

1H2011 IFRS Consolidated Financial Results

November 9th 2011



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Part 1.



Andrey Kruglov

Deputy Chairman of Gazprom Management Committee

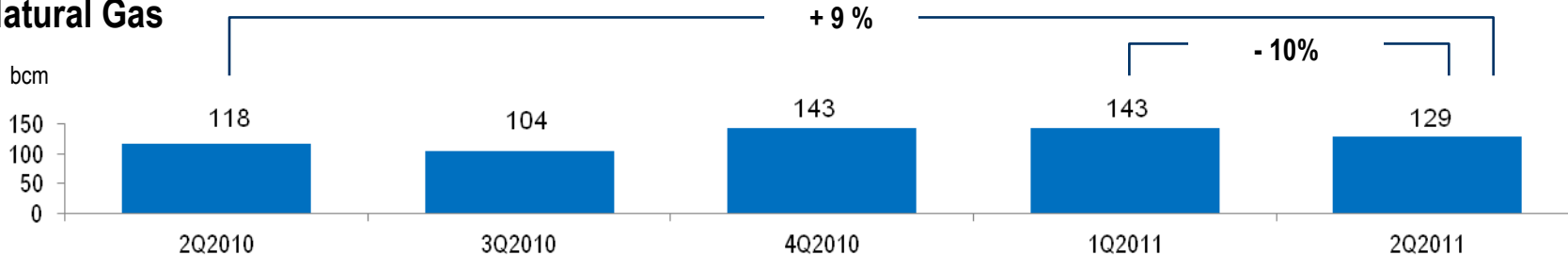
Head of the Department for Finance and Economics

- **Profit for the period⁽¹⁾**
 - RR 772 bn in 1H2011 **up 56%** compared to RR 495 bn in 1H2010
 - RR 304 bn in 2Q2011 **up 79%** compared to RR 170 bn in 2Q2010
- **Continued positive free cash flow⁽²⁾ generation**
 - RR 27 bn free cash flow **positive** in 1H2011 compared to RR 348 bn in 1H2010
 - RR 29 bn free cash flow **positive** in 2Q2011 compared to RR 70 bn in 2Q2010
- **Stable operating cash flow generation**
 - RR 689 bn in 1H2011 **down 8%** compared to RR 748 bn in 1H2010
 - RR 299 bn in 2Q2011 **up 13%** compared to RR 265 bn in 2Q2010
- **Changes in working capital**
 - RR 53 bn **negative** impact of changes in working capital in 1H2011
 - RR 30 bn **positive** impact of changes in working capital in 2Q2011
- **Leverage easing:**
 - **Net Debt decreased by 7%** as of the end of 1H2011 mainly due to a decrease in short-term and long-term borrowings caused by appreciation of ruble against euro and U.S. dollar.
 - **Net Debt/Adj.EBITDA LTM dropped to 0.49x** as of the end of 1H2011 compared to **0.64x** as of the end of 2010

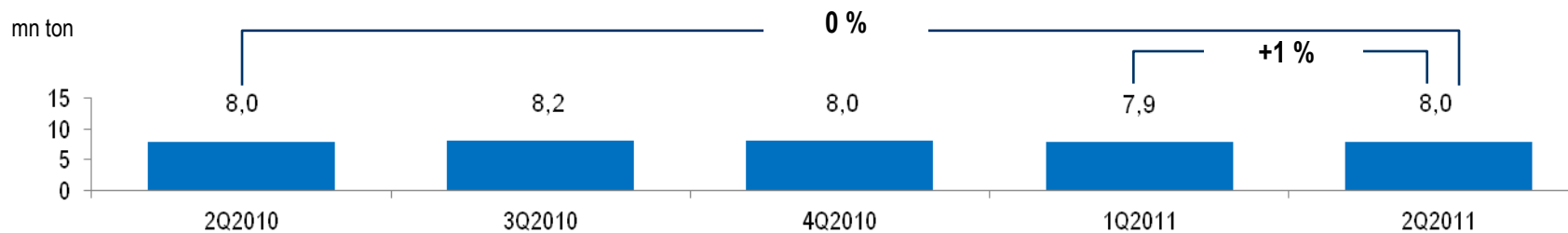
1. Profit for the period attributed to owners of OAO Gazprom

2. Free cash flow is calculated as Net cash provided by operating activities minus Capital expenditures (excluding capitalized interest)

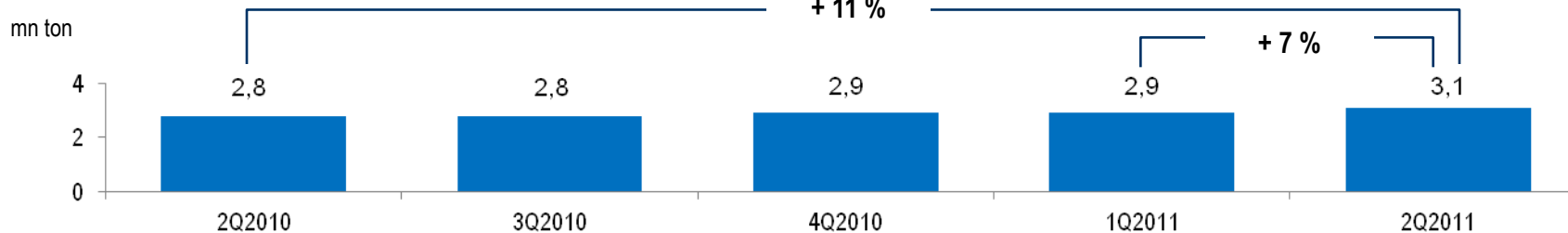
Natural Gas



Crude Oil



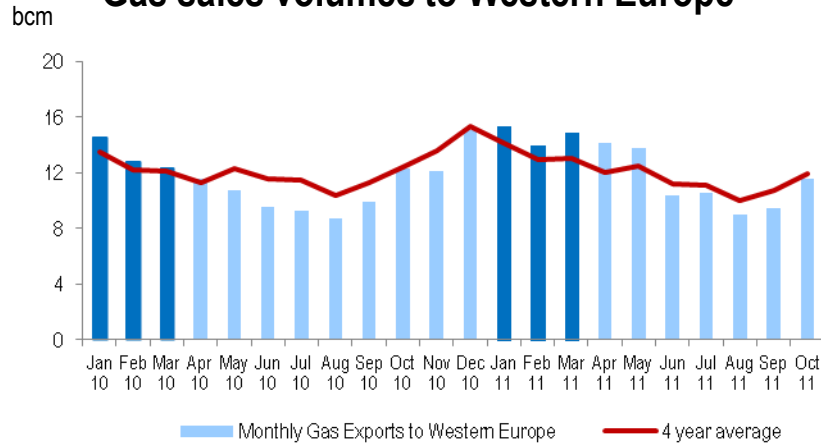
Gas Condensate



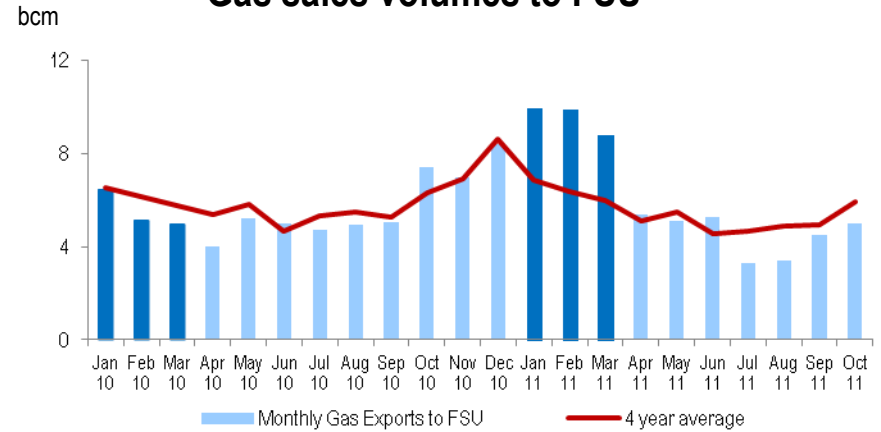
bcm	2Q2010	2Q2011
Natural gas resources	163.8	179.1
Indigenous gas production	151.5	165.5
Other sources including Central Asian and Azerbaijani gas	10.5	10.7
Gas withdrawn from underground storage in Russia, Latvia and Europe	0.1	1.5
Decrease in the amount of gas within the gas transportation system	1.7	1.3
Natural gas distribution	163.8	179.1
Domestic consumption	87.1	95.7
including needs of the gas transportation system and UGS	9.8	11.5
Gas pumped into UGS in Russia, Latvia and Europe	25.8	23.3
Gas for LNG production (Sakhalin-2)	3.3	3.5
FSU supplies	13.6	16.3
Foreign supplies	32.6	39.4
including Baltic states	0.8	1.1
Increase in the amount of gas within the gas transportation system	1.3	1.0

Source: Operating data

Gas sales volumes to Western Europe



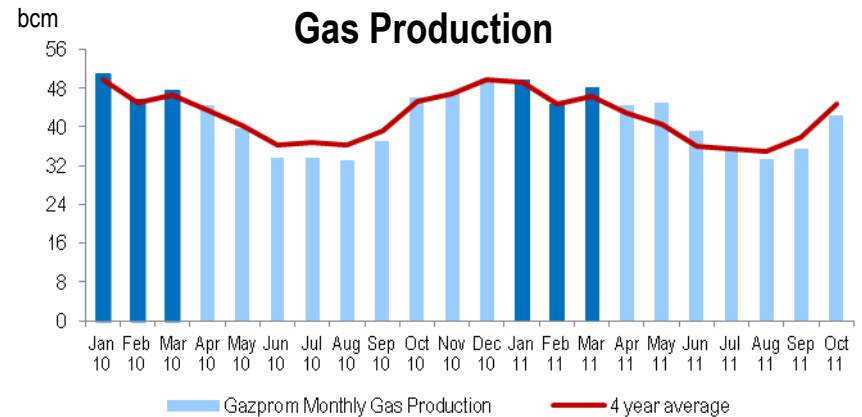
Gas sales volumes to FSU



Gas sales volumes to Russia

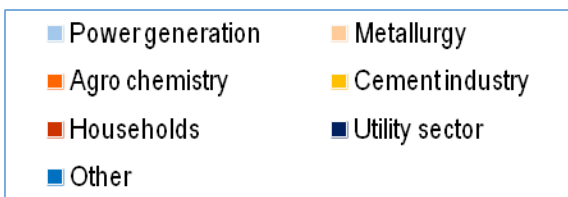
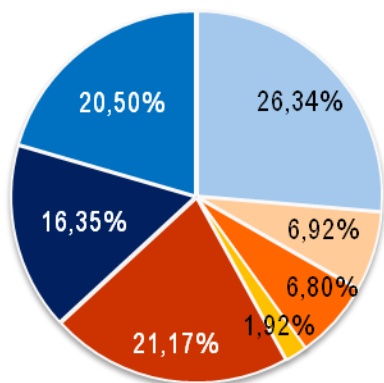


Gas Production

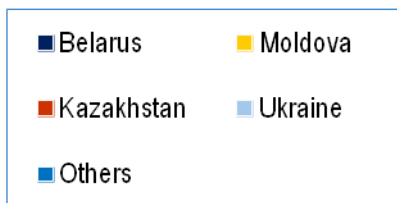
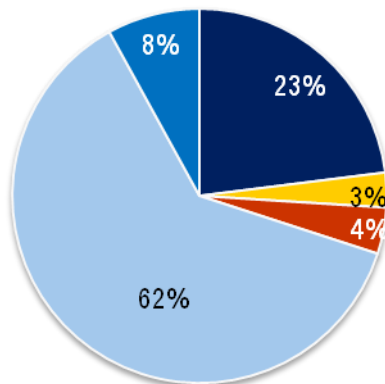


Source: Company Operating Results

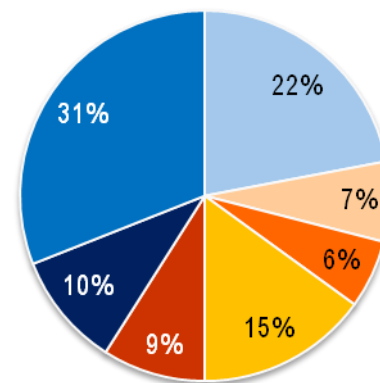
Domestic Gas Sales ⁽¹⁾



FSU Gas Sales



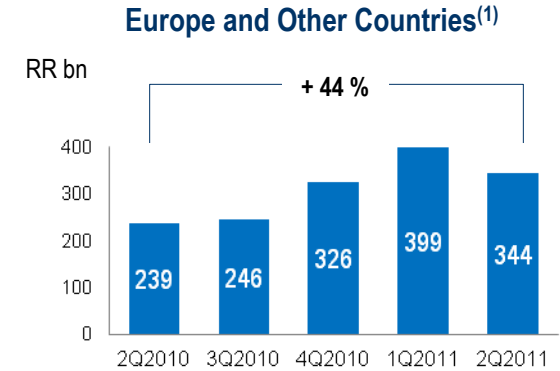
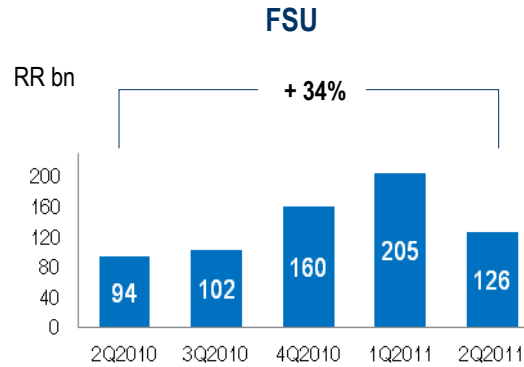
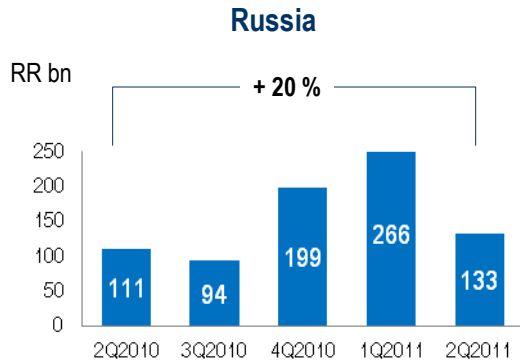
Europe and other countries Gas Sales



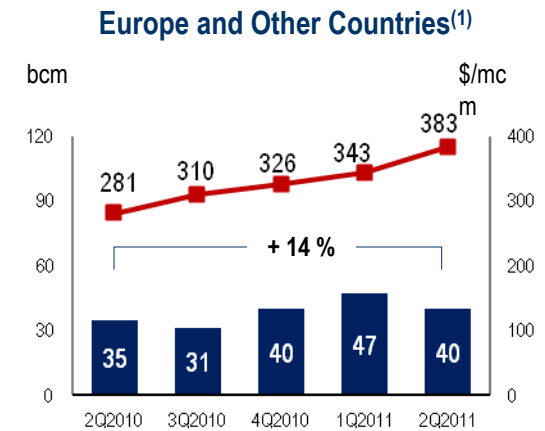
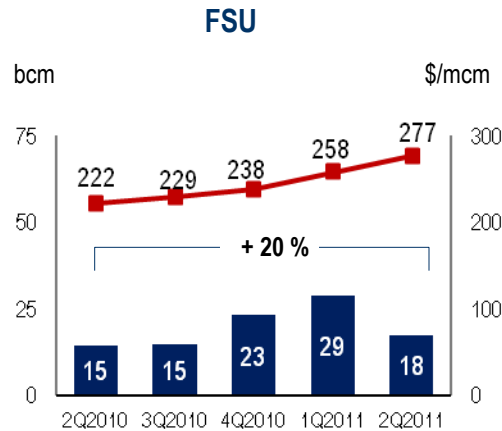
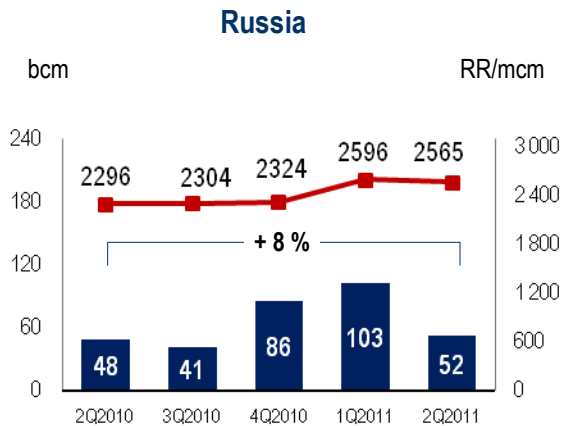
Source: Company data

1. Excluding gas sales to the power generating companies of Gazprom Group

Net Sales Y-o-Y



Volumes and Prices Y-o-Y



Calculations may diverge due to rounding.

1. Other countries include LNG sales to Japan, Korea, India, Taiwan and China

■ Sales Volume — Average Price

Part 2.



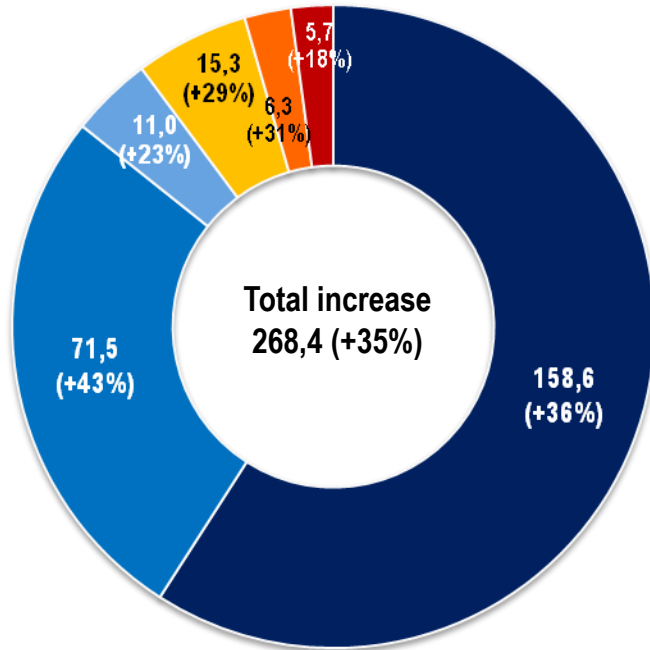
Elena Vasilieva

Deputy Chairman of Gazprom Management Committee

Chief Accountant

Factors of Net Sales Growth

RR bn (%)



Net Sales of Gas

Increase in Net sales of Gas was driven mostly by RR 105 bn increase in sales to Europe and other countries (due to increase in prices and volumes) and RR 32 bn increase in sales to FSU (primarily due to increase in volumes as well as due to increase in prices) and RR 22 bn increase in sales to Russia (as a result of tariff growth).

Sales of Refined Products

Increase in sales of Refined products was driven mostly by growth in the world prices for refined products and volumes of refined products sold.

Sales of Crude Oil and Gas Condensate

Sales of Crude oil and gas condensate grew mostly as a result of increase in oil and gas condensate prices and were supported by the increase of the volume of gas condensate sold.

Electric and Heat Energy Sales

Electric and heat energy sales grew mainly due to the increase in electric and heat energy tariffs as well as increase in volumes sold.

Gas Transportation Sales

Total gas transportation sales grew as a result of increase in gas transportation tariffs for independent gas suppliers as well as increase in transported gas volumes.

2Q2011 Vs 2Q2010

Changes of Operating Expenses Items

The increase mainly resulted from the general increase of MET rate for gas from RR 147 to RR 237 per mcm from January 1, 2011 and from the increase of MET rate for oil due to average world oil prices growth

The cost of purchased oil increased due to the increase in oil prices

The change was primarily driven by appreciation of RR against USD compared to depreciation of RR against USD and appreciation of RR against EUR in the same period of the prior year

This increase relates to the increase in volumes and prices of gas purchased from third parties within Russia and abroad

The increase mainly resulted from the salary indexation

The increase is mainly explained by recognition of customs drawback income (including but not limited to customs drawback upon court order) in 2Q2010

The increase mainly results from the increase in volume of refined products purchased by the Gazprom Neft Group and the increase in prices

The increase primarily relates to the growth in fixed asset base

The increase mainly resulted from the increase of electricity tariffs

The decrease mainly resulted from decrease of valuation reserves volume in reporting period

Taxes other than on income

Purchased oil

Exchange rate differences on operating items

Purchased gas

Staff costs

Other

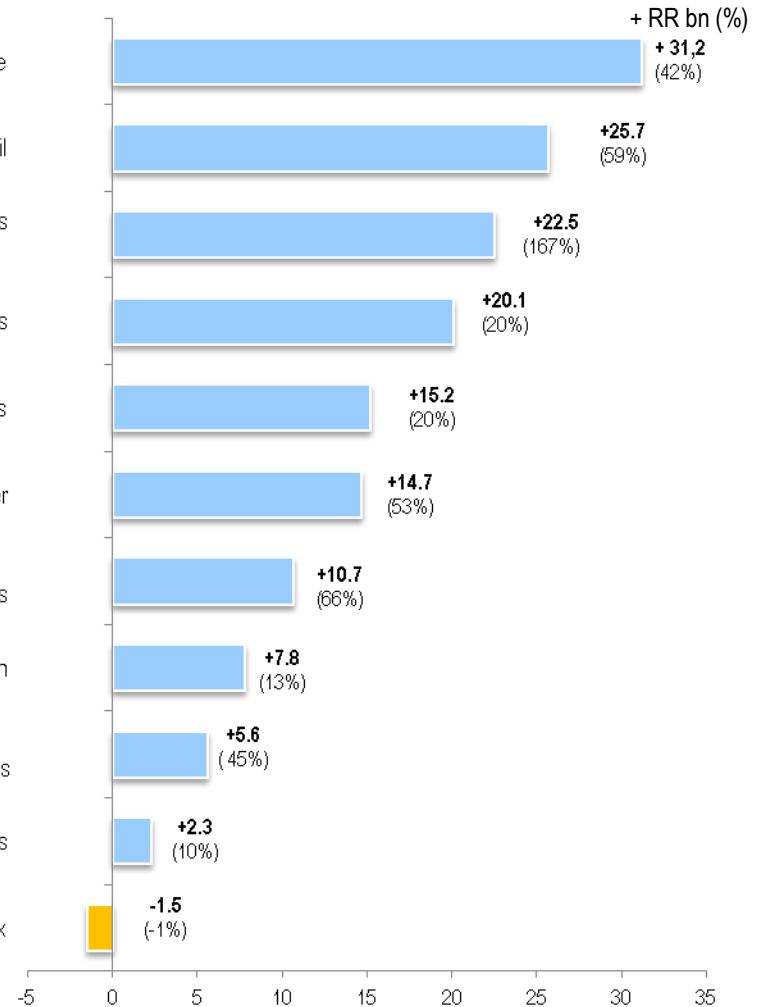
Cost of goods for resale, including refined products

Depreciation

Electricity and heating expenses

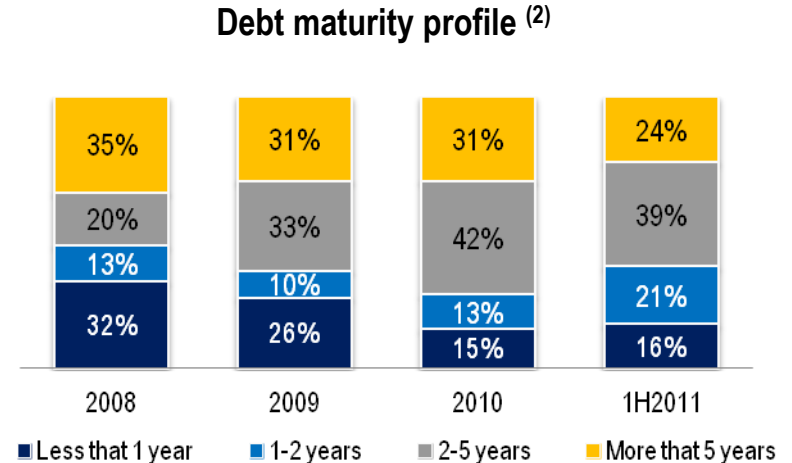
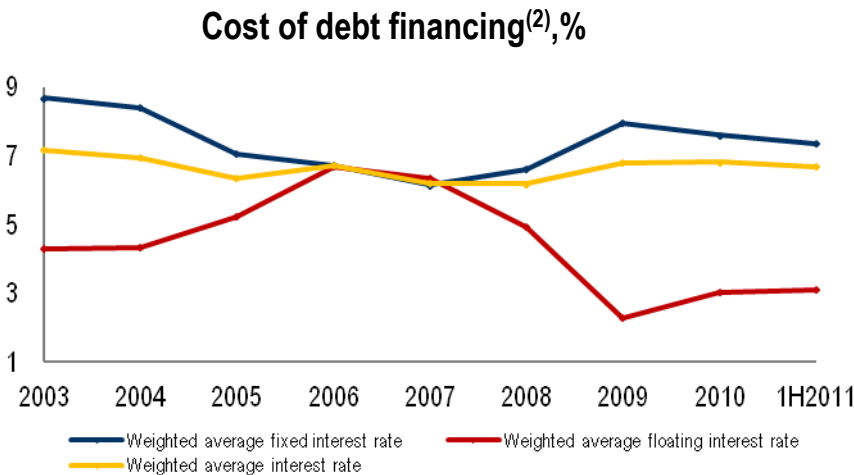
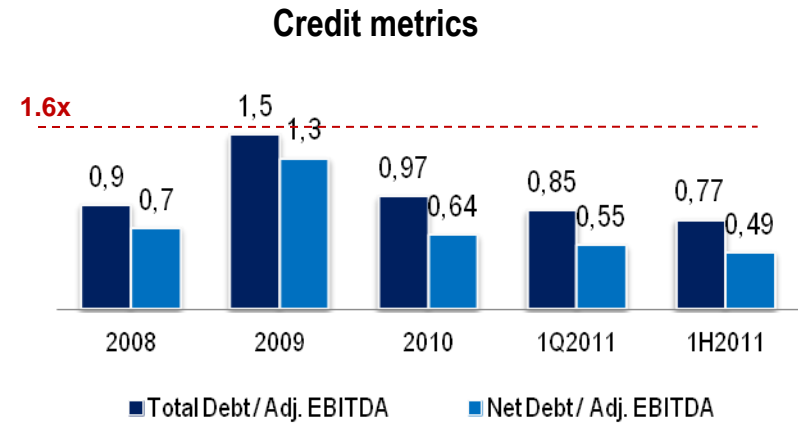
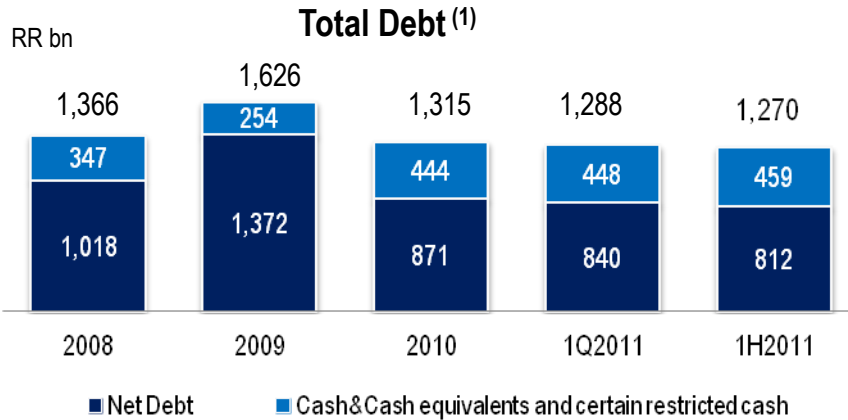
Materials

The rest of the OpEx



Note: The rest of the OpEx include Transit of gas, oil and refined products, Transportation services, Heat transmission, Social expenses, Rental expenses, Research and development expenses, Insurance expenses, Processing services, Charge for impairment provisions, Changes in inventories of finished goods, work in progress and other effects, Repairs and maintenance

2Q2011 Total Changes in Working Capital	Decrease in accounts receivable for gas	RR 86 bn	RR 30 bn Positive impact on the company's operating cash flow during the period
	Increase in deposits (from 3 to 12 months)	- RR 18 bn	
	Increase in accounts payable	RR 26 bn	
	Increase in gas inventories	- RR 54 bn	
	Other effects	- RR 10 bn	



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

Sustained Gazprom Group results

2Q2011 Vs 2Q2010 Financial results

- Gazprom's Net Profit grew by 79% and is the highest among Top10 oil and gas majors
- EBITDA grew by **41%**
- Net sales grew by **35%**
- Total debt decreased by **6%**
- T.Debt/Adj.EBITDA is **0,77x**
- Revenue growth rate is higher than the growth rate of OpEx

2011 Y-o-Y Financial Outlook

- We expect further growth of Net Profit
- We expect EBITDA growth more than **30%**

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