



## 2Q2013 IFRS Consolidated Financial Results

November 14, 2013



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## **Andrey Kruglov**

**Deputy Chairman of Gazprom Management Committee**

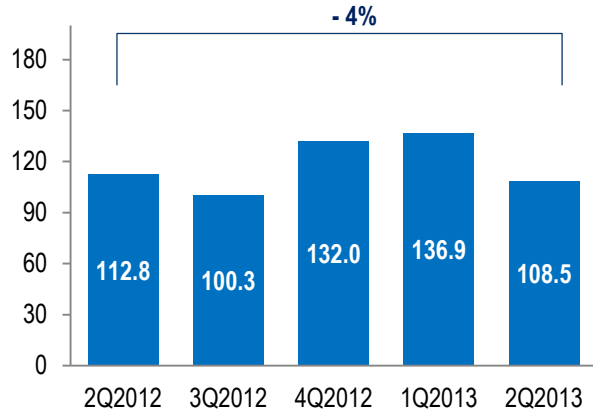
**Head of the Department for Finance and Economics**

## 2Q2013 vs. 2Q2012 Gazprom Group results

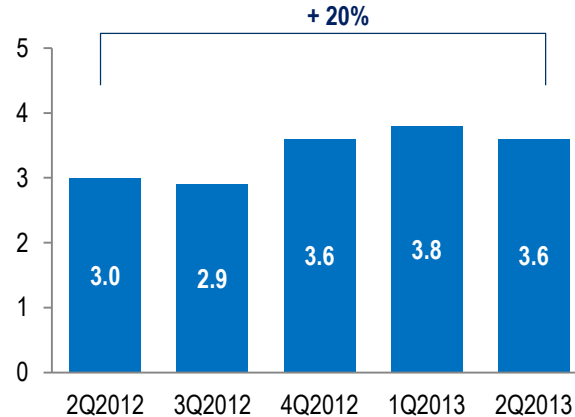
	2Q 2013	YoY
<b>Total net sales</b>	<b>1,107 bln RR</b>	<b>↑ 10%</b>
<b>Adj. EBITDA</b>	<b>439 bln RR</b>	<b>↑ 9%</b>
<b>Net Profit<sup>(1)</sup></b>	<b>202 bln RR</b>	<b>↑ 30%</b>
<b>Operating cash flow</b>	<b>438 bln RR</b>	<b>↑ 230%</b>
<b>Free cash flow</b>	<b>130 bln RR</b>	<b>↑ 178%</b>
<b>Net debt</b>	<b>906 bln RR</b>	<b>↓ 15%<sup>(2)</sup></b>
<b>Net debt/Adj.EBITDA LTM</b>	<b>0.5x</b>	

1. Profit for the period attributed to owners of OAO Gazprom  
 2. Compared to net debt as of December 31, 2012

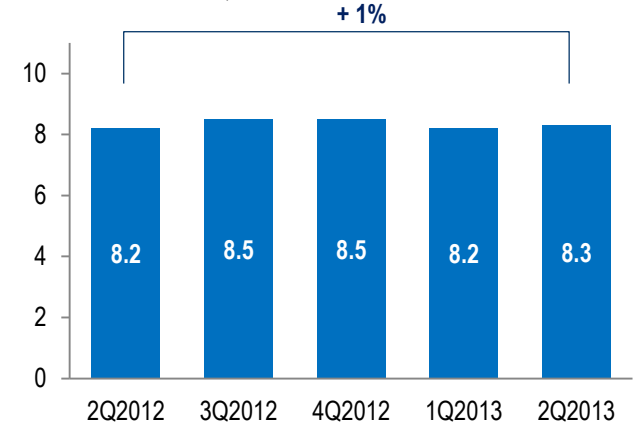
### Natural Gas, bcm



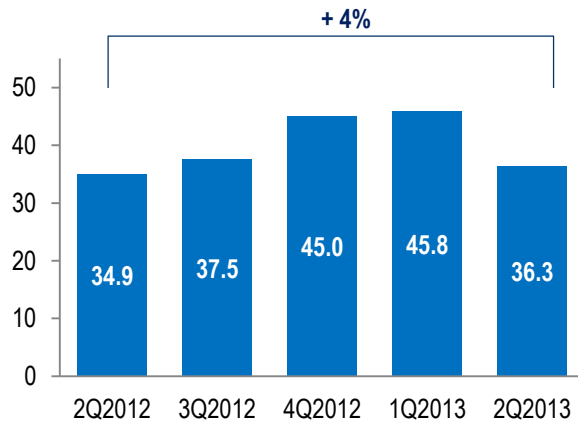
### Gas Condensate, mln ton



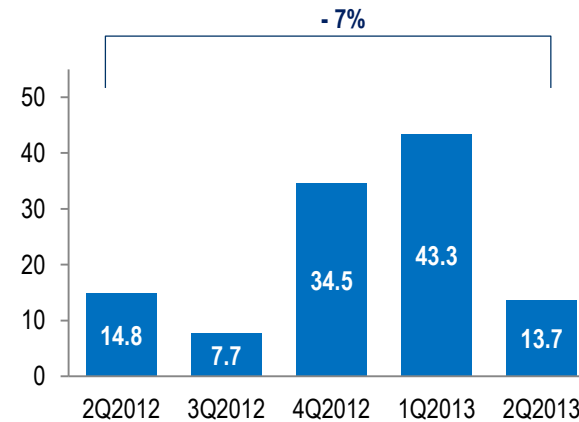
### Crude Oil, mln ton



### Electricity generation, bln kWh



### Heat generation, mln Gcal



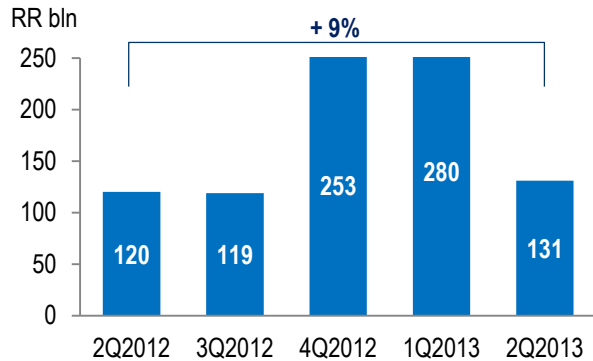
Including Russian generating companies: Mosenergo, OGG-2, TGK-1  
Calculations may diverge due to rounding

Bcm	2Q2012	2Q2013
<b>Natural gas resources</b>	<b>165.8</b>	<b>164.2</b>
Domestic gas production	153.2	152.2
Other sources including Central Asian and Azerbaijani gas	9.9	9.3
Gas withdrawn from underground storage in Russia, Latvia and Europe	0.7	1.9
Decrease in the amount of gas within the gas transportation system	2.0	0.9
<b>Natural gas distribution</b>	<b>165.8</b>	<b>164.2</b>
Domestic consumption	87.8	90.9
including needs of the gas transportation system and underground storages	9.3	8.3
Gas pumped into underground storages	26.0	23.3
Gas for LNG production	3.4	3.3
FSU supplies	12.5	7.7
Foreign supplies	34.0	38.3
Increase in the amount of gas within the gas transportation system	2.1	0.7

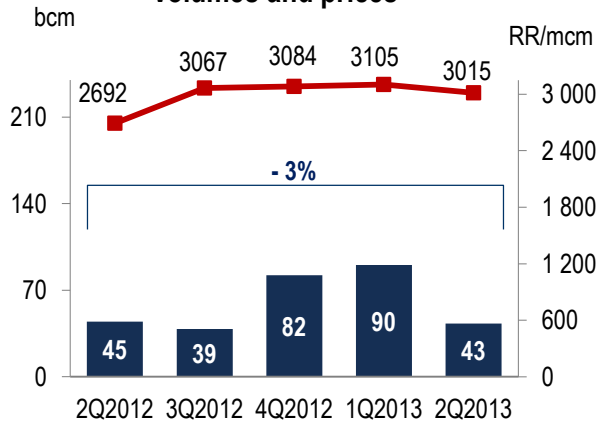
Source: Company Operating Data

## Gas Sales in Russia

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

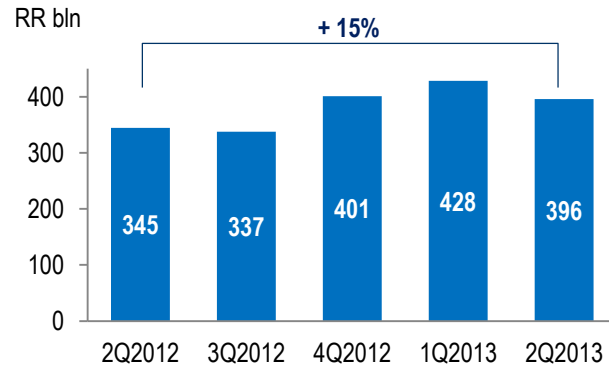


### Volumes and prices

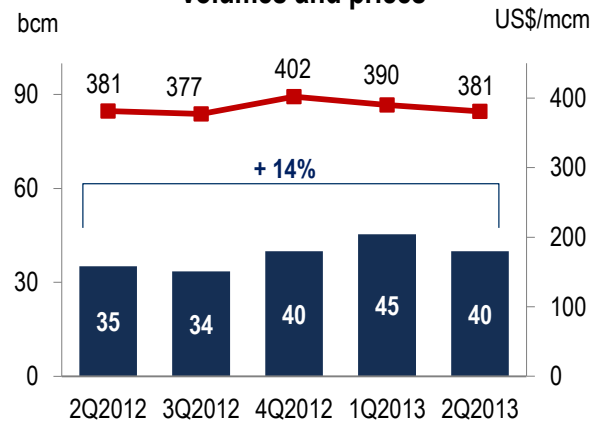


## Gas Sales in Europe and Other Countries<sup>(2)</sup>

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

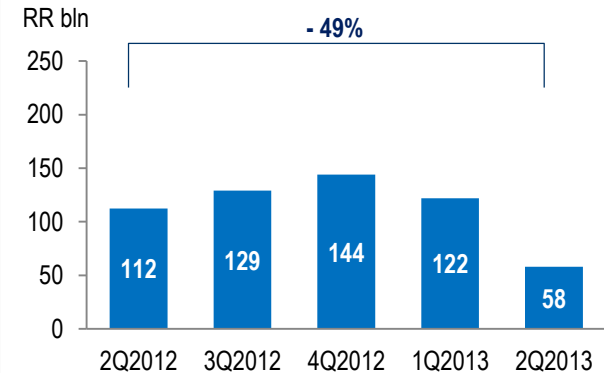


### Volumes and prices

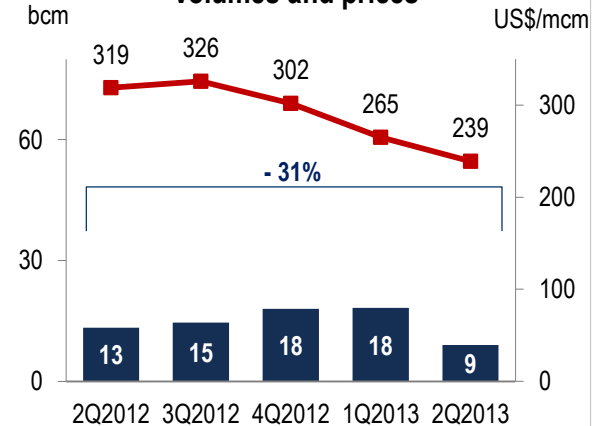


## Gas Sales in FSU Countries

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



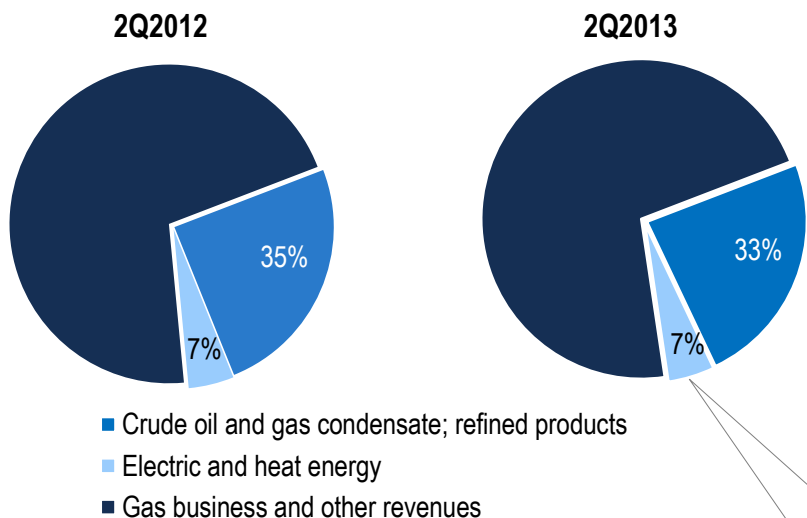
### Volumes and prices



Calculations may diverge due to rounding.

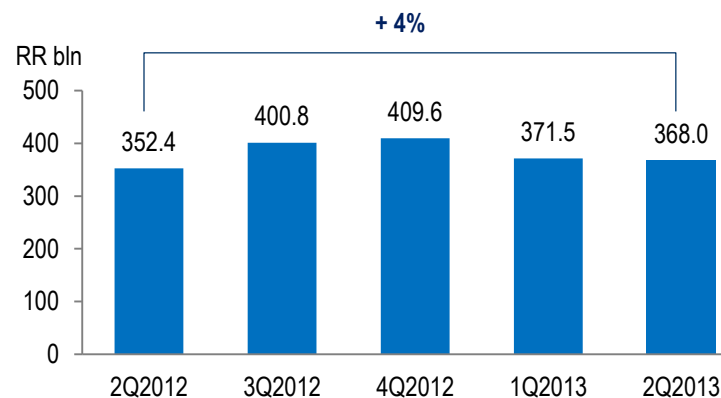
1. Net of value added tax (VAT); 2. Other countries include LNG sales to Japan, Korea and China; 3. VAT is not charged on sales to FSU, Europe and other countries; 4. Net of custom duties

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

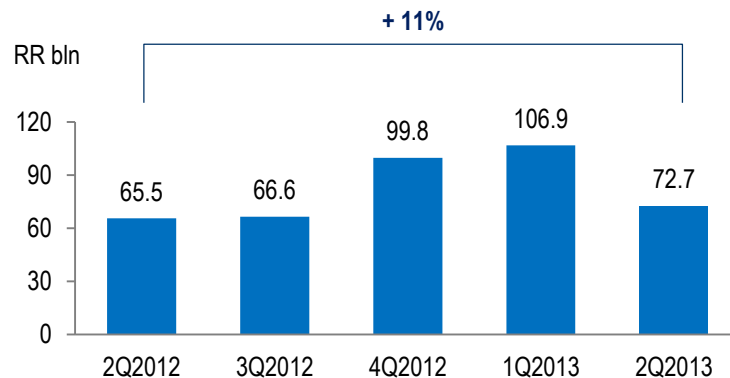


- Increase in net sales of refined products by 11% was partially compensated by decline in net sales of crude oil and gas condensate by 26%. Reallocation of net sales between operating segments was due to inclusion of OAO Gazprom neftekhim Salavat in the consolidated financial statements from June 2012. Additionally, increase in net sales of refined products was caused by growth of volumes sold by Gazprom nefit Group to customers in Europe and Other Countries, as well as price growth.
- The increase in net sales of electric and heat energy was mainly caused by the growth of sales in energy sector companies.

## Crude oil and gas condensate; refined products



## Electric and heat energy



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

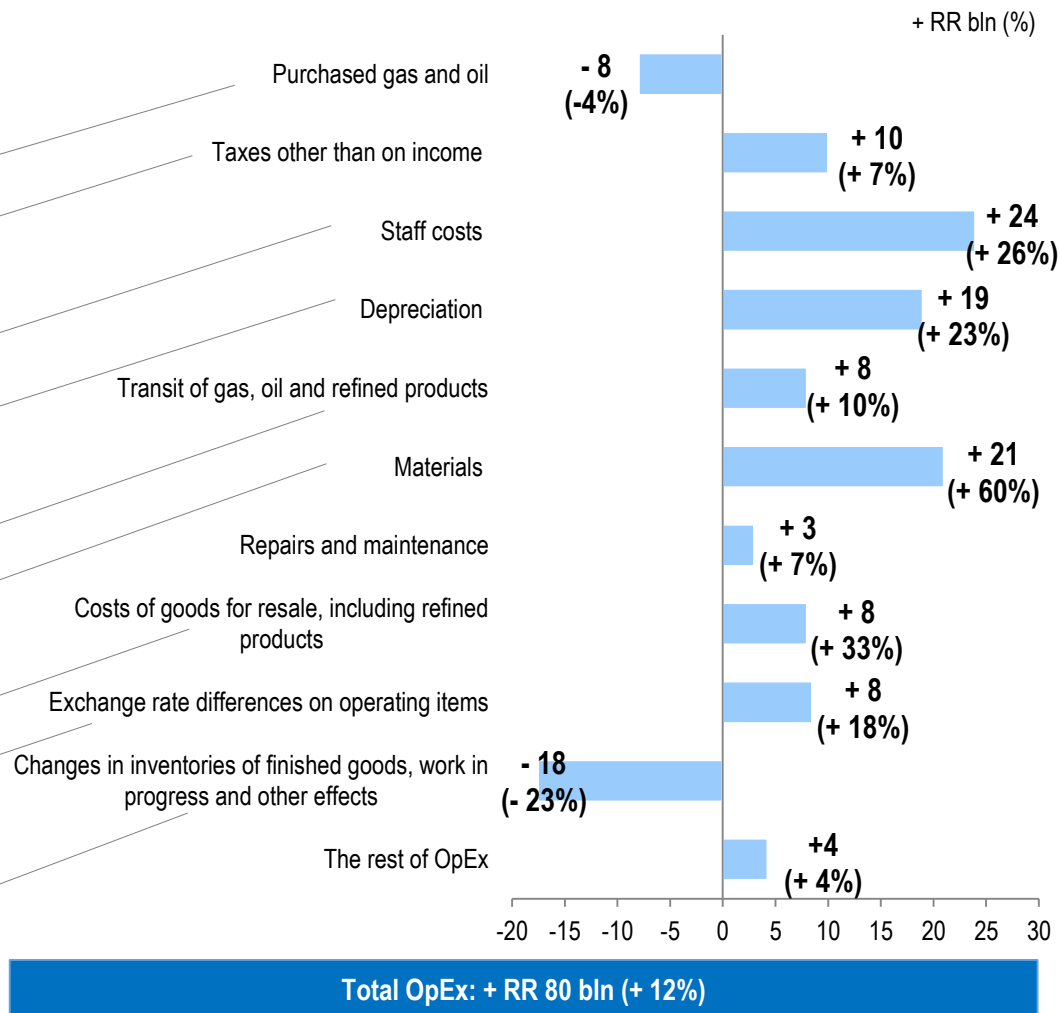


# 2Q2013 vs. 2Q2012

## Changes of Operating Expenses Items

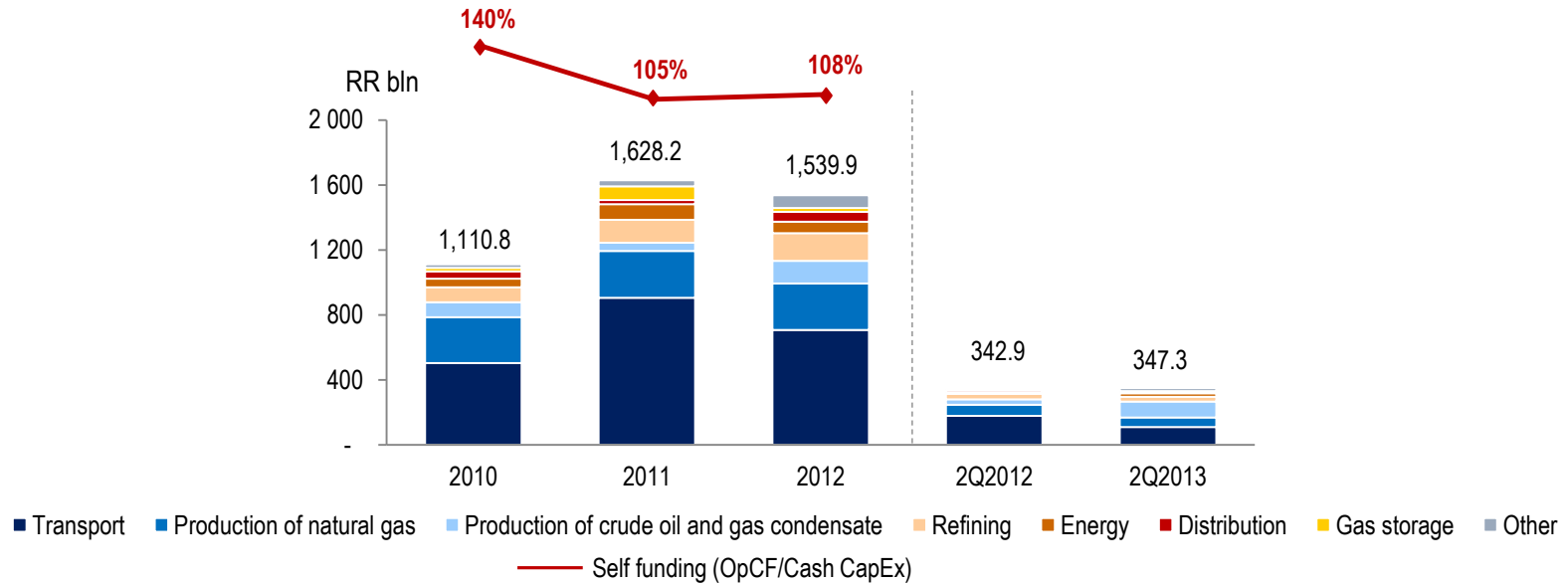
### Main drivers of change

- Relates mainly to the increase in costs of purchased gas by 2% and decrease in costs of purchased oil by 18% due to decrease in purchased oil volumes.
- Mainly resulted from the general increase of natural resources production tax rate for gas from RR 509 to RR 582 per thousand cubic meters from January 1, 2013.
- Mainly resulted from the average salary indexation and increase of average number of personnel.
- Primarily relates to the growth in the fixed asset base.
- Mainly relates to growth of oil and refined products transit due to inclusion of OAO 'Gazprom neftekhim Salavat' in the consolidated statements from June 2012
- Mainly relates to to inclusion of OAO 'Gazprom neftekhim Salavat' in the consolidated statements from June 2012 as well as to increase of materials purchase prices.
- Mainly results from the growth in volumes of external refined products purchases by the Gazprom нефт Group.
- Primarily driven by appreciation of EURO and USD against RR.
- Mainly relates to the increase in the balances of gas in underground storage.



The rest of OpEx include: Electricity and heating expenses; Charge for impairment provisions; Social expenses; Transportation services; Rental expenses; Insurance expenses; Processing services; Research and development expenses; Heat transmission; Losses from derivatives; Other OpEx.

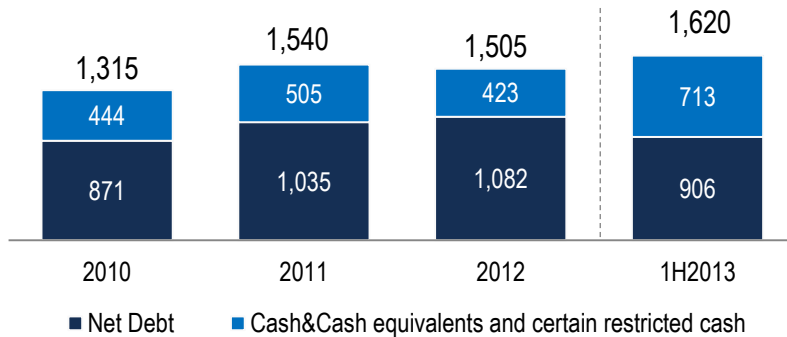
## Gazprom Group's CapEx<sup>(1)</sup> & self funding<sup>(2)</sup> position



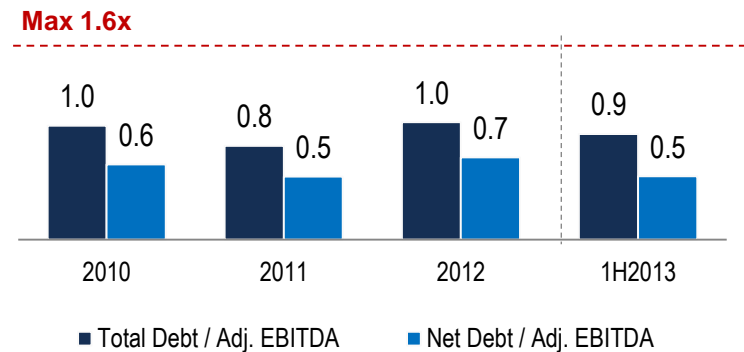
- Cash CapEx financed with operating CF
- CapEx structure to provide:
  - Production growth, depending on market requirements
  - Flexible company strategy in the future

1. CapEx breakdown as provided in Management Discussion and Analysis of Financial Consolidation and Results of Operations  
 2. Self funding = Net cash provided by operating activities / CapEx as provided in IFRS Consolidated Financial Statements

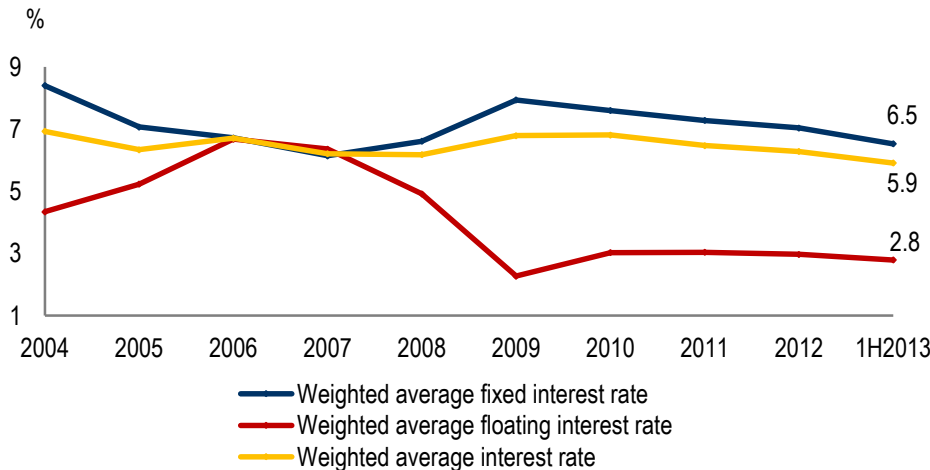
### Total Debt <sup>(1)</sup>, RR bln



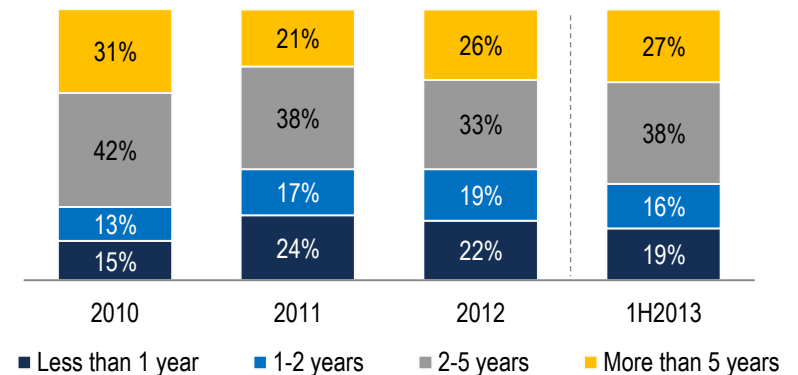
### Credit metrics



### 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

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