



## 9m2012 IFRS Consolidated Financial Results

January 17<sup>th</sup>, 2013



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## **Andrey Kruglov**

**Deputy Chairman of Gazprom Management Committee**

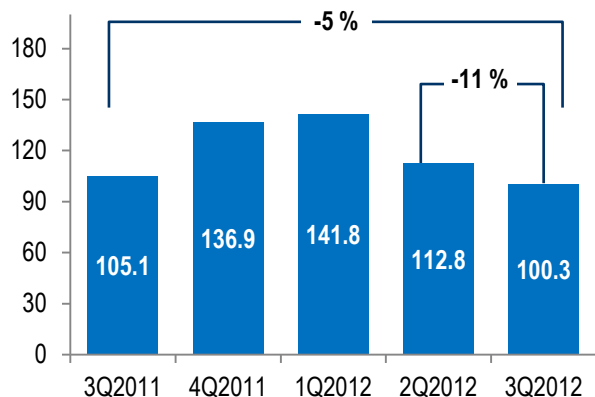
**Head of the Department for Finance and Economics**

### 3Q2012 vs. 3Q2011 Gazprom Group results

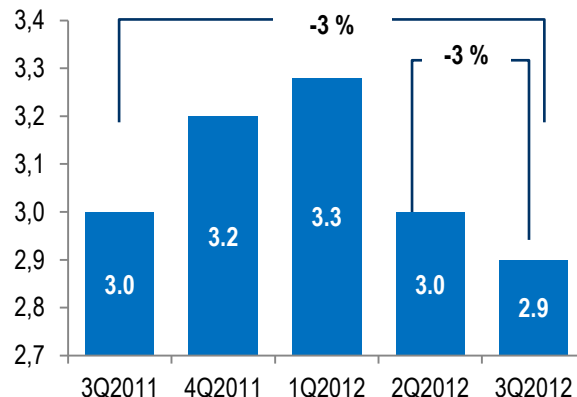
- **Total net sales** grew by **18%** to **1,121 bn RR**
- **Adj. EBITDA** fell by **15%** to **336.3 bn RR**
- **Net Profit<sup>(1)</sup>** increased **2 times** to **305.1 bn RR**
- **Operating cash flow** decreased by **32%** to **258.3 bn RR**
- **Total debt** increased by **6%<sup>(2)</sup>** to **1,633 bn RR**
- **Total Debt/Adj.EBITDA LTM** is **0.98x**

1. Profit for the period attributed to owners of OAO Gazprom  
2. Compared to total debt as of December 31, 2011

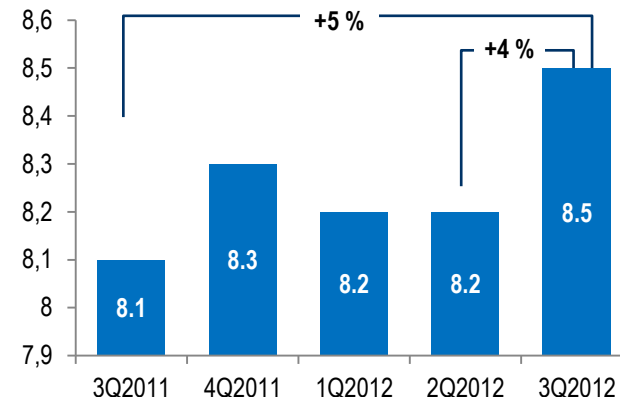
### Natural Gas, bcm



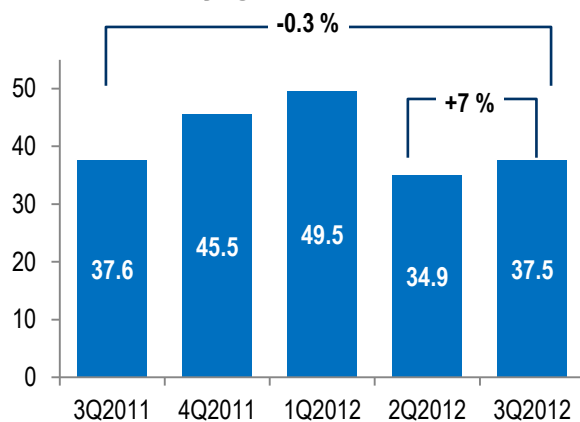
### Gas Condensate, mln ton



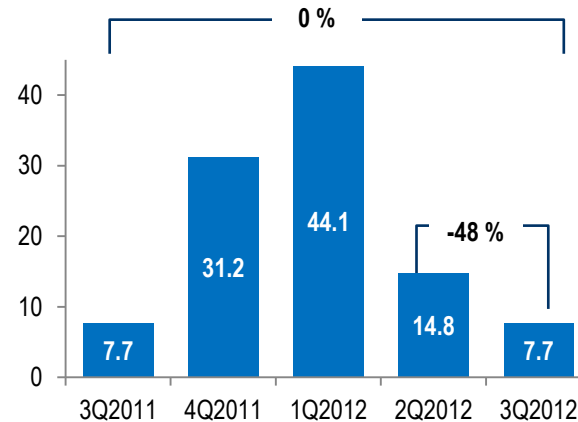
### Crude Oil, mln ton



### Electricity generation, bln kWh



### Heat generation, mln Gcal



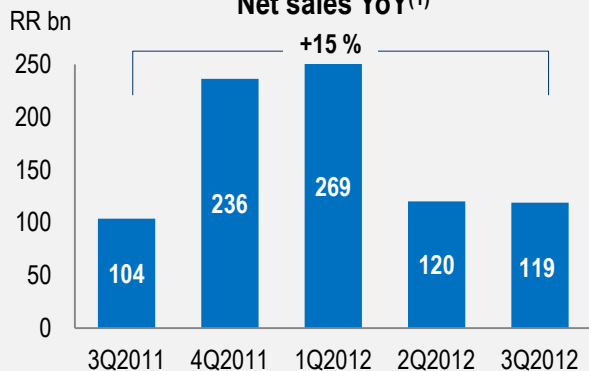
Including Russian generating companies: Mosenergo, OGG-2, TGK-1  
Calculations may diverge due to rounding.

| Bcm                                                                       | 3Q2011       | 3Q2012       |
|---------------------------------------------------------------------------|--------------|--------------|
| <b>Natural gas resources</b>                                              | <b>153.9</b> | <b>150.6</b> |
| Domestic gas production                                                   | 142.7        | 139.4        |
| Other sources including Central Asian and Azerbaijani gas                 | 9.3          | 9.7          |
| Gas withdrawn from underground storage in Russia, Latvia and Europe       | 0.4          | 0.4          |
| Decrease in the amount of gas within the gas transportation system        | 1.5          | 1.1          |
| <b>Natural gas distribution</b>                                           | <b>153.9</b> | <b>150.6</b> |
| Domestic consumption                                                      | 80.8         | 79.7         |
| including needs of the gas transportation system and underground storages | 8.7          | 7.6          |
| Gas pumped into underground storages in Russia, Latvia and Europe         | 26.5         | 20.7         |
| Gas for LNG production (Sakhalin-2)                                       | 3.0          | 3.3          |
| FSU supplies (including Baltic states)                                    | 12.8         | 14.4         |
| Foreign supplies                                                          | 29.1         | 30.8         |
| Increase in the amount of gas within the gas transportation system        | 1.7          | 1.7          |

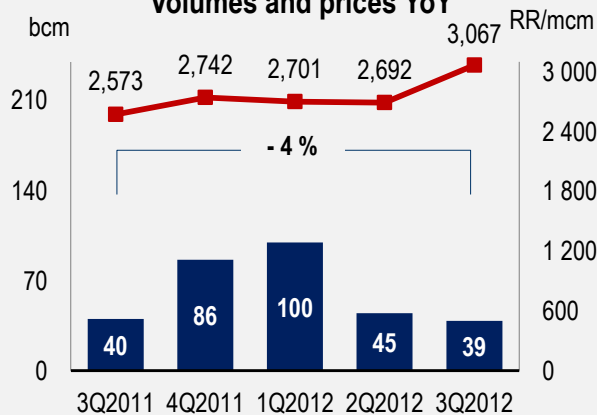
Source: Company Operating Data

## Gas Sales in Russia

### Net sales YoY<sup>(1)</sup>

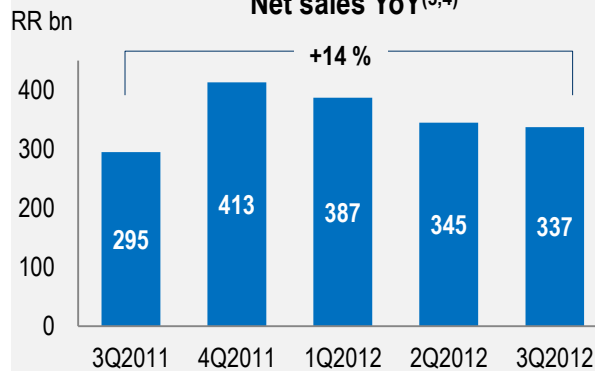


### Volumes and prices YoY

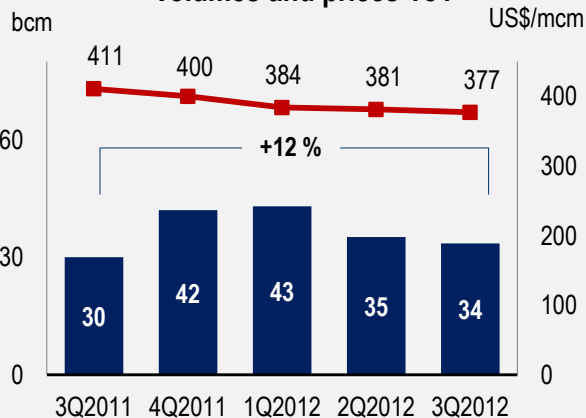


## Gas Sales in Europe and Other Countries<sup>(2)</sup>

### Net sales YoY<sup>(3,4)</sup>

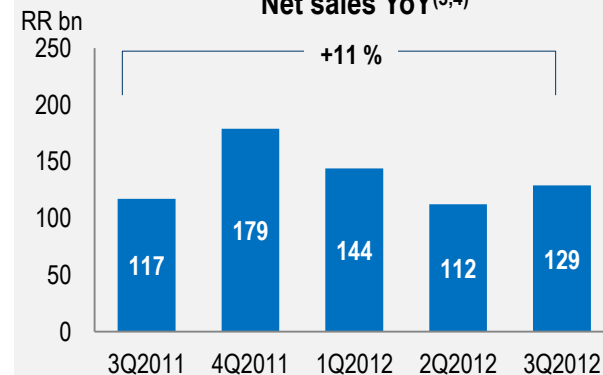


### Volumes and prices YoY

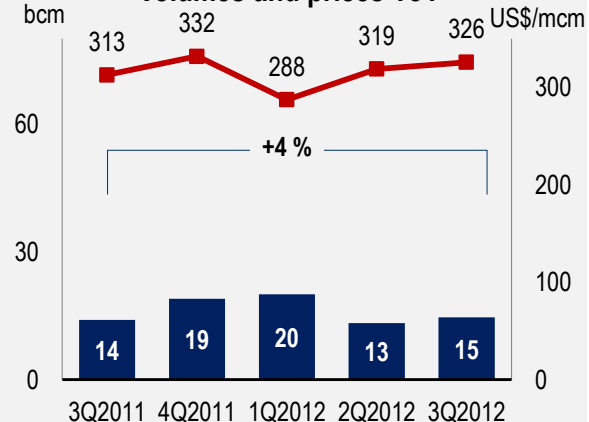


## Gas Sales in FSU Countries

### Net sales YoY<sup>(3,4)</sup>



### Volumes and prices YoY

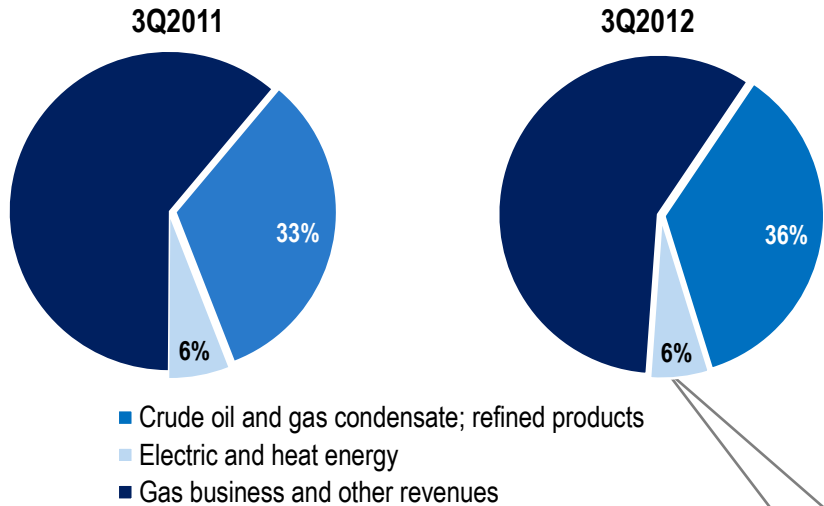


Calculations may diverge due to rounding.

1. Net of value added tax (VAT); 2. Other countries include LNG sales to Japan, Korea, Taiwan and China; 3. VAT is not charged on sales to FSU, Europe and other countries; 4. Net of custom duties



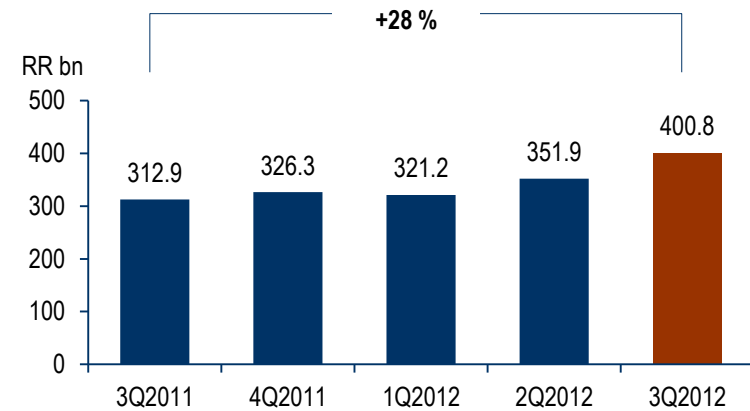
## Net Sales<sup>(1)</sup>



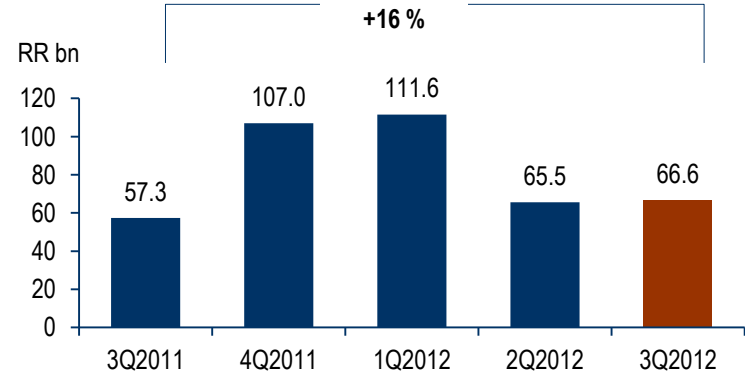
- The increase of net sales of crude oil, gas condensate and refined products was mainly caused by increase in oil and gas condensate prices, and prices for refined products as well as by growth in volumes of oil and refined products sold and expansion of scope of consolidation.
- The increase of net sales of electric and heat energy was mainly due to increase of day-ahead market price, capacity tariff indexation and expansion of scope of consolidation.

Calculations may diverge due to rounding.  
1. Net of value added tax (VAT)

## Crude oil and gas condensate; refined products



## Electric and heat energy





# 3Q2012 Vs 3Q2011

## Changes of Operating Expenses Items

### Main drivers of change

Relates mainly to the increase in costs of purchased oil by RR 45.3 bln or by 74% due to increase in volumes and prices of oil purchased and increase in costs of purchased gas by RR 33.7 bln or by 29% due to increase in volumes and prices for gas purchased from third parties outside the Russian Federation.

Mainly resulted from the general increase of natural resources production tax rate for gas from RUB 237 to RUB 509 per thousand cubic meters from January 1, 2012.

Mainly resulted from the average salary increase, recognition of obligations for remuneration payments for the 9 months period as expenses and expansion of Gazprom Group's scope of consolidation

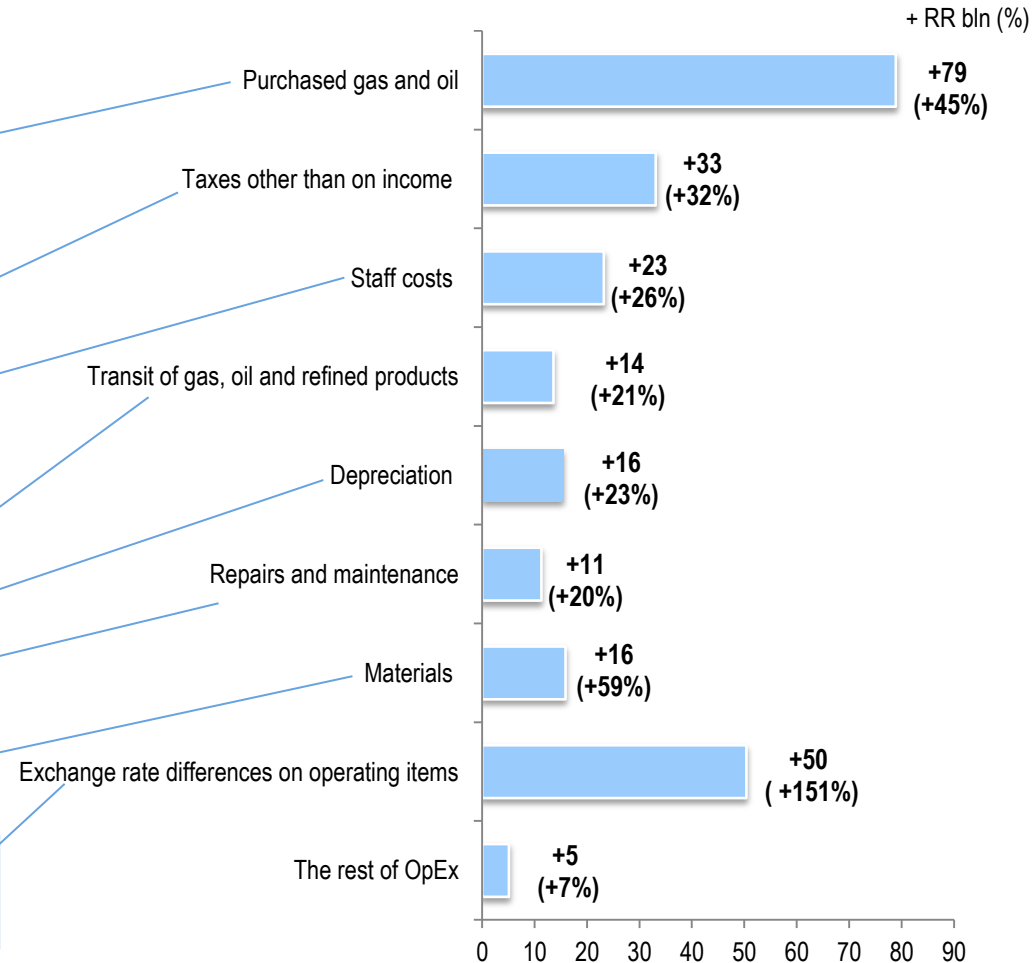
Mainly relates to the increase in costs of transportation through the territory of Ukraine, Germany and through the "Nord Stream" pipeline and increase in costs of transportation of oil and oil products.

Primarily relates to the growth in fixed asset base.

Mainly resulted from the increase of volume of repair and maintenance services rendered by third parties.

Resulted from the expanding of Gazprom Group's scope of consolidation.

Mainly resulted from depreciation of USD and EURO against RUB by 6% and 3% for 3Q 2012 and appreciation of USD and EURO by 14% and 7% in the same period of the prior year.

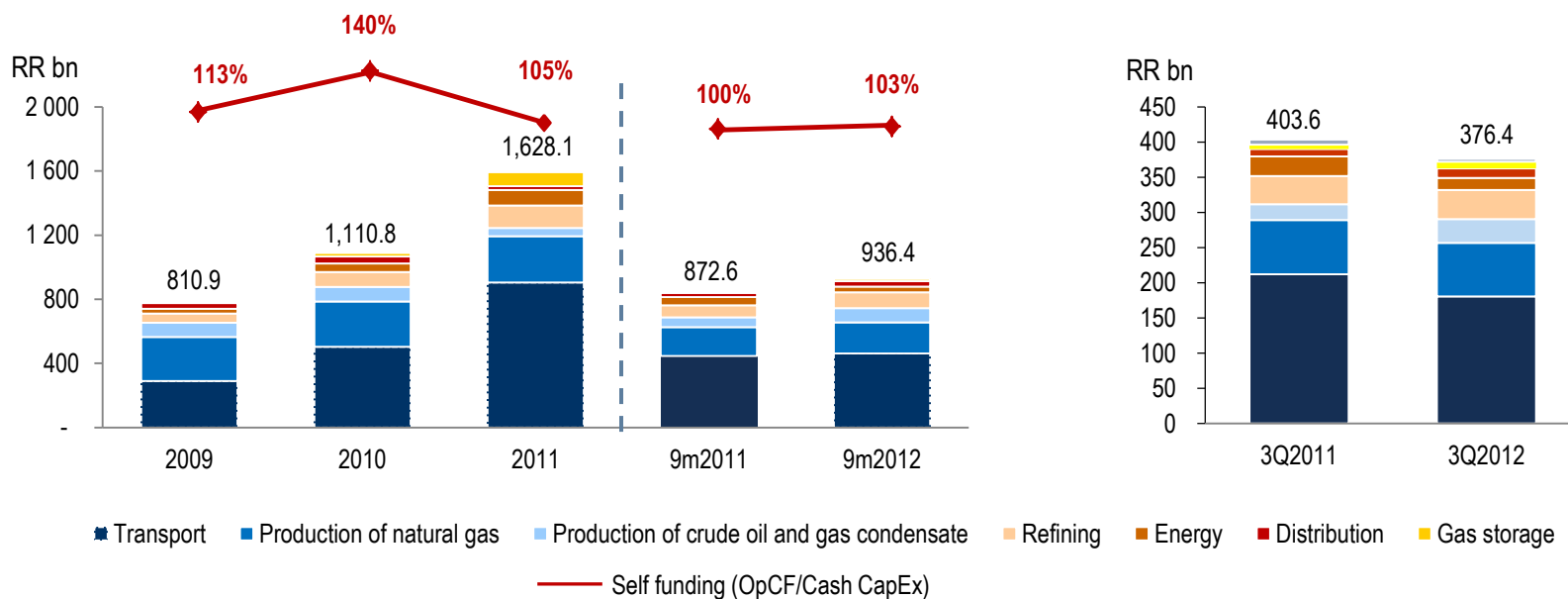


Total OpEx growth: + 40%

The rest of OpEx include; electricity and heating expenses; transportation services; research and development expenses; rental expenses; heat transmission; insurance expenses; Social expenses; processing services; Losses/gains from derivative financial instruments; charge for impairment provisions; changes in inventories of finished goods, work in progress and other effects and other OpEx.

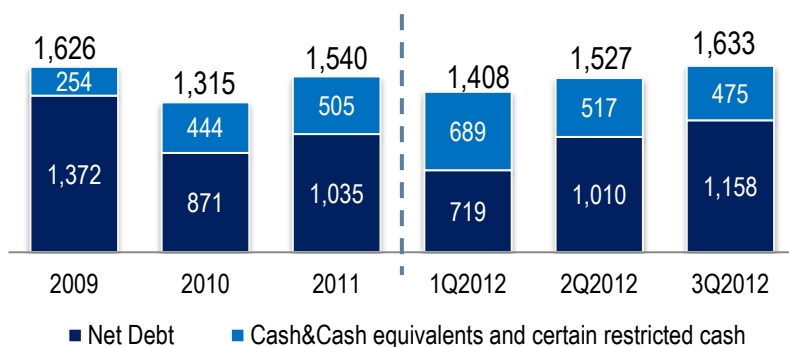
|                                                          |                                        |                   |                                                                                                    |
|----------------------------------------------------------|----------------------------------------|-------------------|----------------------------------------------------------------------------------------------------|
| <b>3Q2012</b><br><b>Total Changes in Working Capital</b> | <b>Increase in gas inventories</b>     | <b>- RR 56 bn</b> | <b>- RR 94 bn</b><br><b>Negative impact on the company's operating cash flow during the period</b> |
|                                                          | <b>Decrease in accounts receivable</b> | <b>RR 16 bn</b>   |                                                                                                    |
|                                                          | <b>Decrease in accounts payable</b>    | <b>- RR 42 bn</b> |                                                                                                    |
|                                                          | <b>Changes in taxes payable</b>        | <b>RR 6 bn</b>    |                                                                                                    |
|                                                          | <b>Other effects</b>                   | <b>- RR 18 bn</b> |                                                                                                    |

## Gazprom Group's CapEx & self funding position

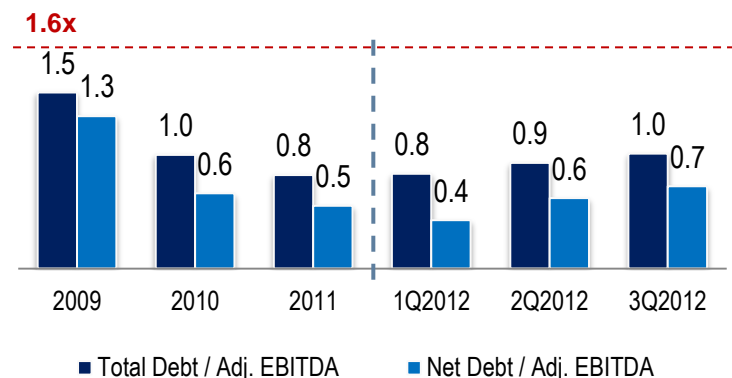


- Cash CapEx wholly financed with operating CF
- CapEx structure to provide:
  - Production growth, depending on market requirements
  - Flexible company strategy in the future

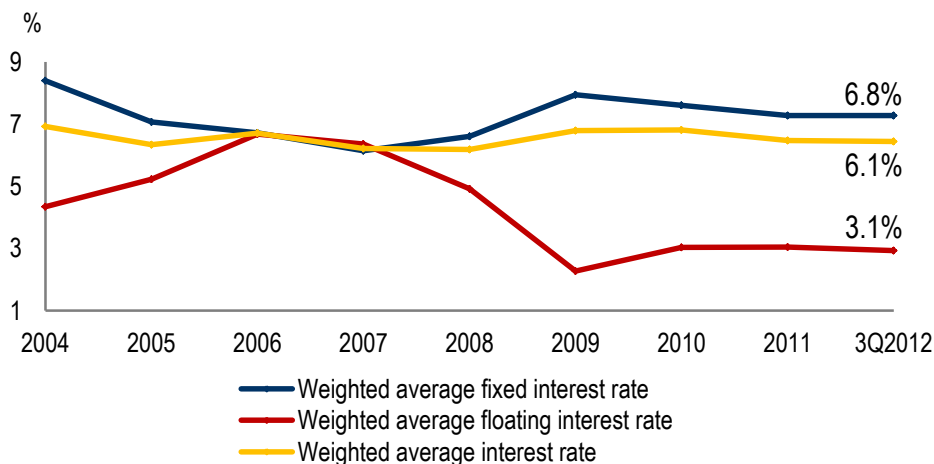
### Total Debt <sup>(1)</sup>, RR bn



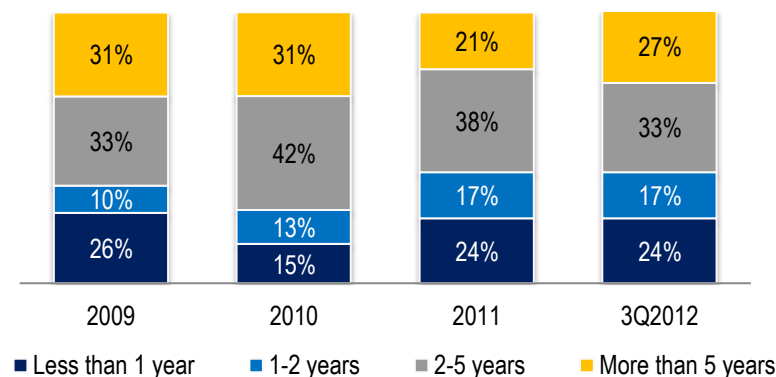
### Credit metrics



### Cost of debt financing <sup>(2)</sup>



### Debt maturity profile <sup>(2)</sup>



1. Total debt: short-term borrowings and current portion of long-term borrowings, short-term promissory notes payable, long-term borrowings, long-term promissory notes payable and restructured tax liabilities  
 2. Excluding promissory notes

## Department for Finance & Economy

Corporate finance directorate

**Fax: (007) (495) 719-35-41**

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**Oleg NAGOVITSYN**

Deputy Head of Corporate finance directorate

Phone: (007) (495) 719-26-25

E-mail: [O.Nagovitsyn@adm.gazprom.ru](mailto:O.Nagovitsyn@adm.gazprom.ru)

**Andrei BARANOV**

Investor Relations

Phone: (007) (495) 719-25-89

E-mail: [ir@gazprom.ru](mailto:ir@gazprom.ru)

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