Change of the net working capital

USD million	2017	2016
Change of the net working capital in the balance sheet	**(1,694)**	**575**
Foreign exchange differences	115	38
Change in income tax payable	(7)	(161)
Other changes, including reserves	(84)	(369)[1]
Change of working capital per cash flow	**(1,670)**	**83**

Capital investments breakdown by projects

USD million	2017	2016	Change,%
Polar Division, including:	860	884	(3%)
Skalisty mine	216	153	41%
Taymirsky mine	93	68	37%
Komsomolsky mine	18	40	(55%)
Oktyabrsky mine	69	59	17%
Talnakh Concentrator	89	253	(65%)
Reconstruction/modernisation of production facilities related to closing of Nickel plant	11	24	(54%)
Kola MMC	228	89	156%
Chita (Bystrinsky) project	449	269	67%
Other production projects	391	421	(7%)
Other non-production assets	12	4	3x
Intangible assets	62	47	32%
Total	**2,002**	**1,714**	**17%**

In 2017, CAPEX increased by 17% to USD 2.0 billion. The growth was mainly due to the completion of construction and start of hot commissioning of Bystrinsky mining and concentration complex (Bystrinsky project) in Zabaykalsky region, as well as to the ramp-up of projects related to the modernisation of nickel refining facilities at Kola MMC in line with the Company's reconfiguration program.

Debt and Liquidity Management

USD million	As of 31 December 2017	As of 31 December 2016	Change, USD million	Change, %
Long-term	8,236	7,276	960	13%
Short-term	817	579	238	41%
Total debt	**9,053**	**7,855**	**1,198**	**15%**
Cash and cash equivalents	852	3,325	(2,473)	(74%)
Net debt	**8,201**	**4,530**	**3,671**	**81%**
Net debt /12M EBITDA	2.1x	1.2x	0.9x	–
Net debt /12M EBITDA for dividend payments	1.88x	n.a.	n.a.	–

[1] *Includes one-off effect of copper concentrate purchase from Rostec.*

As of December 31, 2017, the Company's total debt amounted to USD 9,053 million which represents 15% increase (USD 1,198 million) compared to year-end 2016. The Company's debt portfolio remains predominantly long-term. As of December 31, 2017, the share of long-term debt in the total debt portfolio amounted to 91% (or USD 8,236 million) as compared to 93% (or USD 7,276 million) as of the year-end 2016.

Net debt/EBITDA ratio increased to 2.1x as of the year-end 2017 from 1.2x as of year-end 2016. Such increase was caused by the growth of Net debt by 81% to USD 8,201 million as a result of 74% decrease in Cash and cash equivalents to USD 852 million. Substantial decrease of Cash and cash equivalents was mainly caused by the increase of working capital, in particular due to the early repayment of advances from off-takers in the amount of USD 650 million, as the margin under these advances at the end of the year was twice as higher than the one under the bank loans available for the Company. By the beginning of 2018 the Company reached agreements with a number of its off-takers on new terms of the advances. In February 2018, Nornickel entered into a new advance transaction for the amount of USD 300 million with one of its counterparties. The Company also continues to balance its liquidity cushion with more flexible and cost efficient financial instruments such as committed reserved credit lines. As of December 31, 2017, the Group maintained additional liquidity sources in form of committed reserved credit lines in the total amount of more than USD 3 billion.

In 2017, Nornickel continued to optimize its debt portfolio in order to improve its profile, further reduce average cost of debt and maintain its average maturity profile in line with the year-end 2016.

In 2017 Nornickel reduced the share of more expensive Rouble denominated debt in its portfolio from 29% as of the year-end 2016 to 15% as of December 31, 2017, by prepayment of Rouble denominated credit facilities in the amount of RUB 60 billion and successful placement of two Eurobond issues totaling USD 1.5 billion. In April 2017, Nornickel issued USD 1 billion Eurobond maturing in 2023 with an annual coupon rate of 4.10% that was inside the Company's outstanding Eurobonds' curve. In June 2017, the Group closed a USD 500 million Eurobond offering maturing in 2022 with an annual coupon rate of 3.849%. The coupon was fixed at the lowest level ever for the Company's issuances on international debt capital markets.

In December 2017, the Company signed a 5-year syndicated facility in the amount of USD 2.5 billon with 15 international banks from America, Europe and Asia. The funds were used to partially refinance the existing bilateral credit lines and provide for liquidity reserve to address the Company's funding needs in 1H2018, in particular for repayment of Eurobond issue maturing in April 2018. Such strategy enabled the Company to eliminate refinancing risks for the next two years in 2018-2019.

In 2017, the Company's credit ratings assigned by S&P Global and Fitch remained at investment grade level of "BBB-" with "Stable" outlooks. As of the year-end 2017, the Company's credit rating assigned by Moody's remained at the level of "Ba1" with "Stable" outlook capped by Russia's sovereign country celling. On January 29, 2018, Moody's rating agency raised Nornickel credit rating to the investment grade level "Baa3" with "Positive" outlook following the change of Russia's country ceiling for foreign currency debt to "Baa3" and the outlook on sovereign rating to "Positive" from "Stable". Therefore, currently Nornickel has investment grade credit ratings from all three international rating agencies Fitch, Moody's and S&P Global.