

**Abstract of the Article**  
**"Earnings Before Financial Expenses and Taxes:  
Economic Sense and Calculation Methods in Modern Practices"**  
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The article examines economic sense of indicators that are new for Ukrainian analysts, namely earnings before interest and tax(es) (EBIT), earnings before interest, tax, depreciation and amortization (EBITDA), operating income before depreciation and amortization (OIBDA).

Main purpose of EBIT is to evaluate company's performance without taking into account influence of tax environment and ways of financing, as management as a rule does not have any influence on them. Amount of financial expenses shows first of all efficacy of financial policy, and the sum of tax payments indicates optimization income policy of the enterprise, that is why they should not influence evaluation of the enterprise's economic activities. EBITDA allows evaluating enterprise's ability to bear expenses connected with financing capitalized expenses, as well as pay interests on present and new loans. In this connection differences between the notions of amortization and removing of capital assets, as they are often mistakenly taken as synonyms.

Basic distinctions in approaches to financial reports according to IAS and Statement of Standard Accounting Practice are described. National financial report form is well defined (as distinct from international format), so unified methods for calculation of these indices has been proposed on the basis of financial report data made according to requirements of national Standard Accounting Practice. It is stressed that EBIT and EBITDA should be calculated not on the basis of operation earnings figures, but earnings from all enterprise's regular activities. Operational profit is the basis for calculating OIBDA.

The analyzed indicators will be good for national analysts and add the existent instruments for analyzing enterprise activity.