

Press Conference
Gazprom's Financial and Economic Policy
June 28, 2012

MODERATOR: Good afternoon, dear colleagues. Today we finish our traditional series of Press Conferences before Gazprom's Shareholders Meeting and, as usual, the last one is dedicated to Gazprom's financial and economy policy.

Participants:

— Andrey Kruglov, Deputy Chairman of the Management Committee — Head of the Department for Finance and Economics;

— Elena Vasilieva, Deputy Chairwoman of the Management Committee — Chief Accountant;

— Elena Karpel, Head of the Pricing and Economic Expert Analysis Department;

— Karen Oganyan, Head of the Tax Policy Department;

— Alexander Ivannikov, First Deputy Head of the Department for Finance and Economics;

— Mikhail Rosseev, Deputy Chief Accountant — Head of the Consolidated Financial Statements Directorate.

First I'm going to give the floor to Andrey Kruglov for a brief speech, and then come the questions, as usual.

ANDREY KRUGLOV: Good afternoon, dear ladies and gentlemen. Traditionally our Press Conference, dedicated to the financial and economic policy and Gazprom's financial and economic performance for the previous year, finishes a number of briefings before the annual General Shareholders Meeting, since the financial results of the Company are influenced by all branches of activity touched upon by my colleagues, such as operating activities, our activities in the markets enabling to achieve these results.

For better understanding of the full range of management actions aimed at Gazprom development, let's first turn to the operating results.

(Slide 1) According to the 2011 results, gas production increased by 1 per cent to 513.2 billion cubic meters, while oil and gas condensate production increased to 65.9 million tons. Electricity production by our generation companies fell by 1.1 per cent due to the weather conditions.

In 2011, our net gas sales increased by 28 per cent in rouble equivalent if compared to the previous year. And EBITDA was equal to RUB 1.931 trillion, that is 42 per cent higher than a year earlier.

The gas production plan for 2012 amounting to 529.3 billion cubic meters was set in December 2011. However, due to the adverse changes in the global economy and abnormal weather conditions, a downward trend emerged in the demand for natural gas from both external and internal consumers. Therefore, we expect a certain decline in the gas production plan to the amount commensurate with the last year level.

At the end of 2012, we expect the Group's revenue growth despite a slowdown in the economies of some countries importing our gas. Unfortunately, it should be

taken into consideration that, according to our estimates, some adverse conditions, such as the increased tax burden on the gas industry can reduce the Company's EBITDA in 2012 by approximately 10 per cent versus 2011.

(Slide 2) Let's see our financial results for the accounting period as compared with the ones of other global oil and gas companies.

In 2011 we once again showed one of the strongest financial results in the industry – both in EBITDA, and in net profit. For the second consecutive year we are the world leader, showing record high net profit, which increased by 40 per cent to an impressive USD 44.5 billion in the reporting year. It is gratifying to note that Gazprom's superiority in terms of financial indicators growth has been observed in the recent five years.

(Slide 3) During the previous briefings we have already talked about gas sales to key markets. I will just say a few words about the Russian market, which, as you may know, is the largest one for Gazprom. The Russian Government has reiterated its intention to continue bringing Russian gas prices to equal profitability. The average annual increase in wholesale gas prices for Russian industrial consumers will be 7.5 per cent in 2012 and 15 per cent in 2013 and 2014.

The boost of the gas transmission tariff for independent producers will be another factor in the revenue increase. It is expected that the gas transmission tariff will grow due to inflation. In 2015, it can reach RUB 68 per 1,000 cubic meters per 100 km. The tariff level may increase in case of cancellation of tax on property in the main gas transmission.

(Slide 4) As for the expenditure side of the budget, we still adhere to the policy of maintaining a moderate increase in costs. At the same time, the pace of our revenue increase consistently exceeds the costs increase pace.

Traditionally, the main items of operating costs are purchased oil and gas. The expenses for taxes payment increased severely because of the significant boost in the severance tax.

In the past three years, we have been consistent in cost management, which includes costs optimization at the stage of compiling the budget and in certain areas of activity, formation and execution of the cost reduction program.

The Company has approved the Regulation on Products, Works and Services Purchase by Gazprom Group. The document provides uniform rules and procedures of purchases for Gazprom and its subsidiaries. In 2011, the price reduced by 8.1 per cent versus the initial one, which gave the economic benefit in the amount of RUB 54.1 billion. In 2011, more than 93 per cent of competitive purchases were arranged through the open bidding.

(Slide 5) The next slide presents the changes in absolute values of gas production and transmission prime cost. Once again, you can see that the conventional gas production prime cost is much lower than the prime cost of non-conventional gas production. If we do not take into account the severance tax payments, which depend on the Russian Federation Government decision, the change in gas production and transmission prime cost is comparable to the inflation rate.

(Slide 6) Gazprom is a very company consuming a great amount of metal, so, in our view, it is interesting to see how the costs optimization program is

implemented as exemplified by such costs as pipe, metallurgical and engineering products purchasing.

We are primarily determined to retain price growth for purchased materials and equipment at the level not exceeding 80 per cent of the producer prices growth rate predicted by the Russian Economic Development Ministry for 2011 relatively to the prices of 2010.

In order to optimize the costs for the pipe products purchased by Gazprom Group, a formula for calculating the price for large-diameter pipes was developed and an agreement on the formula application for long-term contracts with national pipe producers was signed. This will allow us to optimize the costs for pipe products, providing both the predictability of prices and the fair distribution and insurance of the risks related to pipe price leaps. In 2011, the cost control of purchased pipe, metallurgical and engineering products allowed us to save nearly RUB 9 billion in total.

(Slide 7) Gazprom is the largest taxpayer in gas industry. In 2011, we paid fees and taxes amounting to RUB 1.7 trillion.

As you know, over the recent three years the severance tax increased more than three times and it now equals to RUB 509 per 1,000 cubic meters for Gazprom, that is twice higher than the severance tax for independent producers.

Since the announcement of new plans for further tax regime changes has been made, we are in constant dialogue with the Government of the Russian Federation on the tax load on the Company and we believe that in the result of negotiations the formula for calculating the severance tax rate with account of the internal and external gas prices, transport expenses, as well as economic and geographical conditions of fields development should start to be implemented.

The increased tax load on the Company reduces investment, which, in turn, cuts down tax revenues from other sectors of economy, decreasing the number of workplaces in the country.

It should be noted that in order to smooth the effect of the increased tax load on Gazprom, we are working to retain costs for operating and investing activities.

(Slide 8) I would like to tell in detail about our initiatives in the severance tax differentiation. At present, the work with Gazprom VNIIGAZ on the preparation of financial and economic substantiation of the Natural Gas severance tax rates diversification is almost completed. The possible criteria for diversification are identified. In cooperation with federal executive authorities we are planning to determine if it is possible to take these peculiarities into consideration in the legislation of the Russian Federation.

(Slide 9) Now we turn to our capital investments. In the investment program development, we first rely on the scenario conditions used in compiling the Group's budget. They allow us to calculate the operational cash flow, one part of which is directed for the dividends, the other – for financing its investment program.

Investment program adjustment is approved by the Company's Board of Directors in September, when the Group's activity for the first half of the year is summarized. For example, in 2011, the capital expenditure program was

significantly increased. This was due to the need of major projects implementation in production and transmission, mainly related with the development of the Yamal Peninsula and the Far East.

In 2012, Gazprom Group is planning to invest about RUB 843 billion in the gas business, about RUB 162 billion – in the oil business and a little more than RUB 76 billion - in the power sector.

The Company is constantly working to optimize the investment program. When the projects are included in the investment program they are ranked according to the criteria system. Economic benefit is one of the most important criteria. For example, in compiling of the budget for 2012, the optimization effect of using this approach was RUB 134 billion.

Capital investment sources are the funds gained from the operating activity, that remarkably distinguishes us from the global petroleum companies. In times of financial disasters, this approach reliably protects us from financial markets fluctuations.

(Slide 10) I will say a few words about our debt load. Now the debt level is comfortable for us. Having a balanced approach to funds borrowing, we prefer more rational financing forms.

The first form is project financing as, for instance, the case was with Nord Stream, Sakhalin II projects and the Yuzhno-Russkoye field development.

The second one is the work under the management program for intragroup liquidity, in particular, the practice of intragroup financing and the cash pooling system. Thus, summarizing the results of the Russian pooling system operation from 2009 to 2011, the income from subsidiaries' transactions of temporarily free funds placement increased more than 2.5 times. Funds reallocation within the Group allows minimizing external borrowing.

And thirdly, Gazprom Group raises external funds. Thus, in 2011 under the borrowing program we placed EMTN and ECP bonds on favorable conditions with record low rates.

(Slide 11) We are intentionally shaping a system of business effectiveness management on the basis of modern information technology to be successful in any economic environment. In compliance with the confirmed strategy of informatization, the Company is implementing more than 20 large-scale IT projects. In 2011 and in the first quarter of 2012, design works for 10 information management systems were finished and the systems were put into operation.

As for the systems that automate management business processes, it should specifically be noted that the Account Management Sub-System of the Automated Budget Management System was successfully commissioned on July 1, 2011. As a result, today all payments of Gazprom and its subsidiaries are prepared, arranged and executed in a single information system. The system was deployed in all of Gazprom's structural units and more than 40 organizations of the Group. This allowed for more efficient increasing of the effectiveness of liquidity management, accounts receivable and payable in Gazprom Group.

Commissioning System for Automated Compilation of Statements in 2011 is also important for more efficient management.

The year of 2012 will be particularly important for the Informatization Strategy implementation. It is planned to put into operation another nine systems till the end of the year. Among them, special attention is paid to the Corporate Data Bank based on a system of key performance indicators. It is crucial for IT support of the operational efficiency management process across Gazprom Group.

(Slide 12) And, finally, let's talk about dividends. As you know, Gazprom's Board of Directors recommended that the General Shareholders Meeting approve paying out dividends in the amount of 8.97 per share, which is equal to 25 per cent of the Company's net profit. Thus, according to the 2011 results we are planning to pay out dividends in the amount of approximately RUB 212 billion, that will make it possible to increase payments per share more than twice. The proposed amount of dividends is unprecedented in the Company's history.

Since 2010 we have been steadily paying out dividends in amount of 25 per cent of the net profit. We are determined to have the same dividends for 2012 and 2013. The dividends distribution period for all shareholders won't exceed 60 days from the day of the annual General Shareholders Meeting.

High dividends profitability ranks Gazprom with international petroleum majors and, in our opinion, makes investment in the Company more attractive.

(Slide 13) In conclusion, let me summarize everything said. For guaranteeing rapid development of the Company, we continue boosting natural gas, oil and gas condensate production and marketing, improving control of costs and optimizing debt structure, maintaining a sustained dividend policy. Further on, external factors, such as a transparent tax regime for the Russian oil and gas industry and further liberalization of the Russian gas market play an important role in the Company's advancement process. Ultimately it will give a significant positive effect on our activity.

Dear friends, thank you for your attention. Now my colleagues and I are ready to answer your questions.

QUESTION: Eugenia Sokolova, RIA News Agency. I would like to ask about domestic market. Did you have profit last year and will you have it this year?
Thank you.

ANDREY KRUGLOV: In 2011 we had about 30 per cent of sales profitability in the domestic market, namely 27.3 per cent. And in 2012 we expect profitability to be around 15 per cent.

MIKHAIL ROSSEEV: The domestic market profitability may be calculated in different ways. The simplest way is to calculate revenue net of direct expenses on the ordinary activities, that is prime cost and general running costs. Then, it is about RUB 190 billion for 2011. But it does not include organizational and operational costs, or the investment part.

ANDREY KRUGLOV: It is still too early to speak about 2012. In general we can say that the whole profit is expected to be a little bit higher versus this year. But if we had USD 158 billion, we expect more than USD 160 billion.

QUESTION: Svetlana Savateeva, Interfax Agency. I have a question which was put to Alexander Medvedev. Maybe, you are also able to answer it. It refers to the retroactive payments for export receivables. How much will they be this year and how will they be distributed: which quarters, which periods will be influenced by the retroactive payments?

And one more question regarding the Law on Central Depository that makes the ADR owners disclosure obligatory. What risks do you see in the change of legislation and can this situation lead to a decrease in investors' interest in Gazprom ADRs?

Regarding the similar requirement for disclosing the ultimate beneficiary owners of Eurobonds from 2014: is Gazprom ready to pay the profit tax in case the ultimate beneficiary owner is not disclosed? Will you reduce your participation in the capital markets in this case? Thank you.

ANDREY KRUGLOV: Regarding the retroactive payments: it is a dynamic process. Alexander Medvedev, my colleague, actively negotiates with our counterparts about these payments. I am not ready to speak about specific quarters right now since the retroactive payments are a variable value which depends on the results of negotiations. At least, all these resources are taken into consideration in the budget.

As to the export receivables, Alexander Medvedev has said that according to the 2012 results we expect it to be around USD 60 billion. It already contains the retroactive payments.

In respect to the Depository and the change of the legislation related with the beneficiaries disclosure. It seems to me that finally the Government will adopt a decision satisfying both the investors and the market.

Is Gazprom ready to pay additional taxes related with the unwillingness of the investors to disclose their data? Surely, Gazprom will pay all the taxes introduced under the legislation of the Russian Federation.

But, to my mind, certain decisions should be made in the way that does not influence the market. Now we can see that the Russian market, even Gazprom, looks quite cheap among all other emerging markets. At the same time, as I have already mentioned, our dividend yield is very high, about 6 per cent according to the previous year results. It is the level of the world's largest oil and gas companies. And the cost, if we compare it with the net profit (our EBITDA is around USD 66 billion), the level of capitalization might have been higher. Therefore, we expect all these nuances to be taken into consideration by the Government's specialists in making such decisions.

As to the reduction or non-reduction of Gazprom's participation in the external borrowings market. Our main costs and the investment program are denominated in rubles, so we are surely interested in expanding our activity in the Russian

financial market. And we are actively working on it. We are actually planning to issue bonds in the Russian market. But the existing financial needs of Gazprom cannot be satisfied by the Russian market for now, so we have been working in the external markets and we are going to continue this work.

QUESTION: Maxim Ivanov, AKM Agency. Question for Elena Vasilieva. I would like to clarify the previous question regarding the retroactive payments and the revision of the contracts with the European consumers. Will there be there any adjustment of 2011 results? And will it reduce the revenue of the current year only?

ELENA VASILIEVA: First of all, the retroactive payments mean making provisions for various adjustments in contracts with the foreign customers. As far as the negotiations are being held, now it is impossible to forecast when and in what amount the retroactive payments will appear.

The obligations undertaken by Gazprom through the revision of prices for gas supplied in the previous years and which are reflected in the accounting statements, total approximately RUB 20 billion for five months of 2012. The lion's share fell to Eni.

QUESTION: Elena Zabello, RBC Agency. When will you issue bonds in the domestic market? Will it happen this year? And in what volume?

ANDREY KRUGLOV: No, not necessarily this year. We have a three-year bond issue program amounting to RUB 300 billion. We expect to have the first issue this year. But maybe we won't have it.

QUESTION: Elena Mazneva, Vedomosti. What suggestions does Gazprom have for the severance tax for the second half of 2013 and the following period? What is the maximum limit in rubles taking into consideration the investments?

ANDREY KRUGLOV: I will say a few words and then I will give the floor to my colleague, Karen Oganyan, who heads the Tax Policy Department.

A question about the severance tax is one of the most urgent questions discussed lately by Gazprom with the Government of the Russian Federation on various levels. There were announcements made by Sergey Shatalov, Deputy Finance Minister regarding his opinion of the way of changing the severance tax. He suggested using the 0.8 ratio of the planned gas price increase in the domestic market for the severance tax calculation. We worked on this issue with our colleagues from the Ministry of Energy and the Finance Ministry. At present, the discussion process is still underway and we suppose that the final decision on 2013 will be taken in the near future.

The decision on the formula-based calculation of the severance tax depending on the paces of the gas price growth in the domestic market, as we think, will be taken in 2014. Such work is being carried on and we are continuing it.

KAREN OGANYAN: In general, Andrey Kruglov has already outlined the situation conceptually. We proceed from the fact that in any case the rate for 2013 is determined by the Tax Code in amount of RUB 582 for 1,000 cubic meters. We are currently engaged in a dialogue with the Government on the issue of its suggestion about additional rate increase for the second quarter of 2013. The Government voiced its ideology, which is presently specified only in the Main Thrusts of Tax Policy for 2012 and Planning Period of 2013 and 2014 and consists in the following: 80 per cent of the gas price increase net of the costs increase for transmission, inflation and repeal of benefits from the property tax should be collected for the budget.

We believe that our financing of the investment program should be a cornerstone, since we consider this activity as a priority for Gazprom and for the country in general. We also proceed from the fact that the existing severance tax rate level should provide acceptable profitability rate of the priority projects executed by us. That is why we are going to continue our discussions with the Government on this issue.

The ratio, to my mind, is also subject to discussion: 80 or 50 per cent, or another figure, should be collected... We have our own arguments and we will justify and prove them to the Government. I think that the respective final decision will be made soon, as Andrey Kruglov has said.

QUESTION: Alexey Grivach, Moscow News. None the less, what suggestions does Gazprom have for the second half of 2013? What rate, to your point of view, will be adequate? The same, reduced, increased?

KAREN OGANYAN: Our position is that the severance tax rate should be maintained at the present level. Though, we consider this value to be quite high with account of the volume of the investment program which we are carrying out. The severance tax rate, as I have already mentioned, should be economically reasonable. And the Minister of Energy, Alexander Novak, was absolutely right to say shortly after his appointment to the new post that taxation should be based on the profit, not the proceeds. That is, the excess profit should be disposed — what, unfortunately, does not happen nowadays, since the Gazprom taxation is realized on the basis of the proceeds what, in our opinion, is not entirely correctly ideologically. So, I would like to emphasize once again, we have our own arguments, our own position, which will be discussed with the Government. Also I would like to notice that in 2013 our additional payments to the budget from the severance tax increase will exceed RUB 31 billion versus 2012. It is about USD 1 billion.

ALEXEY GRIVACH: For how long should the severance tax rate be maintained at the same level?

KAREN OGANYAN: There was a special approach stipulating annual indexation of the severance tax rate was indexed annually for the inflation rate. We consider

this approach to be quite fair and we believe it should remain in the future. That is, we do not want to say that the severance tax rate should be frozen and should not change. Definitely, it should be indexed. But the value of this indexation, I want to emphasize it, is to be discussed. To our mind, the inflation rate is a quite fair indicator.

QUESTION: Anastasia Goreva, Argus Media. I have some clarifying questions regarding Slide 5. I will start with those related to the severance tax.

Your expectations regarding the prime cost of gas production and the severance tax for 2012 are laid out there. Could you tell us if you expect an increase of the prime cost in the following years because of the Yamal Peninsula, the Neocomian deposits? Do I understand correctly that the prime cost of gas production should increase? And what will happen with the severance tax in this case? From your answer I understood that you propose leaving the severance tax rate on the same level. But along with this, I suppose the prime cost of gas will increase. How much do you expect the prime cost of gas to increase, maybe you can give approximate figures?

KAREN OGANYAN: The question is fair. I would like to characterize briefly the ideology that was announced at the meeting with Prime Minister Dmitry Medvedev this June. These suggestions suppose the transition to the formula-based system of the severance tax calculation from 2014. This approach involves the acknowledgement of a number of important criteria, including multiple gas components because, unfortunately, for example, in Astrakhan the amount of admixtures exceeds 25 per cent. A variety of macroeconomic figures and acceptable profitability of the corresponding projects should also be taken into account in this formula. So, the interconnection of the prime cost with the severance tax rate in this situation is direct.

Unconditionally, you are totally right, and on the slide (*Slide 5*), shown by Andrey Kruglov, regarding the deposits structure, it is clearly seen that nowadays the Cenomanian deposits, i.e. gas deposits that are quite easy to produce, are considerably exhausted. And the part of gas, which production prime cost will be growing, in turn, increases — by virtue of the objective reasons, the occurrence depth, the geographic factor, etc. That is why we deem the formula-based approach for 2014 quite fair from the taxation point of view. And it will really take into account the gas prime cost increase, the production conditions complication and, consequently, the need to maintain appropriate profitability of the corresponding gas production projects.

I would like to remind that in accordance with the General Gas Supply Scheme it is planned to produce 1 trillion cubic meters of gas by 2030. In order to complete this ambitious task, the approaches should be obviously adjusted in principle.

ANASTASIA GOREVA: I have some clarifications. Will it be fair to say that approximately RUB 1,000 for 1,000 cubic meters is an appropriate gas price according to your opinion? The prime cost plus the tax. It again comes out from

your slide (*Slide 5*) for 2012. In order to assure the investment program. RUB 465 plus RUB 509. Is it preferably for you to have this figure frozen for some time?

KAREN OGANYAN: We say that the severance tax rate should take into account the acceptable level of economic profitability of the projects.

ELENA KARPEL: The slide (*Slide 5*) shows actual present-day figures. RUB 509 is the natural gas severance tax rate, which is approved in the federal budget and is being used in calculations today. This rate is 55 per cent of the gas price. 55 per cent is a taxation level for the gas production cost. It is evidently a very high figure. And with this figure, of course, development of many deposits, especially Achimov, Turonian and Valanginian, will be, for sure, loss-making. So, with such a level of taxation on production, it is difficult to take a decision regarding the investment. It is very difficult.

Regarding the gas prime cost, Gazprom carries out very thorough work aimed at prime cost reduction given that in the recent decade our level of domestic prices increase for produced gas is 60 per cent lower than the deflator indexes of the Economy Ministry. For instance, in 2012 versus 2011 we have a prime cost increase equal to 0.4 per cent (without the severance tax). Last year this increase was 9 per cent, a little higher, given that in 2011 the deflator index in the industry, as you know, was 18.8 per cent. Production is declining in our main fields and we invest heavily in the production system, i.e. booster compressor stations for enhancing gas recovery in the existing fields. And, of course, the severance tax increase will lead to nothing else but production shortages.

QUESTION: Denis Pinchuk, Reuters Agency. Could you, please, clarify again the financial outlook for 2012 given that in the first half of the year there is a decline in production and sales — I am talking about the outlook for EBITDA and net profit? And the second question: do you consider it necessary to additionally increase domestic prices this year? If yes, how much and what for? Thank you.

ANDREY KRUGLOV: Once again about 2012: we expect proceeds in amount of approximately USD 160 billion and EBITDA – about USD 58 billion. In 2011 our EBITDA were around USD 66 billion and proceeds – about USD 157–158 billion.

ELENA KARPEL: A decision about the price level in the domestic market is made in —The Outlook for Socioeconomic Development of the Russian Federation approved with the budget of the Russian Federation for a certain period. Price increase for 2012 was provided to the extent of 15 per cent. Then a date of its entry into force was postponed from January 1, 2012 to July 1, 2012. From July 1 the prices will grow 15 per cent. As it was mentioned by Andrey Kruglov in his speech, it will average 7.5 per cent of the gas price increase over 2012.

DENIS PINCHUK: Does Gazprom have other suggestions about an additional increase except for this planned one?

ANDREY KRUGLOV: It is not planned in 2012.

QUESTION: Anna Shiryayevskaya, Bloomberg. Two clarifying questions regarding ruble commercial papers. Have you registered three-year bonds for RUB 300 billion?

ALEXANDER IVANNIKOV: Last year a bond placement program worth RUB 300 billion was registered. The amount of bond issue slated for this year is up to RUB 30 billion.

The situation depends on what will happen in the domestic and foreign markets. Ruble bonds, bonded loans, or a commercial loan – it will depend on the market situation. Maybe, there will be a combination of those – an integrated instrument.

ANDREY KRUGLOV: Now, we can say that in summer we are to place Eurobonds.

ANNA SHIRYAEVSKAYA: Worth USD 2.5 billion, right?

ANDREY KRUGLOV: We'll see.

ANNA SHIRYAEVSKAYA: The second question refers to the production sector. If I get you right, so far you are planning to produce 513 billion cubic meters?

ANDREY KRUGLOV: Yes, it is the level of the last year.

ANNA SHIRYAEVSKAYA: And a question regarding the investment program. Now we are talking about RUB 843 billion for 2012.

ANDREY KRUGLOV: Yes, with account of the adjustment for RUB 67 billion, which is planned after summarizing half year results.

ANNA SHIRYAEVSKAYA: But can we assure that the investment program worth around RUB 1 trillion will be approved in September?

ANDREY KRUGLOV: No, we can't assure it as yet.

ANNA SHIRYAEVSKAYA: So now you don't give new figures?

ANDREY KRUGLOV: Meanwhile, we aim at a planned increase of the investment program by RUB 67 billion. So, as you were right to notice, it is RUB 843 billion in total. Now, we are orientated to this figure.

QUESTION: Ekaterina Safonova, RBC Daily. How much capital investment is slated for 2013 and 2014? Thank you.

ANDREY KRUGLOV: Comparable with the 2012 level, that is about RUB 800 billion in 2013 and in 2014 as well. It is the total volume of the investment program – including both capital and long-term investments.

QUESTION: Alexey Grivach, Moscow News. A question is about the investment program. In the previous years you announced more serious capital investment – around RUB 4.5 trillion for 3 years. Now, you are talking about a considerable cutdown. What investment projects have you decided to refuse? Thank you.

ANDREY KRUGLOV: As to the investment program, we are not talking about rejection of any project. The thing is that the beginning of some projects is postponed. First of all, this is due to the fact that we still have not signed an agreement with China, which was planned to be concluded, but for the being we have not come to a consensus on the price. And in the previous year we were thinking that the agreement would have been signed and, correspondingly, quite a large part of the investment program would be used for fields development in Eastern Siberia and for construction of the transport infrastructure to supply gas to China. It is the first point.

And the second one, I am talking about one of the major projects, is that the investment decision on the Shtokman project is not adopted. The question is not in abandoning our investment plans. It is just a matter of time adjustment. Therefore, the investment program volumes are not the same as earlier.

SVETLANA SAVATEEVA: Mr. Kruglov, you didn't answer my question. You said about Eurobonds, but you didn't answer the question about the ADRs, about the law which has already entered into force. And in this regard one more clarifying question. Have you already counted how many ADR owners will lose the right to vote at tomorrow's meeting after the endorsement of this law? And in general, how are you planning to mitigate this law in future? And what risks do you see for your ADR price because of this law? Thank you.

ANDREY KRUGLOV: I will repeat once more. As to how many ADR owners do not want to disclose themselves and if this figure will be announced at tomorrow's annual Shareholders Meeting: currently I don't know which figure exactly was declared. It should be seen following the results of the work with the Securities Depository. Regarding the influence it may produce: when a law has just entered into force and we live quite a short period of time in the new legal framework, it is complicated to estimate if it produces negative or positive effect on the capitalization level. At the moment, I can state that, in my point of view, with account of Gazprom's financial results and of our Company's dividends profitability, the capitalization level could be higher than now.

QUESTION: Maria Tatevosova. Could you tell, please, if the current status of Viktor Zubkov allows him to get the benefits according to the 2011 results as the Chairman of the Board of Directors?

This question is of interest in advance of the General Shareholders Meeting.

ELENA VASILIEVA: At present, according to our accounting statements and materials, we have calculated the amount of benefits for the Chairman of the Board of Directors and it will be paid out, because Viktor Zubkov is a non-government employee today. Under the applicable legislation, there are all possibilities to effectuate this payment.

Russian Special Presidential Representative for Cooperation with Gas Exporting Countries Forum – it is not a position, but a function. He will keep on representing Gazprom in Russia and abroad. So, that is his due.

MODERATOR: Thank you. Now, the Press Conference is over.