3Q2016 IFRS RESULTS

JANUARY 19, 2017
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First Deputy Head of Department
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HIGHLIGHTS

2016

- Record high gas exports to Europe – 179.3 bcm (+12.5% YoY)


- Binding Basic Agreement signed for an E&P asset swap with OMV
- Contract with Allseas Group S.A. for laying the first branch of the TurkStream
- €800 mn loan from Mizuho, SMBC and J.P. Morgan

Nov. 2016

- Gazprom placed CHF 500 mn Eurobonds due in 2021 at a record low coupon rate of 2.75%
- Gazprom placed €1,000 mn 3.125% Eurobonds due in 2023


- EU positive decision on Gazprom access to OPAL pipeline
- Parent company 2016 Investment Program revised. 18% lower than the 2015 Program in RUB, 26% lower in USD
- S&P revised Gazprom’s rating outlook from ‘Negative’ to ‘Stable’
- The Agreement on the TurkStream signed between Russia and Turkey
- Corporate governance improvement
  - The Audit Committee of the Gazprom BoD headed by independent BoD member
  - The Nomination and Remuneration Committee established with two independent BoD members
  - The Corporate Secretary functions assigned to certain units of Gazprom

Sept. 2016

- Fitch revised Gazprom’s rating outlook from ‘Negative’ to ‘Stable’

Aug. 2016

- Gazprom BoD recognized 3 BoD members as independent

Jul. 2016

- Acquisition of 3.59% of Gazprom shares from VEB

3Q2016 IFRS RESULTS
SUMMARY OF 3Q2016 IFRS FINANCIAL RESULTS

1 EBITDA adjusted for changes in impairment provisions
2 Profit for the period attributed to shareholders of PJSC Gazprom
3 Free cash flow is calculated as Net cash provided by operating activities less capital expenditures
4 Compared to Net debt as of December 31, 2015
HYDROCARBON PRODUCTION, ELECTRICITY AND HEAT GENERATION

1. Includes Russian generating companies: Mosenergo, OGK-2, TGK-1, MOEK
Calculations may differ due to rounding.
GAS SALES

Russia

VOLUMES

AVERAGE PRICE IN RUSSIA

Europe & OC

VOLUMES

AVERAGE PRICE IN EUROPE & OC

FSU

VOLUMES

AVERAGE PRICE IN FSU

Calculations may differ due to rounding.

1 Net of value added tax (VAT)
2 OC - Other countries: including LNG sales
3 VAT is not charged on sales
4 Net of custom duties and excise tax on gas exports

3Q2016 IFRS RESULTS
OIL AND ENERGY BUSINESS

Net Sales\(^1\)

![Pie chart showing Net Sales for 3Q2015 and 3Q2016.](attachment:image.png)

- **3Q2015**
  - Crude Oil and Gas Condensate; Refined Products: 58%
  - Electricity and Heat: 6%
  - Gas Business and Other Revenues: 36%

- **3Q2016**
  - Crude Oil and Gas Condensate; Refined Products: 53%
  - Electricity and Heat: 7%
  - Gas Business and Other Revenues: 40%

**Crude Oil and Gas Condensate; Refined Products**

- **RUB bn**
  - 3q15: 467
  - 4q15: 456
  - 1q16: 413
  - 2q16: 457
  - 3q16: 498

**Earnings growth**

- +7% in 3Q2016 compared to 3Q2015

**Electricity and heat**

- **RUB bn**
  - 3q15: 74
  - 4q15: 133
  - 1q16: 148
  - 2q16: 89
  - 3q16: 86

**Earnings growth**

- +16% in 3Q2016 compared to 3Q2015

Calculations may differ due to rounding.

\(^1\) Net of value added tax (VAT), excise tax and custom duties.
CAPITAL EXPENDITURES

Cash CapEx

RUB bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>9m15</th>
<th>9m16</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,397</td>
<td>1,262</td>
<td>1,641</td>
<td>1,166</td>
<td>1,069</td>
</tr>
</tbody>
</table>

The Group’s 9M2016 CapEx breakdown

- TRANSPORT: 28%
- PRODUCTION OF CRUDE OIL AND GAS CONDENSATE: 11%
- PRODUCTION OF NATURAL GAS: 19%
- REFINING: 26%
- ELECTRICITY AND HEAT: 5%
- OTHER CAPEX: 11%

USD bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>9m15</th>
<th>9m16</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>43.9</td>
<td>33.2</td>
<td>27.1</td>
<td>19.7</td>
<td>15.7</td>
</tr>
</tbody>
</table>

1 CapEx breakdown as provided in Management Report

3Q2016 IFRS RESULTS
FREE CASH FLOW GENERATION

Free Cash Flow generation\(^1\)

\[\begin{array}{c|c|c|c|c|c|c}
\text{Year} & 2013 & 2014 & 2015 & 9m15 & 9m16 \\
\hline
\text{Operating Cash Flow} & 1,742 & 1,916 & 2,031 & 1,395 & 1,176 \\
\text{Cash Capital Expenditures} & 345 & 654 & 390 & 230 & 107 \\
\text{Free Cash Flow} & 1,397 & 1,262 & 1,641 & 1,166 & 1,069 \\
\end{array}\]

Gazprom self funding\(^2\)

\[\begin{array}{c|c|c|c|c|c|c}
\text{Year} & 2013 & 2014 & 2015 & 9m15 & 9m16 \\
\hline
\text{Net Cash from operating activities} & 125\% & 152\% & 124\% & 120\% & 110\% \\
\text{Cash CAPEX} & & & & & \\
\end{array}\]

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\(^1\) Free Cash Flow = Net Cash from operating activities – Cash CAPEX
\(^2\) Net Cash from operating activities /Cash CAPEX

3Q2016 IFRS RESULTS
KEY DEBT METRICS

Total and Net Debt

Debt breakdown by currency

Cash & equivalents breakdown by currency

Debt maturity profile

Cash & equivalents breakdown by currency

1 Calculated using dollar values of Net debt and EBITDA
2 Excluding promissory notes

3Q2016 IFRS RESULTS
## RUSSIAN NATURAL GAS BALANCE

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural gas resources</strong></td>
<td>147.2</td>
<td>149.2</td>
<td>495.3</td>
<td>498.5</td>
</tr>
<tr>
<td>Domestic gas production</td>
<td>137.5</td>
<td>141.4</td>
<td>449.2</td>
<td>449.4</td>
</tr>
<tr>
<td>Other sources including Central Asia and Azerbaijan gas</td>
<td>7.7</td>
<td>5.4</td>
<td>19.6</td>
<td>16.3</td>
</tr>
<tr>
<td>Gas from underground storage facilities in Russia, Latvia and Europe</td>
<td>0.9</td>
<td>1.4</td>
<td>23.3</td>
<td>29.8</td>
</tr>
<tr>
<td>Decrease in the amount of gas within the gas transportation system</td>
<td>1.1</td>
<td>1.0</td>
<td>3.1</td>
<td>3.0</td>
</tr>
</tbody>
</table>

**Natural gas distribution**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Domestic consumption</td>
<td>77.3</td>
<td>81.1</td>
<td>308.9</td>
<td>309.5</td>
</tr>
<tr>
<td>including needs of the gas transportation system and underground storage facilities</td>
<td>6.4</td>
<td>6.6</td>
<td>21.0</td>
<td>21.1</td>
</tr>
<tr>
<td>Gas pumped into underground storage facilities</td>
<td>17.3</td>
<td>16.5</td>
<td>28.8</td>
<td>26.5</td>
</tr>
<tr>
<td>Gas for LNG production</td>
<td>3.2</td>
<td>3.4</td>
<td>10.6</td>
<td>10.5</td>
</tr>
<tr>
<td>Foreign supplies</td>
<td>42.2</td>
<td>41.9</td>
<td>118.5</td>
<td>128.0</td>
</tr>
<tr>
<td>FSU supplies</td>
<td>6.1</td>
<td>5.5</td>
<td>25.3</td>
<td>21.3</td>
</tr>
<tr>
<td>Increase in the amount of gas within the gas transportation system</td>
<td>1.2</td>
<td>0.8</td>
<td>3.1</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Source: Company Operating Data
THANK YOU!