations	January 2018
					Total
Revenues	866	255	-	-112	1,009
Sales – external	861	148	-	-	1,009
Sales – to other segments	5	107	-	-112	-
Adjusted EBITDA¹	140	110	-7	-15	228
Share in EBITDA of JVs	11	14	-	-	25

(US\$ mn)	January 2018
Operating cash flows before working capital changes	201
Decrease in inventories	48
Increase in trade and other accounts receivable <i>incl. decrease in recoverable VAT</i>	-205 12
Increase in trade and other accounts payable	48
Cash generated from operations	92
Income taxes paid	-15
Interest paid	-13
Net cash from operating activities	64
Net cash used in investing activities	-62
<i>incl. purchase of property, plant and equipment and intangible assets²</i>	<i>-62</i>
Net cash generated from financing activities	11

(US\$ mn)	31 January 2018
Cash and cash equivalents³	273
Total debt⁴	3,095

¹ Adjusted EBITDA is calculated as earnings before income tax, financial income and costs, depreciation and amortisation, impairment and devaluation of property, plant and equipment, foreign exchange gains and losses, the share of results of associates and other expenses that the management considers non-core, plus the share in EBITDA of joint ventures (JVs)

² Comprises Capital Expenditures defined in the Trust Deed

³ Cash and cash equivalents do not include blocked cash for cash collateral under issued LCs and irrevocable banks guarantees and include cash blocked for foreign currency purchases

⁴ Total debt is calculated as the sum of bank loans, bonds, trade finance, seller notes and subordinated shareholder loans

Metallurgical division Sales by product	January 2018	
	US\$ mn	kt
Semi-finished products	240	553
Pig iron	106	289
Slabs	55	104
Square billets	79	160
incl. resales	79	160
Finished products	502	803
Flat products	418	671
incl. resales	125	219
Long products	80	126
incl. resales	25	44
Tubular products	4	6
Coke	76	216
Other products and services	43	-
Total sales	861	1,573

Mining division Sales by product	January 2018	
	US\$ mn	kt
Iron ore products	127	1,315
Merchant iron ore concentrate	50	668
Pellets	77	646
Coking coal concentrate	4	25
Other products and services	18	-
Total sales	148	1,340

For further information, please visit www.metinvestholding.com

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METINVEST GROUP is a vertically integrated group of steel and mining companies that manages every link of the value chain, from mining and processing iron ore and coal to making and selling semi-finished and finished steel products. It comprises steel and mining production facilities located in Ukraine, Europe and the US, as well as a sales network covering all key global markets. The Group is structured into two operating segments, Metallurgical and Mining, and its strategic vision is to become a leading vertically integrated steel producer in Europe, delivering sustainable growth and profitability resilient to business cycles and providing investors with returns above the industry benchmarks. For the 12 months ended 31 December 2017, the Group reported revenues of US\$8.9 bn and an EBITDA margin of 23%.

METINVEST HOLDING LLC is the management company of Metinvest Group.