

Statement of cash flows (USD million)

Index	2017	2018	Change, %
Cash generated from operations before changes in working capital and income tax	4,103	6,339	54
Movements in working capital	-1,670	941	n. a.
Income tax paid	-670	-787	17
Net cash generated from operating activities	1,763	6,493	4x
Capital expenditure	-2,002	-1,553	-22
Other investing activities	66	-9	n. a.
Net cash used in investing activities	-1,936	-1,562	-19
Free cash flow	-173	4,931	n. a.
Interest paid	-642	-551	-14
Other financing activities	-1,595	-3,753	2x
Net cash used in financing activities	-2,237	-4,304	92
Effects of foreign exchange differences on balances of cash and cash equivalents	-63	-91	44
Net increase/(decrease) in cash and cash equivalents	-2,473	536	n. a.

Reconciliation of the net working capital changes between the balance sheet and cash flow statement (USD million)

Index	2017	2018
Change of the net working capital in the balance sheet	-1,694	1,282
Foreign exchange differences	115	-277
Change in income tax payable	-7	-5
Other changes including reserves	-84	-59
Change of working capital per cash flow	-1,670	941

Capital investments breakdown by project (USD million)

Project	2017	2018	Change, %
Polar Division, including:	860	696	-19
Skalisty mine	216	218	1
Taymirsky mine	93	71	-24
Komsomolsky mine	18	44	2x
Oktyabrsky mine	69	40	-42
Talnakh Concentrator	89	29	-67
Sulphur project	37	36	-3
Other Polar Division projects	338	258	-24
Kola MMC	228	292	28
Chita (Bystrinsky) project	449	168	-63
Other production projects	453	386	-15
Other non-production assets	12	11	-8
TOTAL	2,002	1,553	-22

In 2018, free cash flow increased to USD 4.9 billion primarily due to higher cash generated from operating activities and lower CAPEX.

In 2018, net cash generated from operating activities increased 4-fold to USD 6.5 billion primarily driven by the increase in EBITDA and decrease of working capital in 2018 (versus increase in 2017).

Interest paid reduced by 14% to USD 551 million as a result of the optimization of debt portfolio.

In 2018, CAPEX decreased by 22% to USD 1.6 billion primarily due to the completion of Talnakh Concentrator modernization and the construction of Chita project as well as the projects related to the development of Pelyatkinskoye gas condensate field.