

Press Conference

Gazprom's Financial and Economic Policy

June 25, 2009

Moderator: Good afternoon, colleagues! So, we are finishing a traditional series of Press Conferences before the Shareholders Meeting. Today we will discuss Gazprom's Financial and Economic Policy.

Participating in the Press Conference are:

- **Andrey Kruglov**, Deputy Chairman of the Management Committee, Head of the Finance and Economics Department, Gazprom;
- **Elena Vasilieva**, Deputy Chairman of the Management Committee, Chief Accountant, Gazprom;
- **Elena Karpel**, Head of the Pricing and Economic Expert Analysis Department, Gazprom;
- **Alexander Dushko**, Deputy Head of the Finance and Economics Department, Gazprom;
- **Nina Lobanova**, Head of the Tax Policy Directorate, Gazprom;
- **Mikhail Rosseev**, Head of the Consolidated Financial Statements Directorate, Gazprom.

I would like to give the floor to Mr. Kruglov, after that we will pass on to the questions.

Andrey Kruglov: Good afternoon, esteemed colleagues. I am glad to welcome you to a regular annual briefing preceding the annual Shareholders Meeting. Today's briefing is dedicated to the financial results of the past year and the current financial and economic policy of our Company. Let's pass on to the subject of the meeting.

You have already visited the series of briefings on Gazprom's activities, therefore, it only remains for me to sum up every thing that was said by my colleagues and present all these things from a financial point of view.

So, let's begin with the results we managed to achieve in 2008. First of all, I would like to point out that we issued our 2008 annual consolidated financial results under International Financial Reporting Standards (IFRS) considerably earlier than in the past years. Besides, we plan to keep following this new issuance schedule. The basic financial indicators demonstrate the Group's success in 2008. Based on the 2008 results we received record proceeds from gas sales, which was 45 per cent higher versus the 2007 indicators. The adjusted EBITDA grew more than 60 per cent, the cash flow from operations increased 1.7 times.

The impressive financial results are explained by the favorable external conditions in 2008. As you remember, oil prices soared in the first half of the year and reached a historic high level in the middle of it. You know, esteemed colleagues, the existing mechanism of gas pricing is pegged to petroleum products prices with a time lag of some six to nine months. This basic calculation period smoothes out violent fluctuations in gas prices as compared to global oil prices. This enables us to timely respond to the changes in the market behavior. In this way, we were ready to adjust to new economic conditions when oil prices plummeted in the second half of 2008.

In the autumn of 2008 we elaborated and launched the financial and economic strategy adapted to the crisis environment. It is designed to ensure the sustainable operation of Gazprom in the changed market environment and to minimize the impact on the Company's financial state. Based on extremely conservative forecasts, our long-term strategy has recurrently proven its viability; therefore, even amidst the current global crisis our long-term plans don't need to be significantly revised.

However, the current situation required adjustment of short-term and medium-term plans. The measures we have worked out are aimed at improving the management quality in the areas of operation, investment and financial activities. Great consideration is primarily given to the Company's 2009 budget. The parent Company budget for this year adopted by the Board of Directors is based on the annual average oil price of USD 50 per barrel and envisages implementation of the investment program in the amount of RUB 920 billion. In the context of high market volatility several alternative budget scenarios were drawn up based on more conservative price forecasts, namely USD 41, USD 30 and USD 25 per barrel, within the frames of the anti-crisis program. Meanwhile, my esteemed colleagues, even under these forecasts of low oil prices and the correspondent sales drop on our key sales markets the Company's financial condition will remain steady.

On the basis of the mid-year results the 2009 budget will be adjusted and submitted for consideration to the Management Committee and in September – to the Board of Directors. We understand that the results of the first quarter are not revealing for a number reasons what we have repeatedly mentioned when conducting various briefings and other press conferences with my colleagues. The fall in gas prices followed after a dramatic drop of oil prices in the second half of 2008, events in Ukraine earlier this year and the ongoing economic crisis that led to decline of industrial production and subsequent decline in natural gas demand – all these factors keep us out of giving forecasts based on the first quarter results. We see that the second quarter, i.e. the results of the first half of the year, will give us an opportunity to define more distinct trends till the end of the year. Basically, adjustment of the budget subsequent to the results of a half-year period is a traditional practice in Gazprom.

At this stage we are making monthly short-term liquidity forecasts. Herewith, taking into account a decline in natural gas demand we are cutting down financial backing of the investment program. Preliminary estimates indicate that the overall volume of adjustment may lead to a 30 per cent cut in the investment program. As you understand, Gazprom operates in a capital intensive sector and one of the main tasks, anti-crisis measures, was to provide more distinct identification of our investment priorities, to form and rank the investment projects. In our view, it will help us to provide maximum concentration of financial resources on key projects. I want to point out, however, that we are not planning any significant reduction of investments in the areas related to our main fields development and the largest gas transportation facilities construction. Investment in gas production, distribution and marketing lays the basis of our long-term strategy oriented to satisfy the growing demand for energy carriers both in our traditional regions of presence and the new ones.

Implementation of the debt strategy assured a steady state of our Company during the crisis. By extending and evening-out the debt payment curve Gazprom maintained its relative debt-to-equity ratios on a comfortable level. In recent years the amount of debt has been about one third of the equity capital which is lower than the maximum level of 40 per cent approved by the Board of Directors. As of today, Gazprom has enough financial resources and also a number of credit lines opened in the largest banks ensuring the required liquidity position. Moreover, we pay much attention to the cost of debt. At the moment, the share of fixed-rate debt fairly exceeds the share of floating-rate debt. Thus, under the conditions of financial markets turmoil we feature greater certainty in servicing our debt commitments. It is also necessary to mention our efforts to organize a centralized intra-group liquidity management system. Practical implementation of this project will allow Gazprom mobilize internal resources, thus reducing the need for external borrowings and improving the available cash assets management quality.

I would like to say a few words about the credit ratings assigned to our Company. Recent revisions in the Gazprom rating outlook made by Standard&Poor's and Fitch were caused by the respective adjustments in Russia's outlook only, while the outlook lowering by Moody's reflected higher correlation of the risk factors affecting Gazprom's sovereign credit quality. It is common knowledge that rating agencies require that the corporate credit rating does not surpass the sovereign credit rating. I would like to point out the firmness of Gazprom's stand-alone position – when the financial performance of the Company alone is estimated leaving out the influence of the sovereign rating or external conditions. However, this parameter, this rating component hasn't changed in spite of a significant deterioration of the market environment.

One of the main elements of our policy in the field of fundraising is diversification of the borrowing instruments. We use a multi-currency borrowing system, mechanisms of decreasing interest costs and try to implement project financing on

a larger scale. I want to particularly mention that this year our Company was the first one to enter the financial market in the absolute absence of liquidity for Russian companies. Having set a task to achieve reasonable conditions for the Company to a maximum practical extent we successfully held two issues of Eurobonds with 9 per cent and 9.25 per cent coupons. Moreover, esteemed colleagues, I should note that it was in spring. Using a traditional approach to marketing on the financial market, borrowing profitability in the economic crisis context could grow up to 12 per cent or even more. You know what was happening to the companies' credit default swap (CDS) level at the time. The loans placement beneath the secondary market profitability level created financial capacity to enter the international financial markets both for our Group and other Russian companies.

Tight control over the level of accounts receivable has become a substantial part of the Company's anti-crisis plan. When reviewing the level of accounts receivable it is necessary to correlate it with the parameters of accounts receivable turnover. Slide 8 shows that despite the total debt growth due to high gas prices and the subsequent growth of the accounts payable by the customers, we are still demonstrating robust accounts receivable turnover. Therefore, our top-priority effort in the sphere of working capital management is aimed at improving trade receivables turnover. We come up to it through tightening the payment discipline among buyers and also consider a possibility of introducing advance payments on a larger scale. In addition, in order to save Gazprom's liquid funds we try, if it is possible, to pay for works and supplied equipment upon accomplishment or delivery avoiding pre-payment that in the current economic situation can freeze liquid funds for a long period of time.

At the moment, more than a half of the volume of domestic gas sales at regulated prices doesn't turn up to be a real source of financial resources to be invested in the Unified Gas Supply System maintenance and development. Gas export accounts for the bulk of sales proceeds.

In 2008–2009 the Russian Government adopted a series of important resolutions envisaging changes in regulated wholesale gas prices and achievement of the profitability level that would provide equal profitability between export and domestic gas sales. The issue of increasing gas prices in 2010 is being discussed by federal executive bodies. Gazprom is holding on cooperation with ministries and agencies to maintain the previously adopted parameters of the wholesale gas prices increase. Freezing or decreasing the planned level of regulated prices will lead to a drop in the required capital investments. Moreover, we are working with federal authorities to switch to regular exchange trading in limited volumes of gas extracted by Gazprom. We carry on preparing economic and legal grounds for the proposals on the market-based gas pricing principles implementation. Market instruments, unlike directive instruments, will allow offsetting economically viable costs and flexibly reflect consumption specifics by individual industries via gas

prices, envisage their seasonality factors, take into account their delivery modes and gas extraction irregularities. However, I would like to point out that the most vulnerable category of consumers – population – will not be affected by this process as they will be supplied with gas at the Government-regulated prices.

Let me say a few words about the Company's strategy in the sphere of information technology utilization. The Gazprom Informatization Strategy adopted in 2008 by the Management Committee determines the framework of the corporate governance system on all levels of the Group, as well as the informatization program for the Company's major activities over the next five years. In 2008 the work was initiated within 29 projects on the information management systems creation. The Strategy implementation has already produced first results and among them it is necessary to mention creation of Gazprom's corporate data bank. The project resulted in adoption of the integrated process for reference data input and utilization aimed at Gazprom Group's corporate reports compilation.

One of the top priority projects of the Gazprom Informatization Strategy is the creation of an automated budget management system. The project is aimed at improving the transparency and effectiveness of business management and shifting the strategic objectives to the operating management level. Integration of operational, investment, and financial planning will give an opportunity to form complete, adequate and comparable reports of the Group's activities. The automated budget management system is created as a centralized support system for the integrated budgeting process in Gazprom and subsidiary companies, which will help to flexibly manage liquidity and provide financial control over subsidiaries. Implemented solutions will allow the Company to maintain its stable development even during the global economic crisis and fully perform the assumed obligations.

In conclusion let me sum up the above mentioned. In order to ensure corporate development we go on financing our production projects with due regard to with their strategic importance. We carry on strict control over expenses, maintain a reasonable level of working capital and effectively manage debts and raise funds. We are successfully implementing the intra-Group money balances management system to improve the efficiency of own financial resources utilization. We also improve the corporate governance transparency and quality to provide optimal managerial decisions making. It is clear now that the economic crisis is not a disaster but it is still a really huge problem. And we understand how to deal with it. The crisis has given us a new impetus to improve the Company's efficiency. Maybe it will seem trivial but Gazprom goes on moving towards becoming a global energy leader.

Esteemed colleagues, I appreciate your attention. My colleagues and I are ready to answer your questions. Thank you.

Question: Maria Radina, UBS company. I have a few questions. The first question concerns the RUB 920 billion investment program. Does this amount include Gazprom neft, the deal on gas assets acquisition from ENI, and how will this amount be revised in the context of financial investments? My second question concerns new production profiles for 2010–2012 announced by Mr. Ananekov a few days ago. And the question is what will be the CAPEX under the expectation of these gas consumption parameters during the next three to five years? The third question concerns cost deflation. If we take a look at the financial indicators stated by Russian oil companies we will see that the costs reduction rate exceeded the ruble to dollar devaluation. Should we expect that Gazprom will show the same trend in the first half or quarter of this year?

Andrey Kruglov: With regard to the first question about the RUB 920 billion investment program and the deal with ENI – you mean Gazprom neft, 20 per cent, don't you? As you know, this deal was made in this April. The Management Committee and the Board of Directors took the respective decisions on the conclusion of this deal but initially it was not a part of the RUB 920 billion program. Thus, the deal will be included in the 2009 budget as financial investment on the basis of the mid-year budget adjustment.

As for the next question about production profiles, in my presentation I have shown that the approximate level of the investment program cutdown may reach 30 per cent of the initially planned volume. Mr. Ananekov has specified a certain amount during his Press Conference. But I would like to stress that whatever Mr. Ananekov said or whatever we can tell you today is just a possible forecast. At the moment, we are collecting the information from subsidiaries and our marketing block to understand whether the gas consumption trend will remain intact or change, thus letting us know if it is necessary to correct the production level. Quite a lot has been said regarding this question and I can only repeat that the production is not an end in itself and we can't maintain the level at any cost. Gas is produced only when it is sold and contracted, therefore without this understanding it is hard to provide any specific parameters. But according to the adopted investment program amount – I mean RUB 920 billion – RUB 250 billion was allocated for production. This is the amount of the adopted but not adjusted investment program. Certainly, if the entire program changes, all the elements will be subsequently adjusted – production, transportation, processing and others. But in view of the current conditions, the balance between production and transportation may shift to transportation because large infrastructure projects like Nord Stream, for example, will not be adjusted or changed even during the crisis.

Concerning cost reduction. This is a pressing issue and we are permanently working at it. Of course, we can't reduce costs to zero. We are a gas producing company after all and have to operate our major fields with declining production, which predetermines construction of new booster compressor stations and implementation of the measures aimed at maintaining the production level. We

carry out work in this direction.

Mikhail Rosseev: It is hard to give any specific comments before reports are issued, we can only state some general directions. It is clear that if the production has been declining, the mineral extraction tax will be reduced and a part of direct costs including transportation costs will be subsequently reduced as well. At the same time, there is some cost inertia that is why I don't feel like saying now that the first quarter will show any significant decline. As for the mid-year period – let's wait for the results and we will see.

Andrey Kruglov: It is planned that the cost reduction program effect will reach RUB 11.5 billion in 2009.

Question: When we are talking about a 30 per cent cutdown – the amount 30 per cent lower than RUB 920 billion – do we include Gazprom neft and acquisitions there?

Andrey Kruglov: No. This is Gazprom's investment program.

Question: In other words you are not including the acquisition of a 20 per cent stake in Gazprom neft?

Andrey Kruglov: No, we are not because the investment program of Gazprom comprises two parts. These are long-term financial investments, i.e. assets acquisition, and capital projects themselves. But when we are talking about a 30 per cent cutdown for instance, we mean the CAPEX, i.e. capital construction costs.

Question: Andrey Gromadin, J.P. Morgan. I also have a clarification question about CAPEX. Which of the three scenarios is the closest to RUB 920 billion and the planned 30 per cent cutdown?

Andrey Kruglov: It is closer to the scenario of USD 41 per barrel.

Question: Viktor Mishnyakov, Uralsib bank. I have one question to Mr. Kruglov and, maybe, a clarification question to Ms. Vasilieva or Mr. Rosseev. It concerns the currency of Gazprom's debts and proceeds. The situation is rather unique because it is not only dollar, but euro plus Swiss frank, Japanese yen and pound sterling. And every currency has its own movement. Every currency has its own exchange rate going either up or down. My question is about budgeting, the budgeting strategy in the currency context and currency planning. How does Gazprom strategically tackle these issues and how is the Company planning it? And, maybe, some specific data about the way the currency exchange rate impacts loss or profit from exchange rate difference particularly in international and in Russian financial reporting separately.

Andrey Kruglov: Regarding the currency component planning for the borrowing program. You have fairly noted that we have a multi-currency debt portfolio embracing Swiss francs, pounds sterling, yens, rubles and dollars, but practically I would speak about three main currencies – euro, dollar and ruble. Since the deal [on fundraising] in yens was swapped in dollars just like pounds sterling. In other words we have swaps in the currencies of export proceeds and, in fact, this is our strategy if we talk about it.

In our borrowing program we try to use an approach that would allow us to maintain the debt and the currency proceeds proportionate. Our prime contracts are in euros, dollars and, of course, in rubles when trading on the Russian market. When shaping the debt profile we make borrowing in these currencies. If we make borrowings in other currencies an additional instrument is set up, which allows us shut out the exchange rate risk. Such a balance between debt settlement obligations and planned proceeds creates a sort of natural hedging for us when we don't need to buy or sell currencies to perform obligations. In fact, when a dramatic fall in the ruble exchange rate occurred late last year – early this year it had no significant impact on our debt profile and debt payments as we are a gas exporting company. This situation even had some positive effect on our investment plans and investment activities as long as our investment program is ruble-denominated and we make payments in rubles.

Of course, when we make a decision on issuance or borrowing currency we review its value and try to evade misbalance towards one of the currencies with regard to the repayment period, thus in fact we make a debt payment curve. This is what I wanted to say about the strategy of currency debt instruments utilization.

Elena Vasilieva: I will add that Russian statements of Gazprom as the parent company and consolidated Russian statements of Gazprom Group are drawn up in rubles. International statements are drawn up in rubles, too. As for other currencies – euros, dollars and others, operating expenses overbalance revenues.

Mikhail Rosseev: About international statements. The most negative impact on the indicators in the profit and loss statement is provoked by debt overestimation as we overestimate it irrespective of the revenue basis. Exchange rate differences mainly affect the financial expenses and financial revenues. Ruble weakening against any other currency will respectively lead to declaration in the profit and loss statement of the expenses caused by exchange rate differences, which generally has no effect on money flow.

Question: Natalia Milchakova, Otkrytiye company. I have two quick questions. The first one is in furtherance of the question about strategic planning. Do you take into account in your long-term planning the fact of the net back parity from 2010 or not for now? And the second question: how do you see the outlook of the potential extraction tax increase by the Government and how strongly will it affect

the expenditures? Thank you.

Andrey Kruglov: These are topical issues for our Company. Answering the first question I want to say that certainly in our plans we count on the net back parity in the nearest future pursuant to the Government resolutions. Yet, the dynamics of the gradual gas price increase is maintained and even against the crisis in 2009 the planned increase of the gas prices was still carried out. Of course, we count on the net back parity from 2011 and make allowances in our plans in this regard, even though under the plan it will happen in 2011, we would prefer 2010.

Now to the question about a possible increase in the extraction tax. Frankly speaking we heard about it, about these plans only from mass media but no official position of the Government or the Ministry of Finance on this issue was given. I want to say a few words with respect to this issue. Of course, this is an additional financial burden on the Company. You understand perfectly well that the year of 2010, I hope that everybody understands it, will be very uneasy for Gazprom as we will have low gas prices due to the six to nine month gap between oil and gas prices. Moreover, we will hardly recover the pre-crisis level of gas sales in 2010. So, answering the question about the Company's attitude to these plans I want to say that it is definitely not positive.

Elena Karpel: Domestic prices adjustment is an economically viable move as unfortunately up to date domestic gas prices have not been reflecting the real situation. They don't reflect the consumer value of gas, production costs and even replenishment required both to provide gas supply to the domestic market and in compliance with our international gas supply commitments. Thus, the said measure is aimed at a gradual increase in the prices to a feasible level. Mr. Kruglov has already mentioned that the question about price adjustment parameters is being discussed with federal executive bodies and I must say that this issue is understood, at least at the moment. I mean the negotiation process with federal authorities on the necessity of this step. Therefore, we hope that a reasonable and balanced resolution will be adopted and the prices will be increased from January 1, 2010. Thank you.

Question: Tatyana Mosolova, Reuters agency. How is Gazprom planning to solve the debt issues, what is the current debt amount and planned repayment amount this year and what sources will the Company use to raise funds?

Andrey Kruglov: As of December 31, 2008 the total debt of Gazprom Group was RUB 1.366 trillion. At the end of 2008 net indebtedness has shown a 17 per cent decrease to RUB 1.018 trillion. This decrease is conditioned by a significant reduction in the number of long-term and short-term credits and loans attributable to Gazprombank Group deconsolidation, which accounted for 25 per cent of the debt in early 2009.

Now about the repayment amount. We are to repay RUB 380 billion for debt

servicing, i.e. both principal debt servicing and interest payment.

Question: Andrey Muslimov, RBC TV channel. My question is about dividends. The decision to pay one of the record low dividends over the recent years is taken in the context of the record high profit. What is this decision dictated by and where will the free funds be channeled? The second question is about bonuses for the top managers: on what level will they remain? Thank you.

Andrey Kruglov: Regarding dividends. This problem really exists. In fact, we were acting on the basis of the existing dividend policy when preparing the appropriate materials for consideration of the Board of Directors. This is some 17 per cent of the net profit. Following the results of the Board of Directors meeting a resolution was adopted to pay out a 5 per cent dividend equal to 36 kopecks per share. In fact I can comment on this resolution on my own behalf only. Of course, the dividends and the investment program are kind of two sides of the same coin. Under the financial crisis our Company definitely faces the necessity to maintain the pace of development and to fulfill the plans that have direct influence on its efficiency and profit.

The investment projects implementation – Gazprom should be regarded as an industry-wide company. We determine the fate of a great number of companies that work with us. These are suppliers, quite a lot of contractors – construction companies, etc. It is natural that any decrease in the Group's activities affects other sectors of the industry. This is a sort of an objective process. I think that this resolution of the Board of Directors, which is to be submitted for consideration of the General Shareholders Meeting, is mainly driven by the crisis developments in the economy. My colleagues have already mentioned the levels of demand drop and production drop, and so on. Such a decision must have been taken for this very reason. You already know that there were directives in relation to companies with state participation in other industries as well, for instance Aeroflot and VTB, envisaging reduction in the dividend amount this year, which will be even lower in some way if compared to Gazprom's planned payouts.

Elena Vasilieva: Concerning the annual bonus in Gazprom – I am ready to state it today: the amount is RUB 125 million. Regarding Gazprom Group and subsidiaries, we will be ready to provide this information within the next two to three days.

Question: John Calligan, MKS Investment. What is the break even point of your Company? What volume of the money flow do you expect in 2009?

Mikhail Rosseev: Cost-effectiveness has been at a very high level in recent years. Due to exceptionally high gas prices this parameter exceeded 40 per cent in 2008. On the assumption of the parameters that were given on the basis of our marketing block's forecasts and prices expectations of the year the cost-effectiveness will be probably on the level of 2006. In other words, it will decrease a little but will still

remain on a rather attractive level.

Money flow. The year of 2009 is rather challenging. The most important part of the policy the Company has been pursuing recently is self-financing. So, we hope that this year our Company will still manage to reach a positive money flow. But it still depends to a large extent on the price parameters and demand of the year.

Question: Maria Radina, UBS company. Now I have a clarification question about the debt level. The short-term debt exceeds RUB 300 billion as you have already said. Which part of the debt will be paid off, which one will be refinanced and how will the debt profile of Gazprom alter this year in general? I mean will it grow comparing to the 2008 year end or will it remain on the same level?

Andrey Kruglov: As to the question on refinancing. Of course, we will take into account the existing refinancing capacities and opportunities while by now we have already refinanced about RUB 60 billion of the debt we are planning to pay off. You have rightfully mentioned the short-term debt but in fact the short-term debt is formed on the accounting basis. For example, if we borrow money for five years this medium-term debt will subsequently be transformed into the short-term debt in four years and that will amount (in 2009) to about RUB 380 billion. RUB 60 billion have been refinanced by now. Talking about further work on the debt market I must say that we will first review the market conditions and the situation with the debt. Of course, the funds we borrowed to buy a 20 per cent stake in Gazprom neft will be added in the year end. Nevertheless, we hope that our main comparatives defining the Company's financial stability – first of all these are the total debt/EBITDA and the net debt/EBITDA ratios – in respect to the total debt/EBITDA ratio we still hope that it will be below 2 even with decreased EBITDA and a relative growth in the total increased indebtedness.

Question: Viktor Vishnyakov, Uralsib bank. I have a question about Gazprom's attitude towards the debt policy of Gazprom neft. They apparently have to raise some funds now probably for the demands of Sibir Energy. What can they do and what they can not? And why can't Gazprom neft have the same credit ratings with Gazprom since Gazprom itself allegedly controls 95 per cent of Gazprom neft. Do they have an opportunity to take credits at the interest rate equal to the one of Gazprom? Why does this difference exist?

Andrey Kruglov: On the one hand Gazprom neft is a separate legal entity on the other – this company is a part of Gazprom Group and correspondingly all the financial activities of Gazprom neft are consolidated in the Group's statements, including indebtedness. A few years ago decisions were taken on rather strict centralization of the financial discipline to the extent of the total debt management and the procurement of loans by the Gazprom Group member companies. It is necessary to say here that there are specific regulations for the entire procedure. As for the question about the expediency of fund raising by the subsidiary, not by the

parental company, with further distribution for the financial needs of this subsidiary company. As a rule, Gazprom has an opportunity to raise funds on advantageous terms, if compared to our subsidiaries even despite the fact that they are included in Gazprom Group.

Concerning the rating of Gazprom debt and fundraising conditions on the market – of course, Gazprom debt entered the market on its own and most probably will keep doing it in future, but I want to note again that this case requires analysis. If the financial requirement exists with simultaneous opportunity to raise cheaper loans of the same quality – anyway, it is more favorable to do it on advantageous financial terms. So, from the economic point of view on the expediency and the total debt reduction, such regulations and rules of the debt policy for subsidiaries do exist. I would like to remind my esteemed colleagues that the average borrowing cost for Gazprom in 2008 was a little bit more than 6 per cent, somewhere about 6.2 per cent, which is good.

Moderator: Thank you. The Press Conference is over.