



# 1Q2013 IFRS Consolidated Financial Results

September 3<sup>rd</sup>, 2013



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## Alexander Ivannikov

First Deputy Head of the Department for Finance and Economics

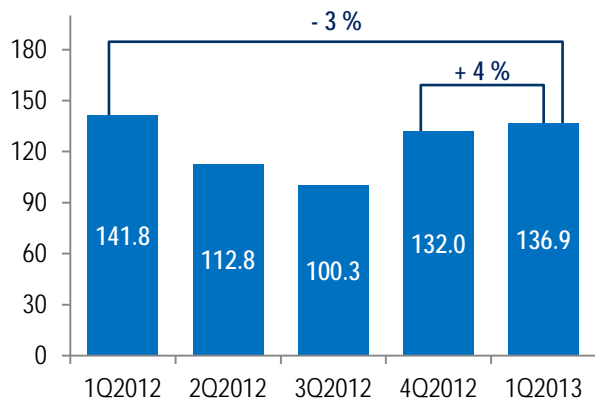
### 1Q2013 vs. 1Q2012 Gazprom Group results

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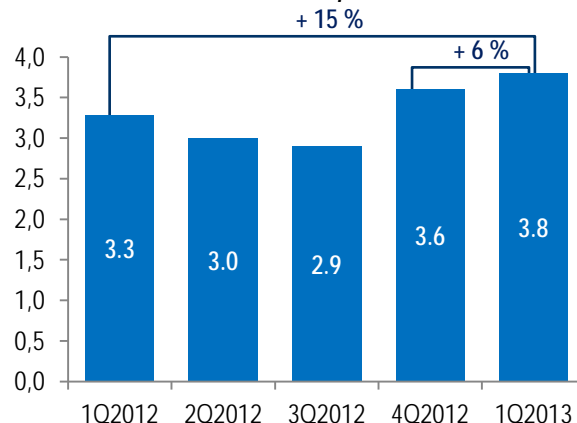
- Total net sales grew by 19% to 1,461.4 bn RR
- Adj. EBITDA increased by 60% to 626.0 bn RR
- Net Profit<sup>(1)</sup> grew by 5% to 380.7 bn RR
- Operating cash flow decreased by 15% to 517.9 bn RR
- Net debt decreased by 9%<sup>(2)</sup> to 972.4 bn RR
- Net debt/Adj.EBITDA LTM is 0.54x

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

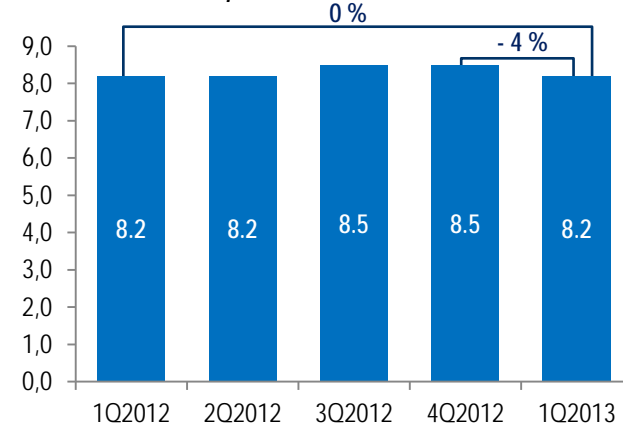
### Natural Gas, bcm



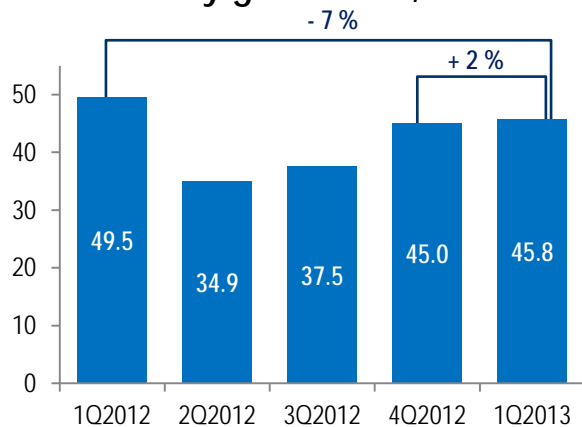
### Gas Condensate, mln ton



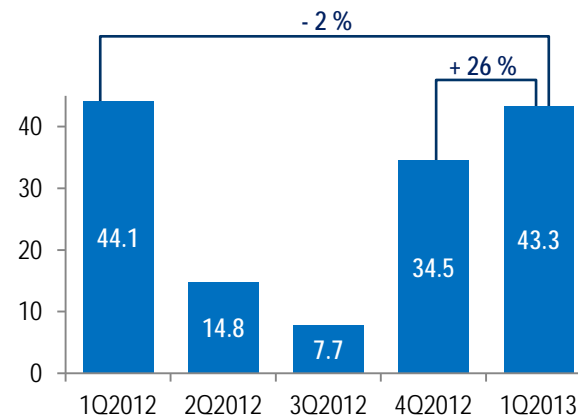
### Crude Oil, mln ton



### Electricity generation, bln kWh



### Heat generation, mln Gcal



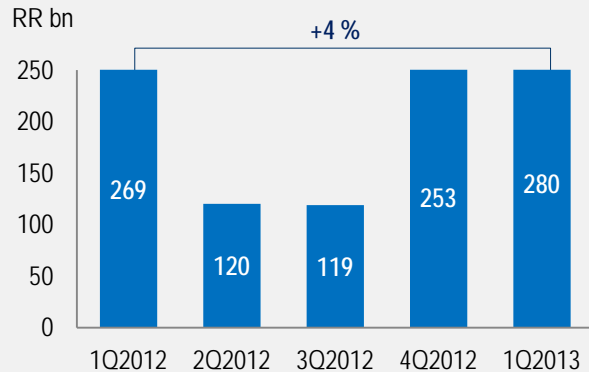
Including Russian generating companies: Mosenergo, OGK-2, TGK-1  
Calculations may diverge due to rounding

Bcm	1Q2012	1Q2013
<b>Natural gas resources</b>	<b>226.1</b>	<b>218.2</b>
Domestic gas production	185.1	183.1
Other sources including Central Asian and Azerbaijani gas	7.6	8.1
Gas withdrawn from underground storage in Russia, Latvia and Europe	31.2	25.3
Decrease in the amount of gas within the gas transportation system	2.2	1.7
<b>Natural gas distribution</b>	<b>226.1</b>	<b>218.2</b>
Domestic consumption	160.1	153.5
including needs of the gas transportation system and underground storages	13.0	12.2
Gas pumped into underground storages	0.8	0.1
Gas for LNG production	4.1	4.0
FSU supplies (including The Republic of Ossetia and Georgia)	17.4	15.4
Foreign supplies	41.3	43.7
including Baltic States	1.9	1.6
Increase in the amount of gas within the gas transportation system	2.4	1.4

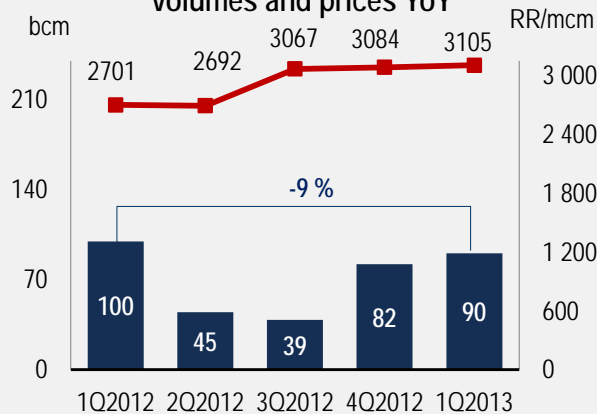
Source: Company Operating Data

## Gas Sales in Russia

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

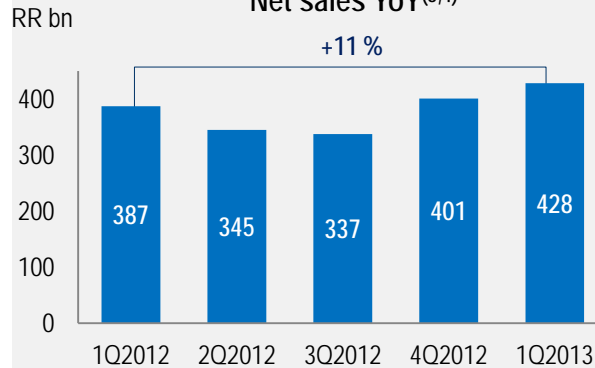


### Volumes and prices YoY

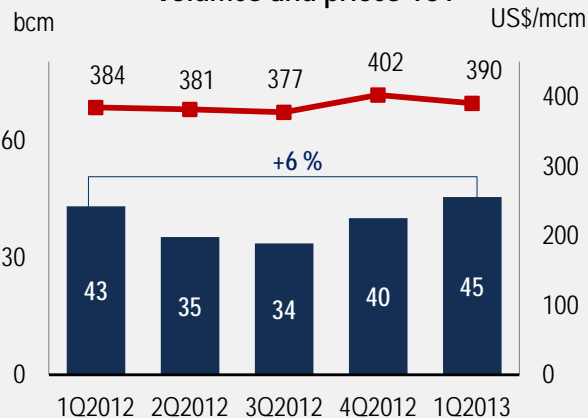


## Gas Sales in Europe and Other Countries<sup>(2)</sup>

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

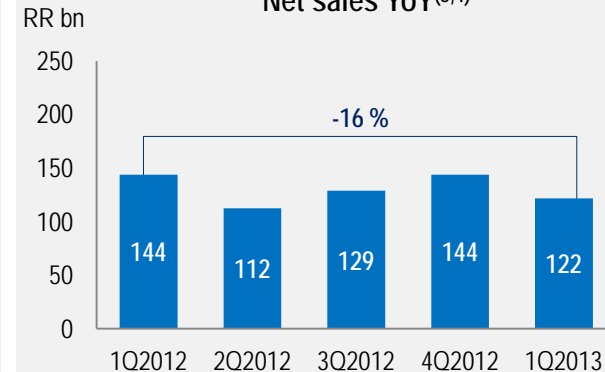


### Volumes and prices YoY

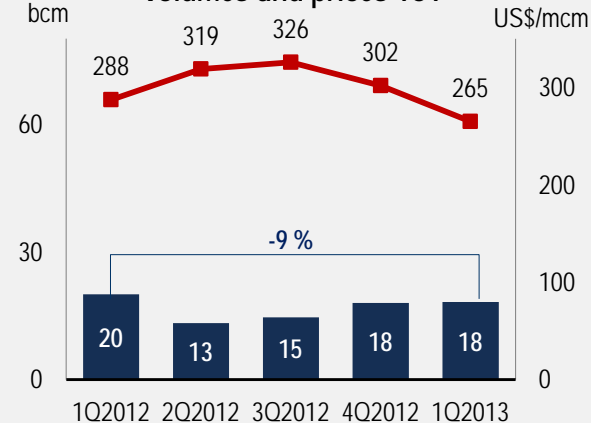


## Gas Sales in FSU Countries

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



### Volumes and prices YoY

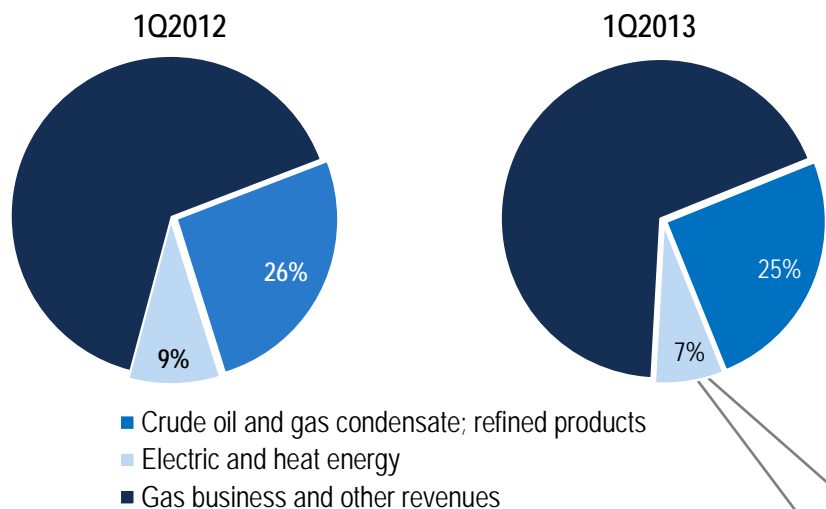


Calculations may diverge due to rounding.

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

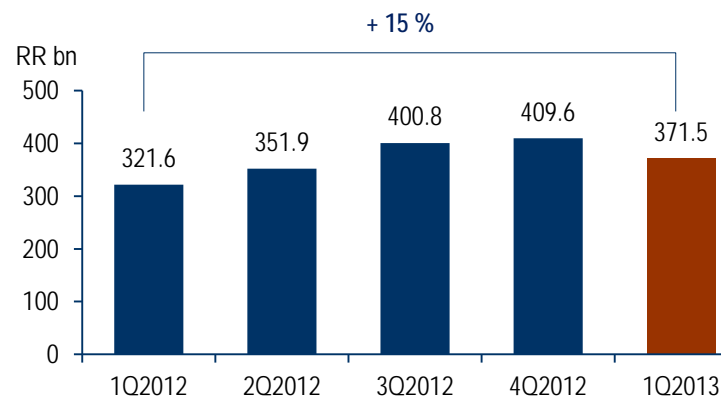


## Net Sales<sup>(1)</sup>

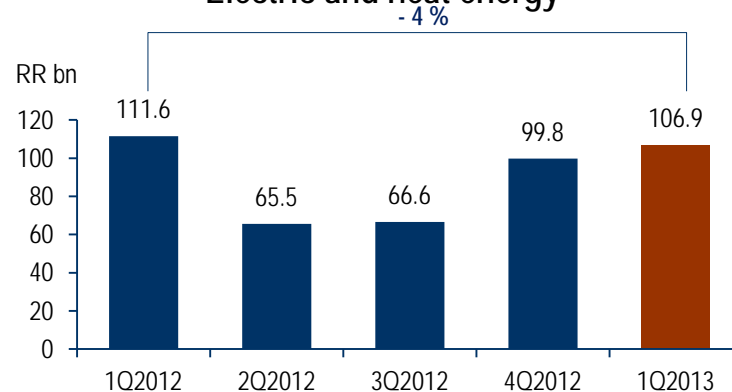


- The increase of net sales refined products was primarily due to consolidation of OAO Gazprom neftekhim Salavat's sales and an increase in volumes sold by Gazprom nefit Group to customers in the Europe and Other Countries, as well as price growth in Russia and FSU, while the decrease in sales of crude oil was caused by decrease in crude oil volumes and average price to customers in Europe and Other Countries. Sales of gas condensate decreased due to inclusion of OAO Gazprom neftekhim Salavat in the consolidated financial statements from June 2012 and recognition of sales to OAO Gazprom neftekhim Salavat as intercompany sales.
- The decrease of net sales of electric and heat energy was mainly caused by the decrease of OAO Mosenergo's sales as well as the changes in the scheme of payments since October 1, 2012 after consolidation of OAO "MOEK" and OAO "MTK".

## Crude oil and gas condensate; refined products



## Electric and heat energy



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



# 1Q2013 Vs 1Q2012 Changes of Operating Expenses Items

## Main drivers of change

Relates mainly to the increase in costs of purchased gas by RR 9.6 bln or by 8% due to increase in prices of 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 509 to RUB 582 per thousand cubic meters from January 1, 2013.

Mainly resulted from the average salary indexation.

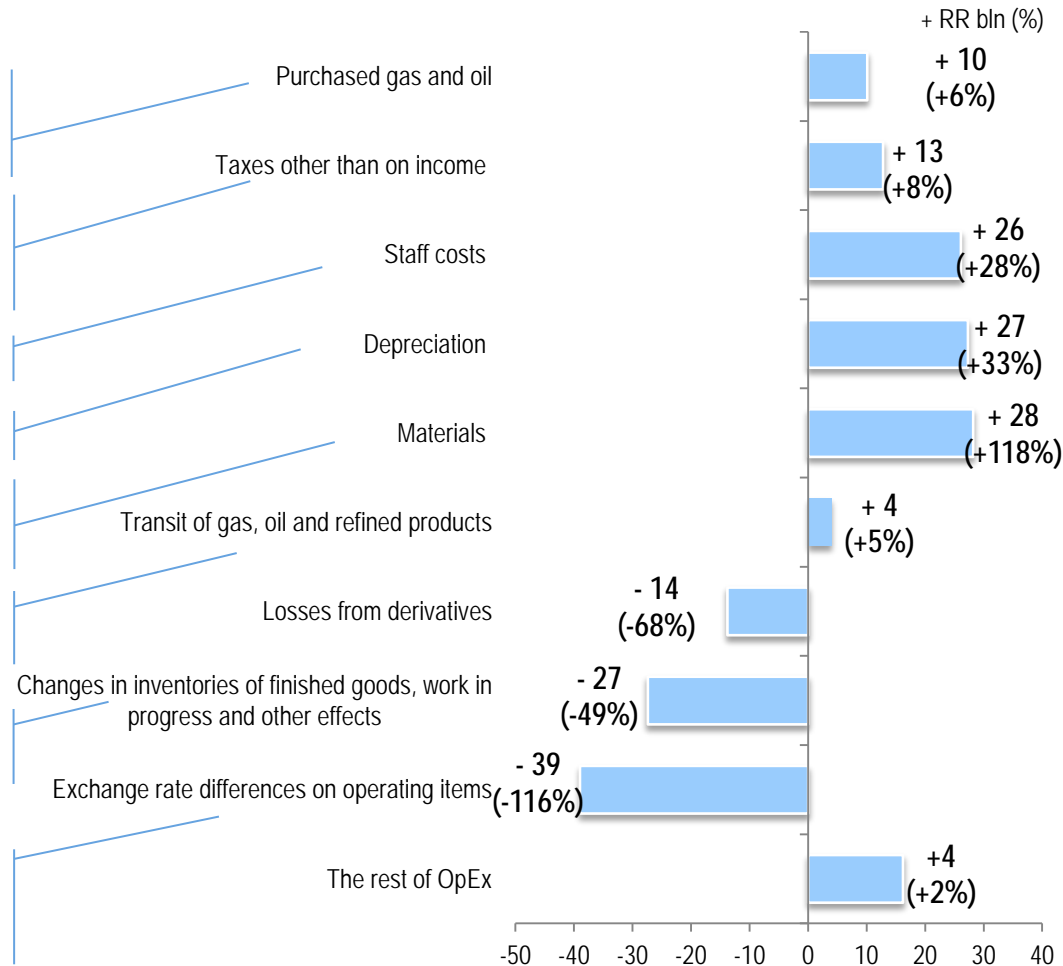
Primarily relates to the growth in the fixed asset base.

Mainly relates to inclusion of OAO 'Gazprom neftekhim Salavat' in the consolidated statements from June 2012 as well as to increase of materials purchase prices.

Mainly driven by increase of transit costs of oil and refined products

Mainly relates to the decrease in the balances of finished goods.

Primarily driven by depreciation of EURO by 1% and appreciation of USD by 2% against RUB during three months ended March 31, 2013 .

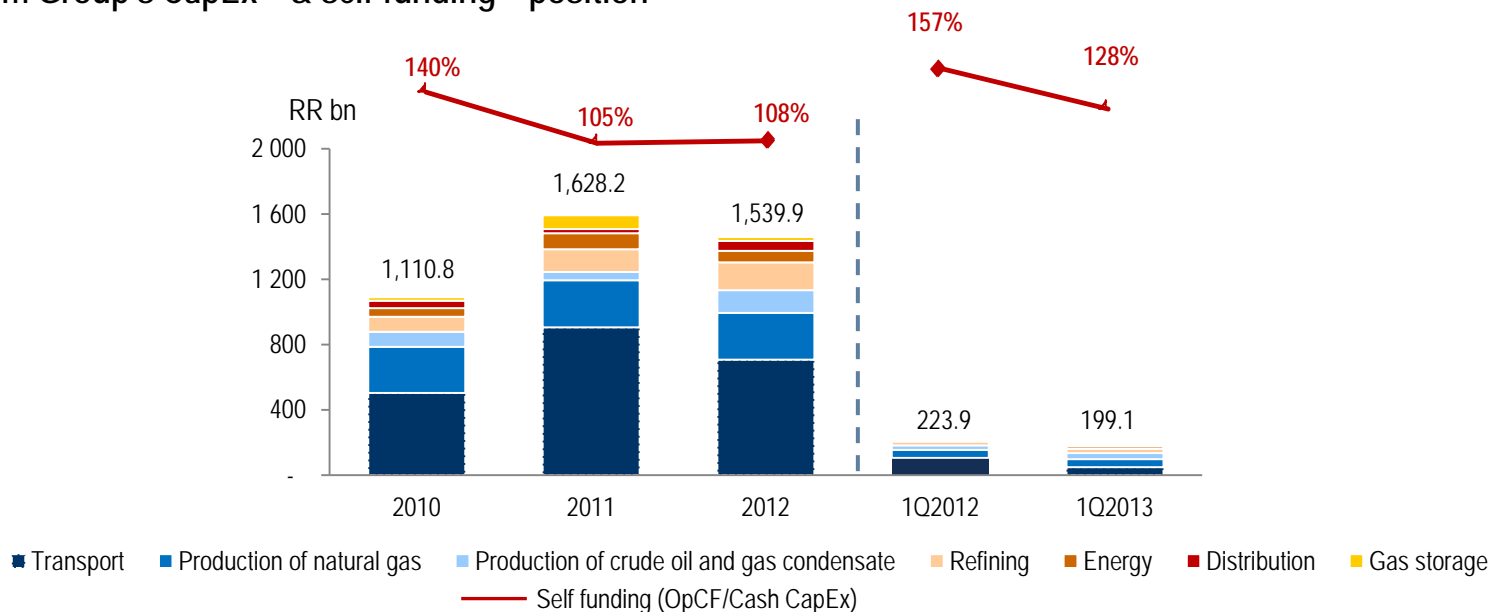


Total OpEx growth: + 3,5%

The rest of OpEx include: Repair and maintenance; Cost of goods for resale, including refined products; Electricity and heating expenses; Transportation services; Research and development expenses; Rental expenses; Insurance expenses; Social expenses; Heat transmission; Processing services; Charge for impairment provisions; Other OpEx.

<b>1Q2013</b> <b>Total Changes  in Working  Capital</b>	Decrease in accounts payable	RR (141) bn	<b>RR (69) bn</b> Negative impact on the company's operating cash flow during the period
	Increase in accounts receivable	RR (80) bn	
	Changes in taxes payable	RR 112 bn	
	Decrease in gas inventories	RR 48 bn	
	Other effects	RR (8) bn	

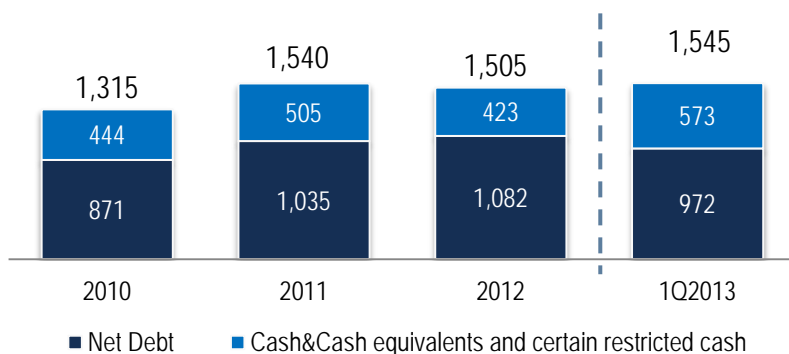
## Gazprom Group's CapEx<sup>(1)</sup> & self funding<sup>(2)</sup> position



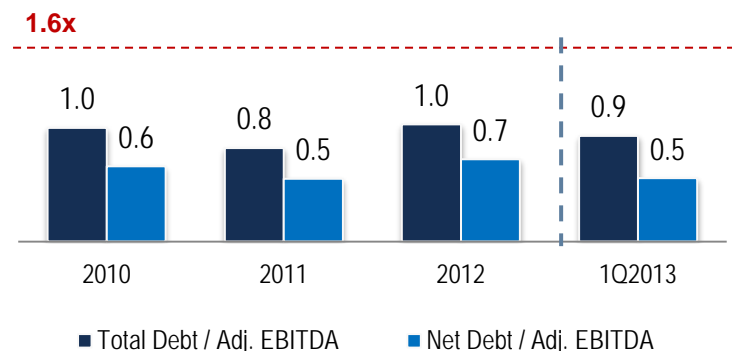
- Cash CapEx wholly financed with operating CF
- CapEx structure to provide:
  - Production growth, depending on market requirements
  - Flexible company strategy in the future

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

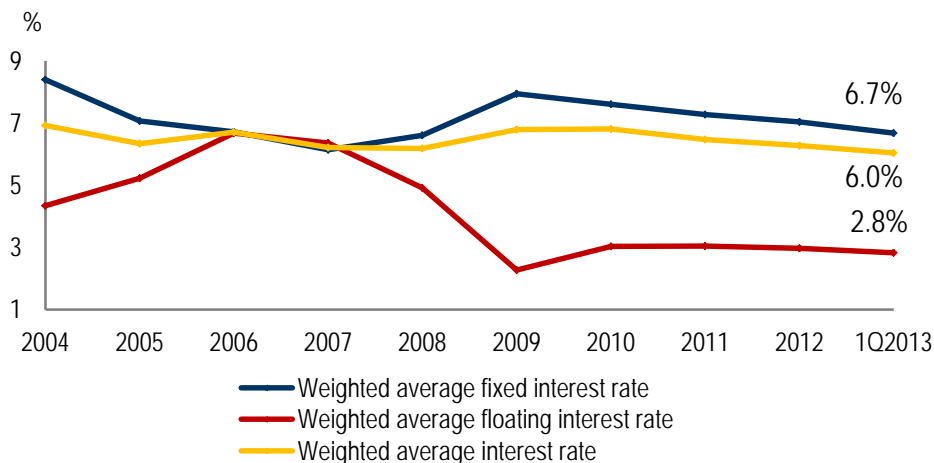
### Total Debt <sup>(1)</sup>, RR bn



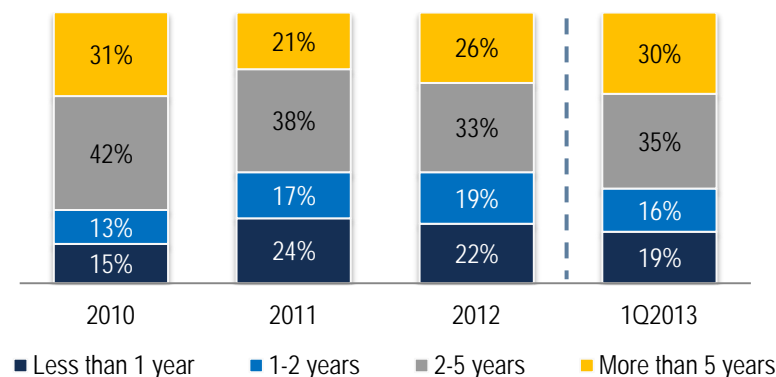
### Credit metrics



### 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

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