



# 3Q2017 IFRS RESULTS

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First Deputy Head of Department

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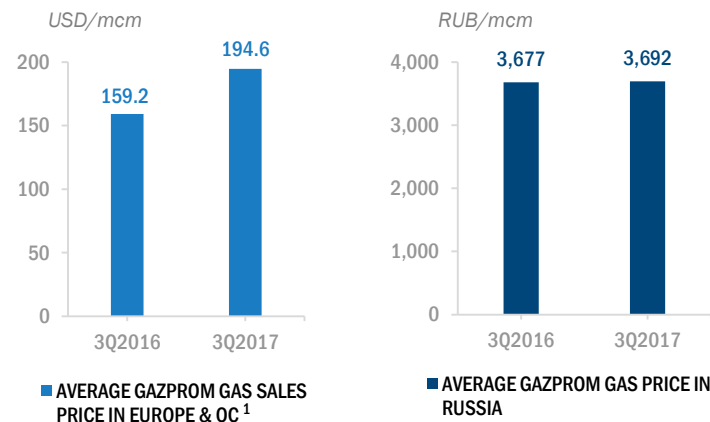
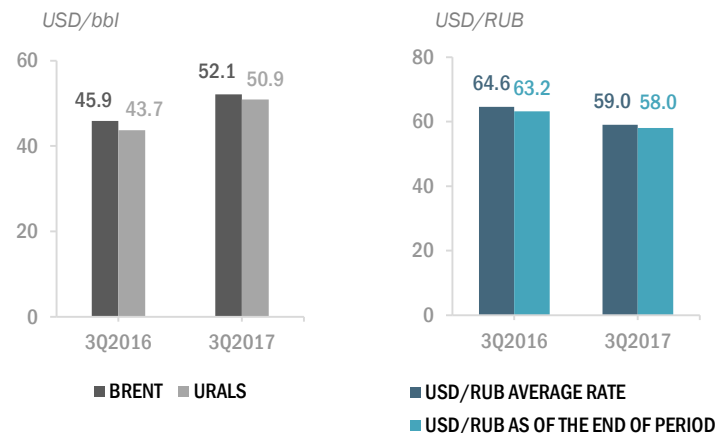
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# HIGHLIGHTS



## Market environment in 3Q2016 vs 3Q2017

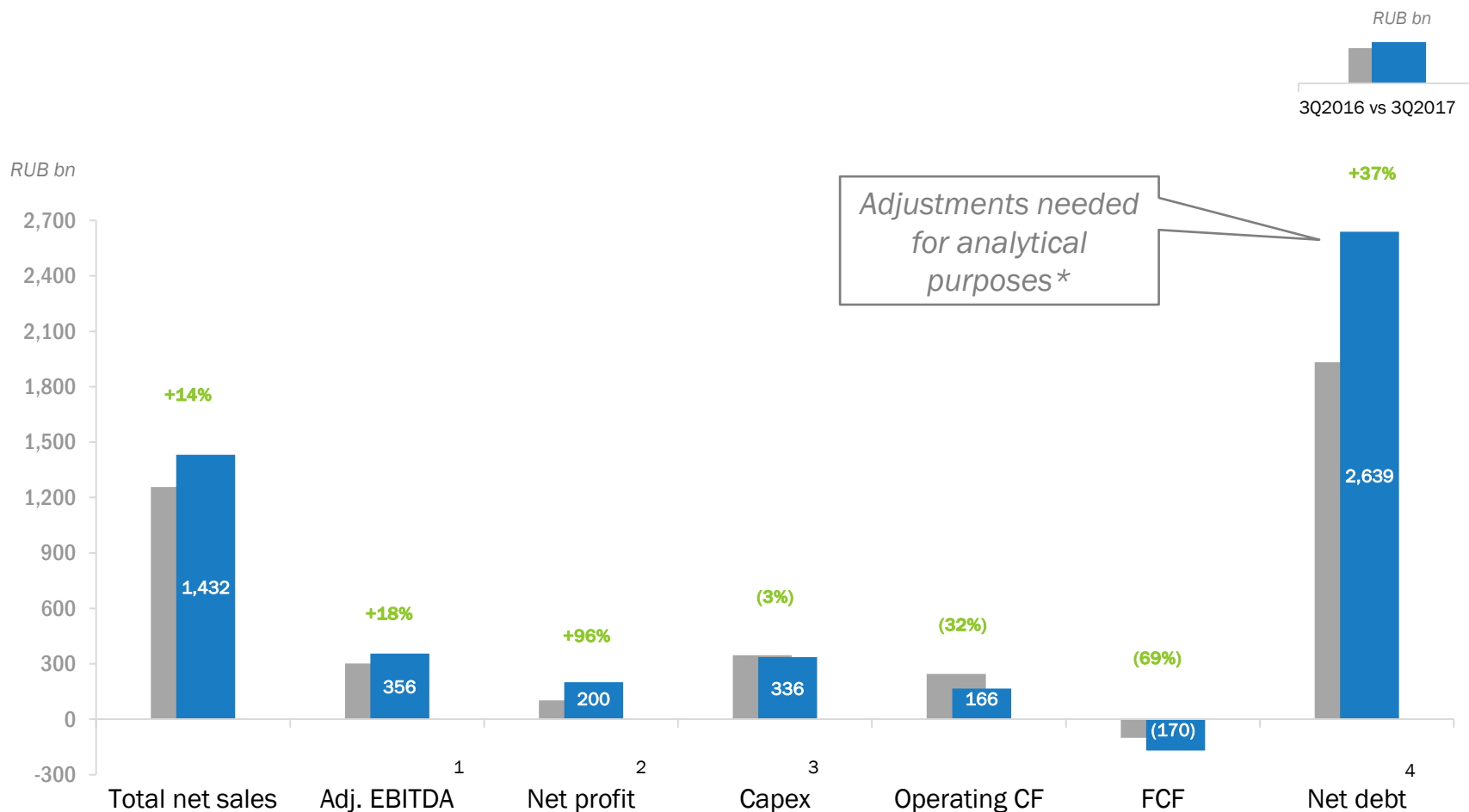


Jul.  
2017  
-  
Nov.  
2017

- Sales to Europe +8.4% YoY at 170 bcm from 1 Jan, 2017 to November 22, 2017
- Construction of the TurkStream pipeline continues, over 520 kilometers of pipes laid
- Establishing a 50/50 joint venture with BOTAS for the construction and operation of the onshore transit gas pipeline in Turkey
- +40% to access of OPAL pipeline
- Supplementary Agreement signed with China to supply gas via Power of Siberia starting December 20, 2019
- Over 1,120 km of the Power of Siberia pipeline completed. Construction continues
- First foundation laid for Amur GPP

Source: Company data, Bloomberg, Bank of Russia website  
<sup>1</sup> OC - Other countries: including LNG sales

# SUMMARY OF 3Q2017 IFRS FINANCIAL RESULTS

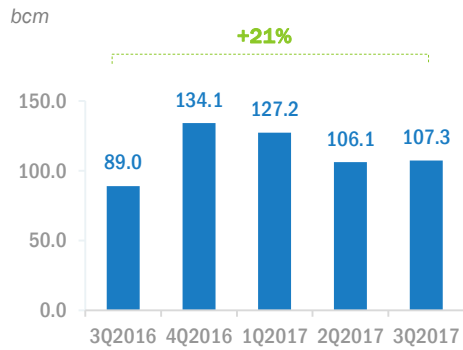


<sup>1</sup> EBITDA adjusted for changes in impairment provisions  
<sup>2</sup> Profit for the period attributed to shareholders of PJSC Gazprom  
<sup>3</sup> Cash capital expenditures  
<sup>4</sup> Compared to Net debt as of December 31, 2016

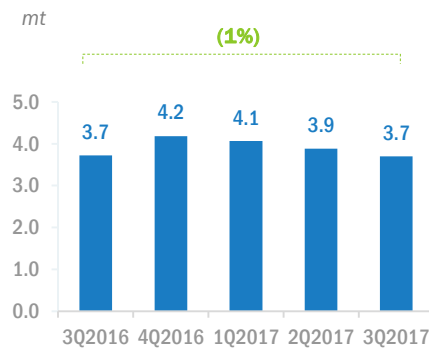
\*In order to reflect the effects of the bank deposits (reported as part of Other current and non-current assets)

# PRODUCTION

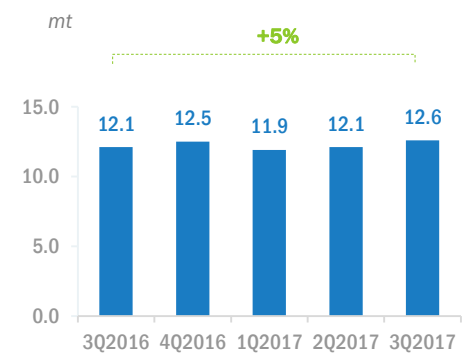
## Natural gas



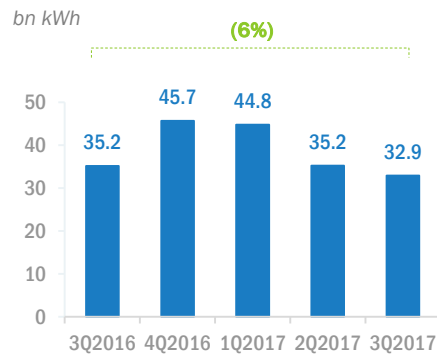
## Gas condensate



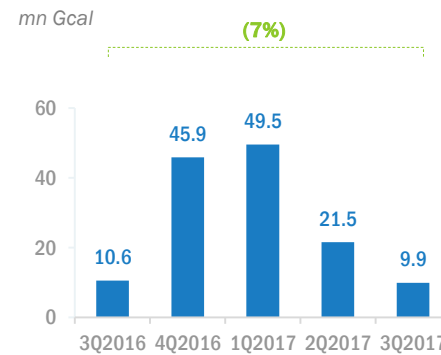
## Crude oil



## Electricity



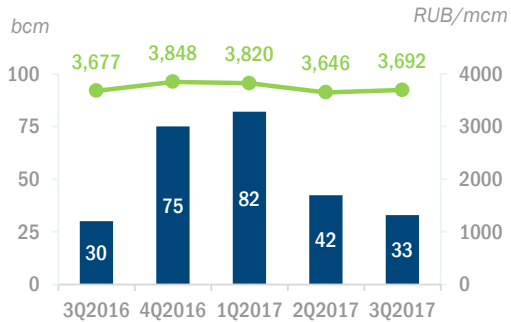
## Heat



Gazprom Group's volumes produced in Russia  
Calculations may differ due to rounding.

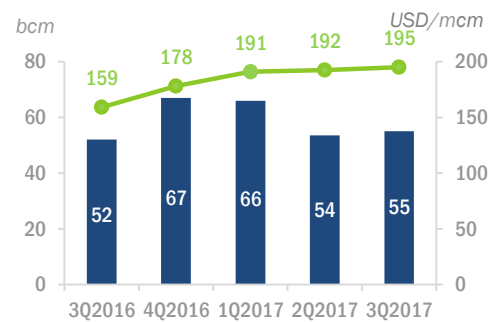
# GAS SALES

## Russia



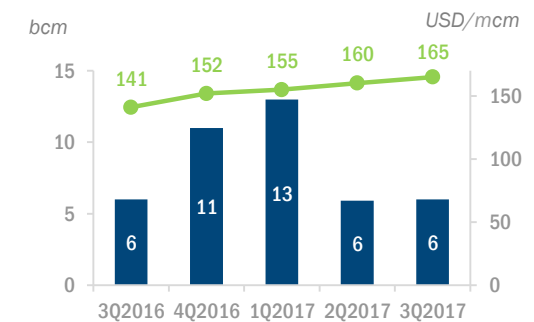
■ VOLUMES ● AVERAGE PRICE IN RUSSIA

## Europe & OC<sup>2</sup>

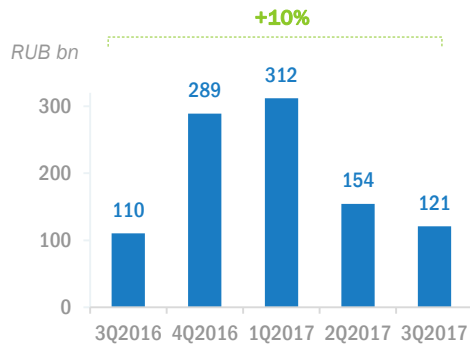


■ VOLUMES ● AVERAGE PRICE IN EUROPE & OC

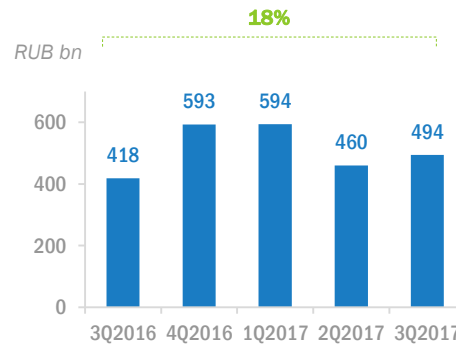
## FSU



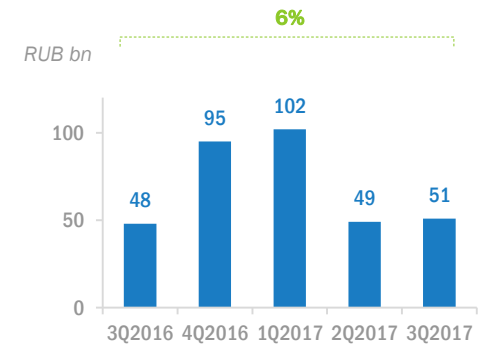
■ VOLUMES ● AVERAGE PRICE IN FSU



■ NET SALES TO RUSSIA<sup>1</sup>



■ NET SALES TO EUROPE & OC<sup>3,4</sup>



■ NET SALES TO FSU<sup>3,4</sup>

Calculations may differ due to rounding.

<sup>1</sup> Net of value added tax (VAT)

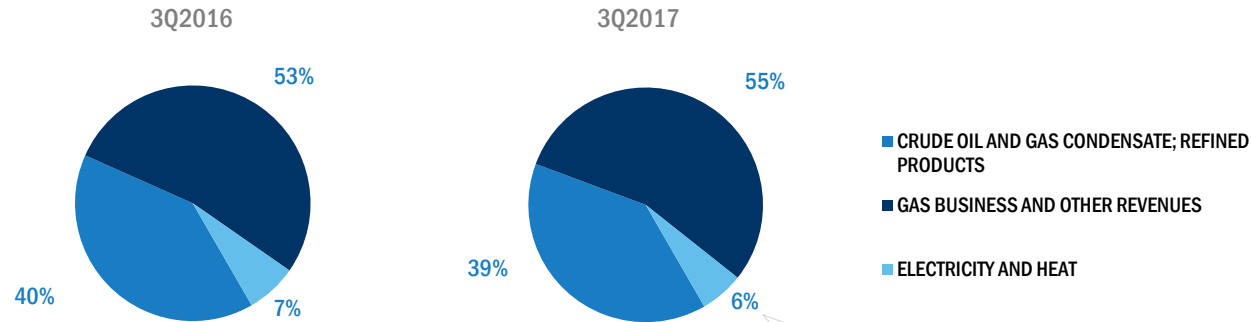
<sup>2</sup> OC - other countries: including LNG sales

<sup>3</sup> VAT is not charged on export sales

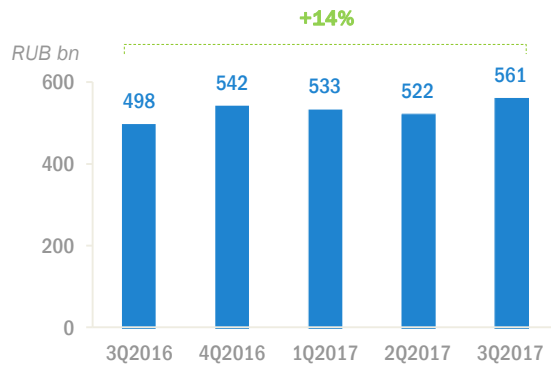
<sup>4</sup> Net of custom duties and excise tax on gas exports

# OIL AND ENERGY BUSINESS

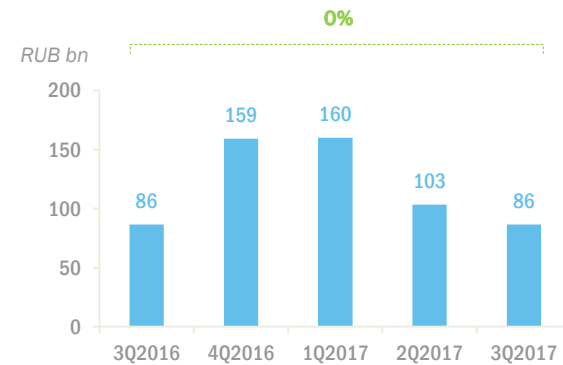
## Net Sales<sup>1</sup>



### Crude oil and gas condensate; refined products



### Electricity and heat



Calculations may differ due to rounding.

<sup>1</sup> Net of value added tax (VAT), excise tax and custom duties.



# BANK DEPOSITS

According to Gazprom 3q17 IFRS report<sup>1</sup>:

## 12 OTHER CURRENT AND NON-CURRENT ASSETS

Included within other current assets are prepaid taxes, predominantly VAT in the amount of RUB 208,020 million and RUB 97,869 million and profit tax in the amount of RUB 25,184 million and RUB 12,916 million as of 30 September 2017 and 31 December 2016, respectively. Other current assets include short-term deposits in the amount of RUB 507.162 million and RUB 144.035 million as of 30 September 2017 and 31 December 2016, respectively.

As of 30 September 2017 and 31 December 2016 other non-current assets include:

- intangible assets in the amount of RUB 47,228 million and RUB 46,126 million;
- VAT recoverable related to assets under construction totalling RUB 38,393 million and RUB 35,702 million;
- long-term deposits in the amount of RUB 2,679 million and RUB 42,230 million;
- net pension assets in the amount of RUB nil million and RUB 20,499 million (see Note 20).

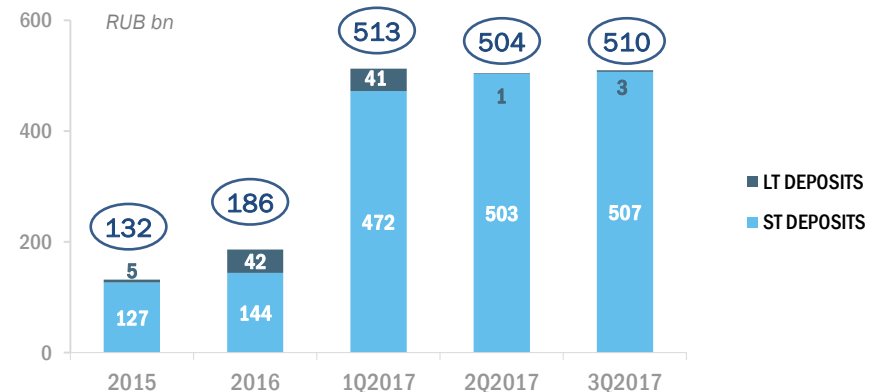
### Key features of bank deposits<sup>2</sup>:

- Early withdrawal clause
- Deposit term of over 3 months
- Are NOT included in Cash and cash equivalents

### Impact of substantial increase in bank deposits:

- Decrease in Cash and cash equivalents
- Increase in Net Debt and Net Debt/EBITDA
- Reduction in Cash flows from operating activities<sup>3</sup> (changes in working capital)
- Decrease in Free cash flow<sup>3</sup>

### In 3Q2017 Gazprom substantially increased bank deposits volumes



Increase in LT and ST bank deposits is aimed at improving the efficiency of liquidity management

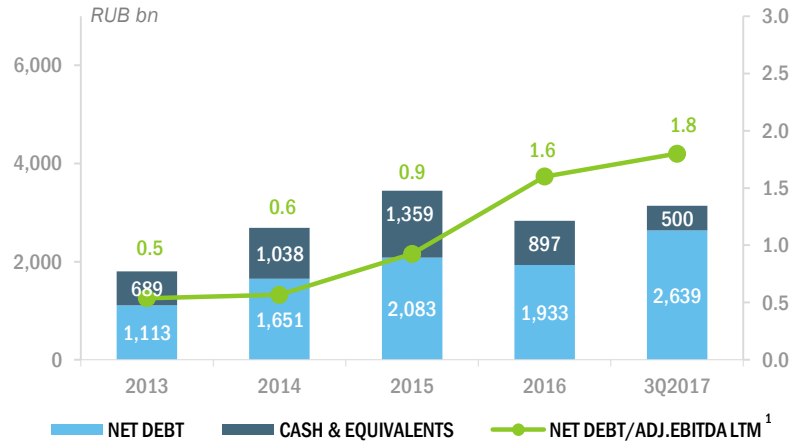
<sup>1</sup> Source: Gazprom 3Q2017 IFRS report, page 19

<sup>2</sup> Reported as a part of Other current assets and Other non-current assets

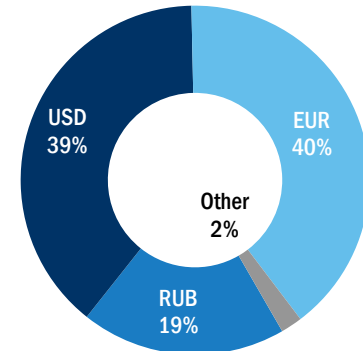
<sup>3</sup> Affected by ST deposits

# KEY DEBT METRICS

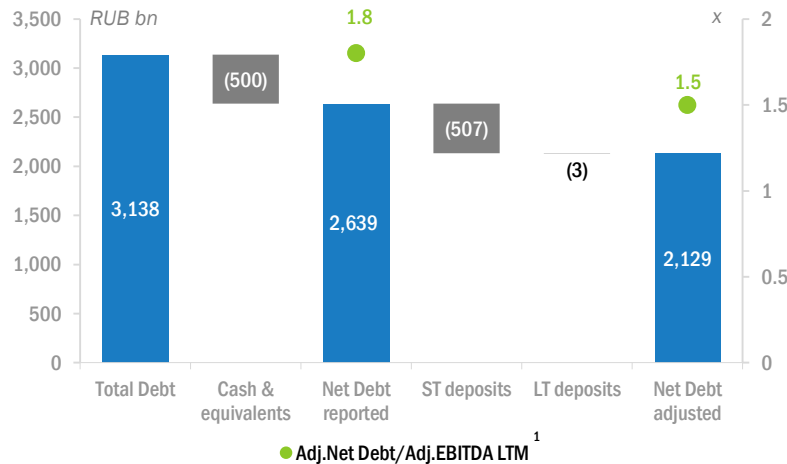
## Total Debt and Net Debt



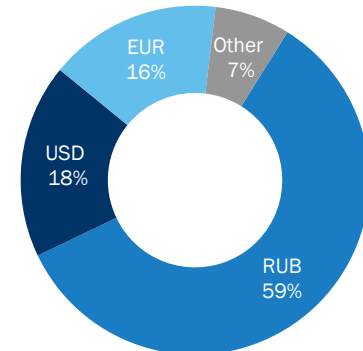
## Total Debt breakdown by currency



## 3Q2017 adjusted Net Debt structure<sup>2</sup>



## Cash, cash equivalents, bank deposits breakdown by currency



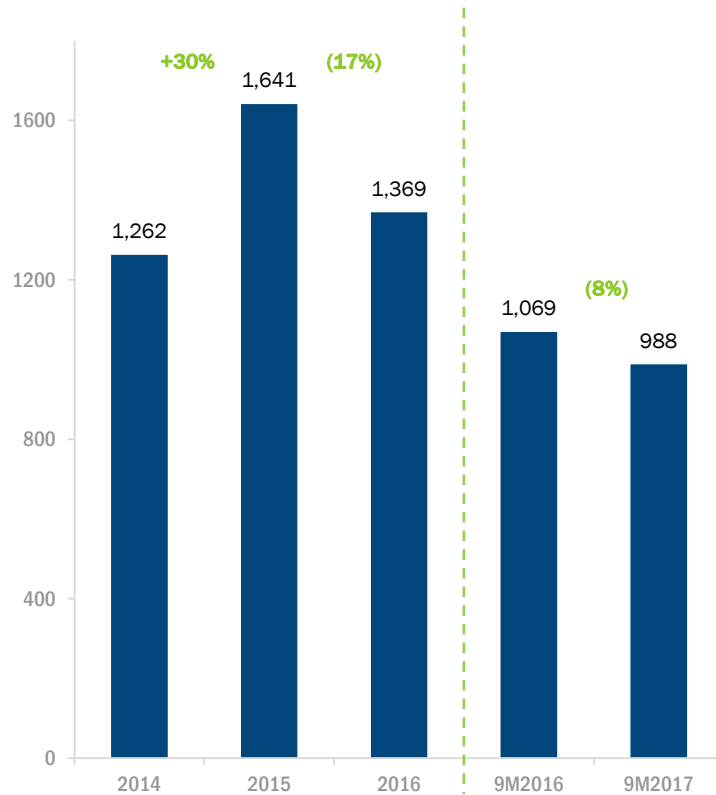
<sup>1</sup> Calculated using dollar values of Net debt and EBITDA

<sup>2</sup> Net Debt adjusted for the bank deposits reported as a part of Other current and non-current assets

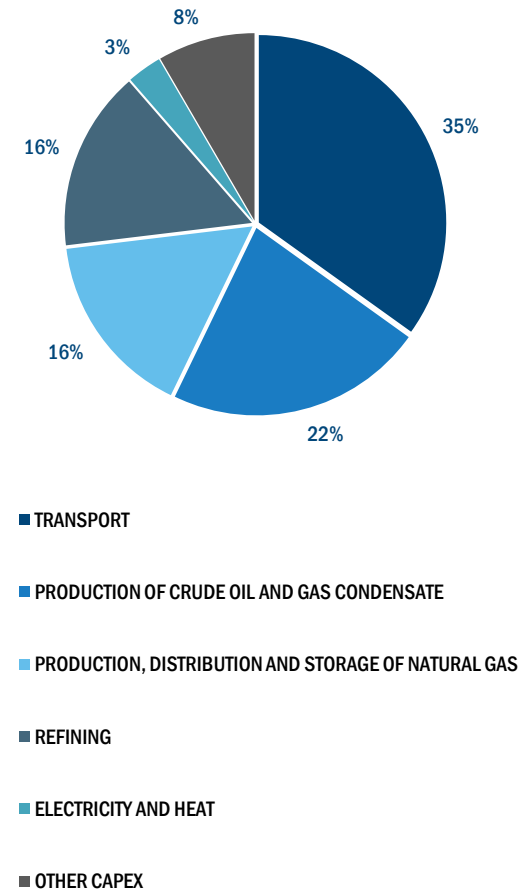
# CAPITAL EXPENDITURES

## Cash CapEx

RUB bn



## The Group's 9M2017 CapEx breakdown<sup>1</sup>



<sup>1</sup> CapEx breakdown as provided in Management Report

# KEY GAS BUSINESS INVESTMENT PROJECTS





ADDITIONAL INFORMATION

## RUSSIAN NATURAL GAS BALANCE

Bcm	3Q2016	3Q2017	9M2016	9M2017
<b>Natural gas resources</b>	<b>149.2</b>	<b>169.1</b>	<b>498.5</b>	<b>556.2</b>
Domestic gas production	141.4	160.3	449.4	502.9
Other sources including Central Asia and Azerbaijan gas	5.4	6.8	16.3	19.2
Gas from underground storage facilities in Russia, Latvia and Europe	1.4	1.3	29.8	31.4
Decrease in the amount of gas within the gas transportation system	1.0	0.8	3.0	2.7
<b>Natural gas distribution</b>	<b>149.2</b>	<b>169.1</b>	<b>498.5</b>	<b>556.2</b>
Domestic consumption	81.1	83.9	309.5	327.2
including needs of the gas transportation system and underground storage facilities	6.6	8.7	21.1	26.7
Gas pumped into underground storage facilities	16.5	28.9	26.5	48.9
Gas for LNG production	3.4	3.5	10.5	11.3
Foreign supplies	41.9	46.4	128.0	143.9
FSU supplies	5.5	5.5	21.3	22.3
Increase in the amount of gas within the gas transportation system	0.8	0.9	2.7	2.5

Source: Company Operating Data

**THANK YOU!**