



1Q2018 IFRS RESULTS

MAY 30, 2018



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First Deputy Head of Department

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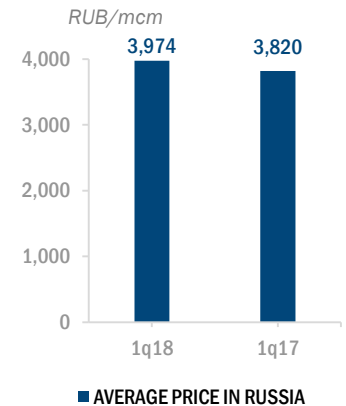
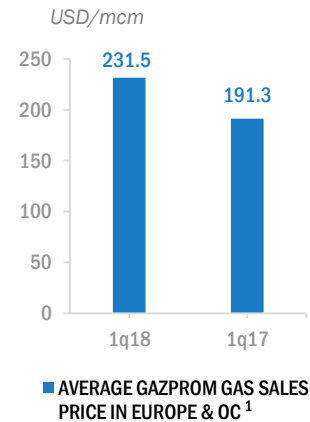
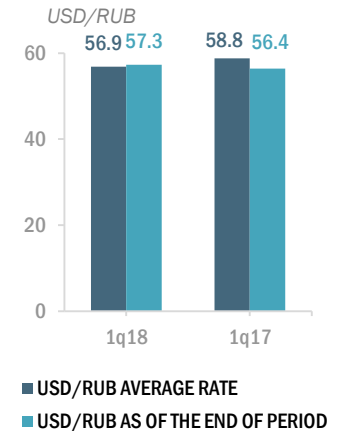
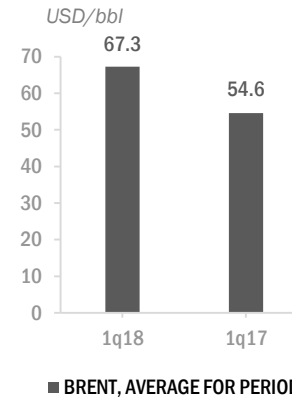
HIGHLIGHTS



Jan.
2018
-
May
2018

- As of May 15th, 2018, gas production increased by 9.8% YoY to 197.8 bcm. Export to Europe increased by 5.9% YoY to 78 bcm
- Gazprom reached agreement with European authorities on the antimonopoly investigation
- The first string of the TurkStream reached Turkish coast
- Gazprom and Turkey agreed on the onshore section of the second string of the TurkStream
- Germany and Finland granted all required approvals to build the Nord Stream-2 pipeline. Additional €0.4 bn received from European Energy Companies
- Over 83% of the first phase of the Power of Siberia pipeline laid
- Moody's and S&P upgraded Gazprom's ratings to investment grade
- The BoD recommended the Shareholders Meeting to approve to pay out RUB 8.04 per share in annual dividends

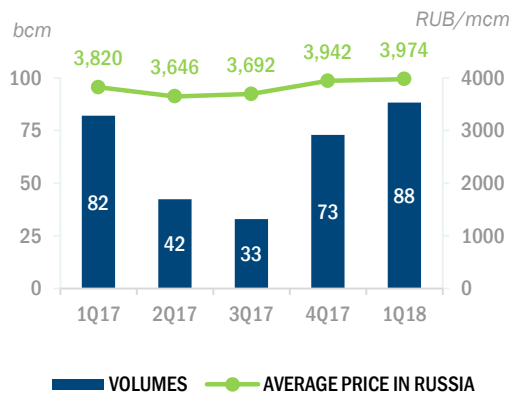
Market environment in 1Q2018 vs 1Q2017



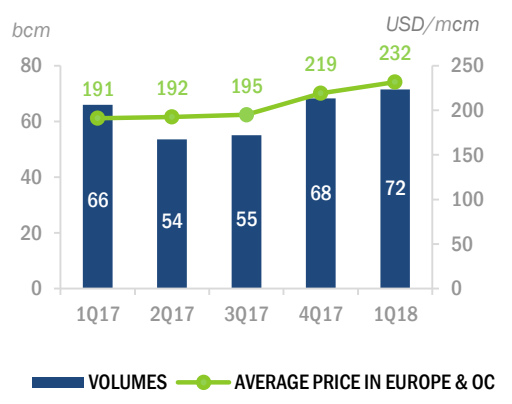
Source: Company data, Bloomberg, Bank of Russia website
¹ OC - Other countries: including LNG sales

GAS SALES

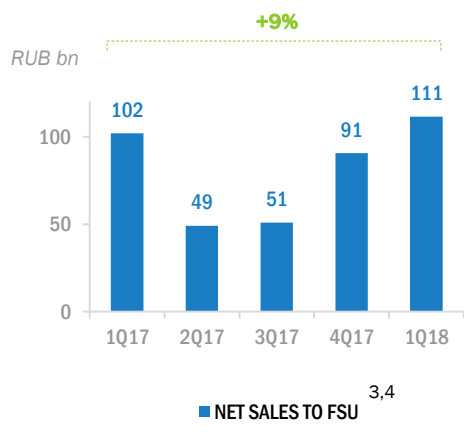
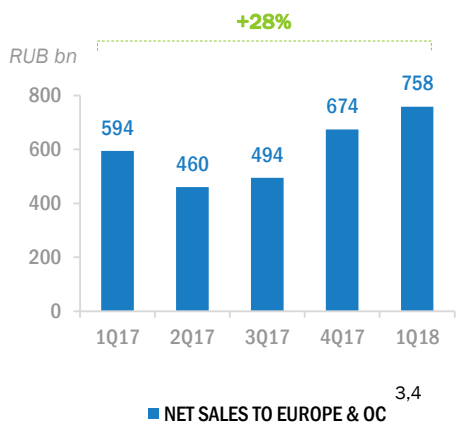
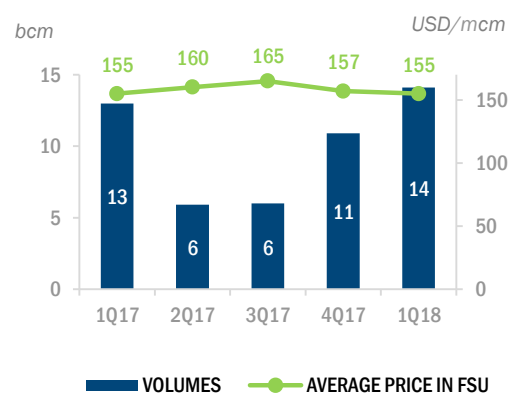
Russia



Europe & OC²



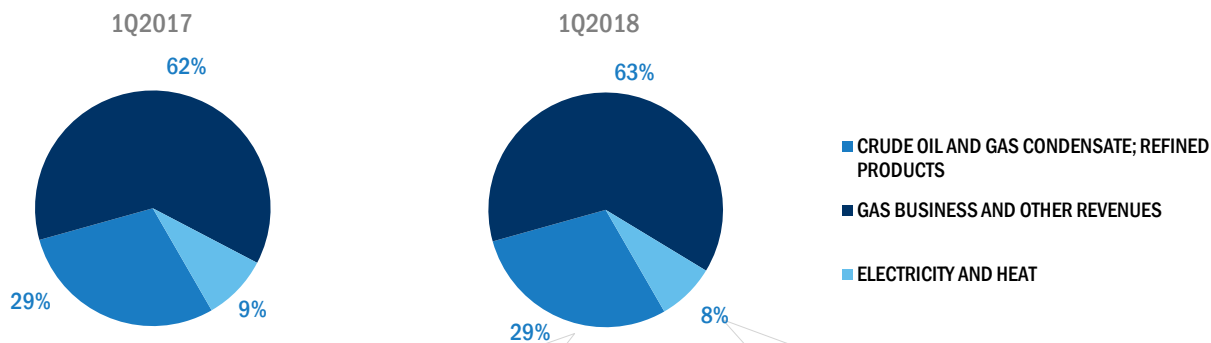
FSU



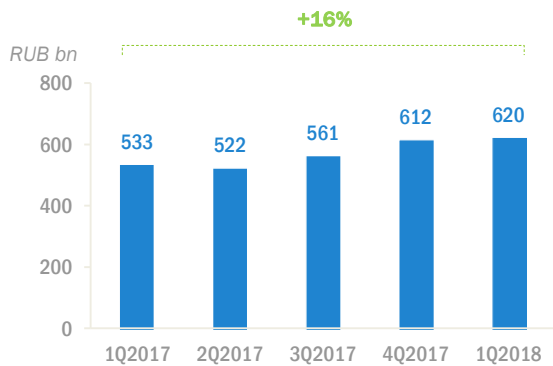
Calculations may differ due to rounding.
¹ Net of value added tax (VAT)
² OC - other countries: including LNG sales
³ VAT is not charged on export sales
⁴ Net of custom duties and excise tax on gas exports

OIL AND UTILITIES BUSINESS

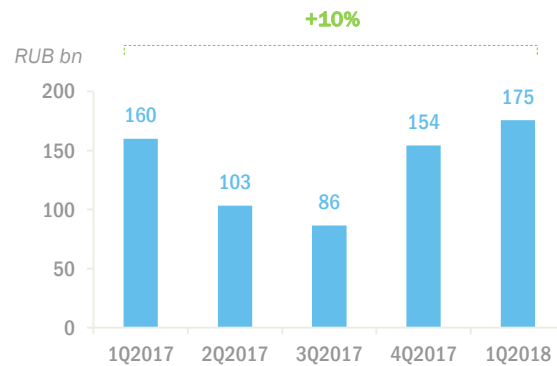
Net Sales¹



Crude oil and gas condensate; refined products sales



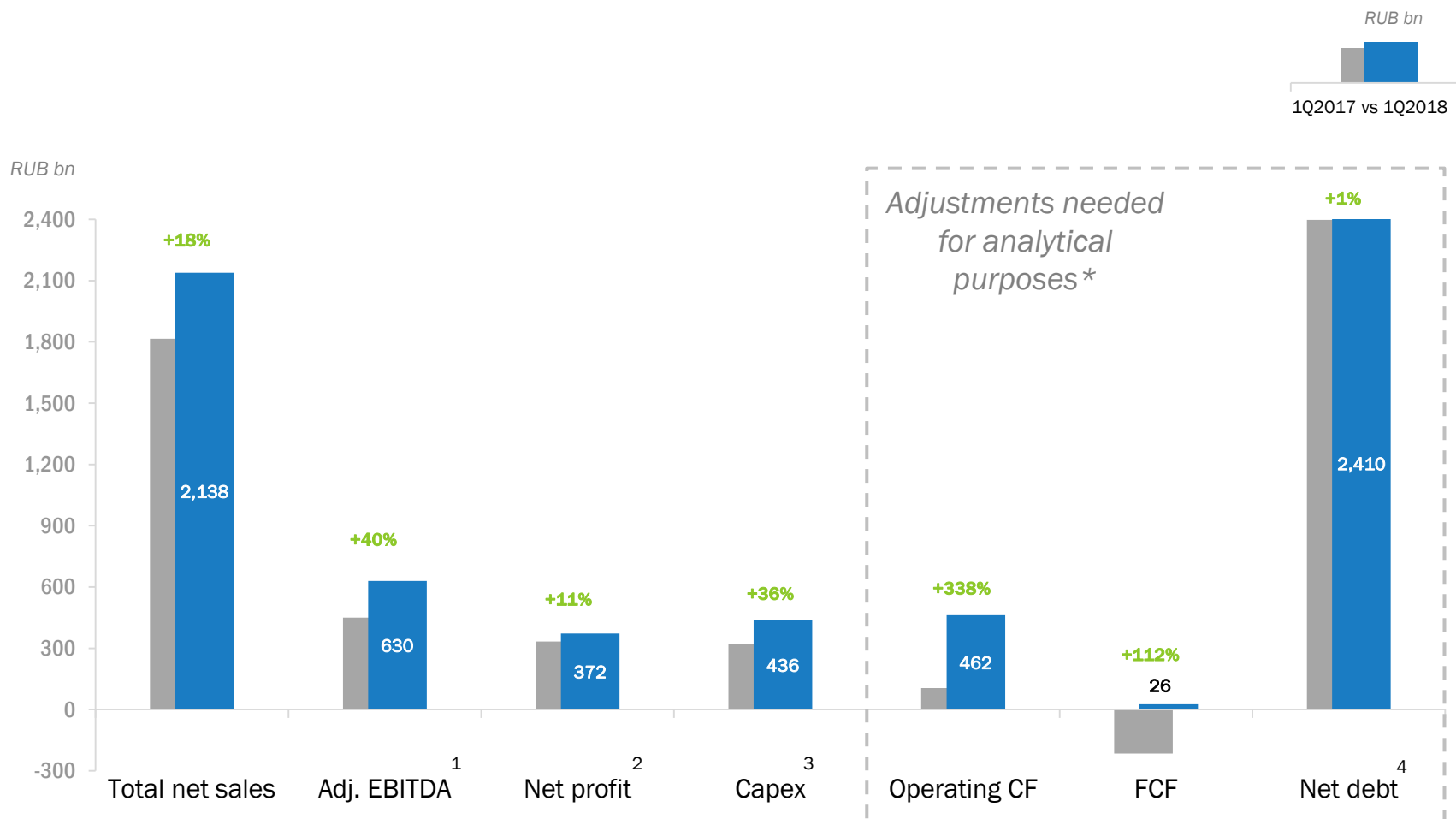
Electricity and heat sales



Calculations may differ due to rounding.

¹ Net of value added tax (VAT), excise tax and custom duties.

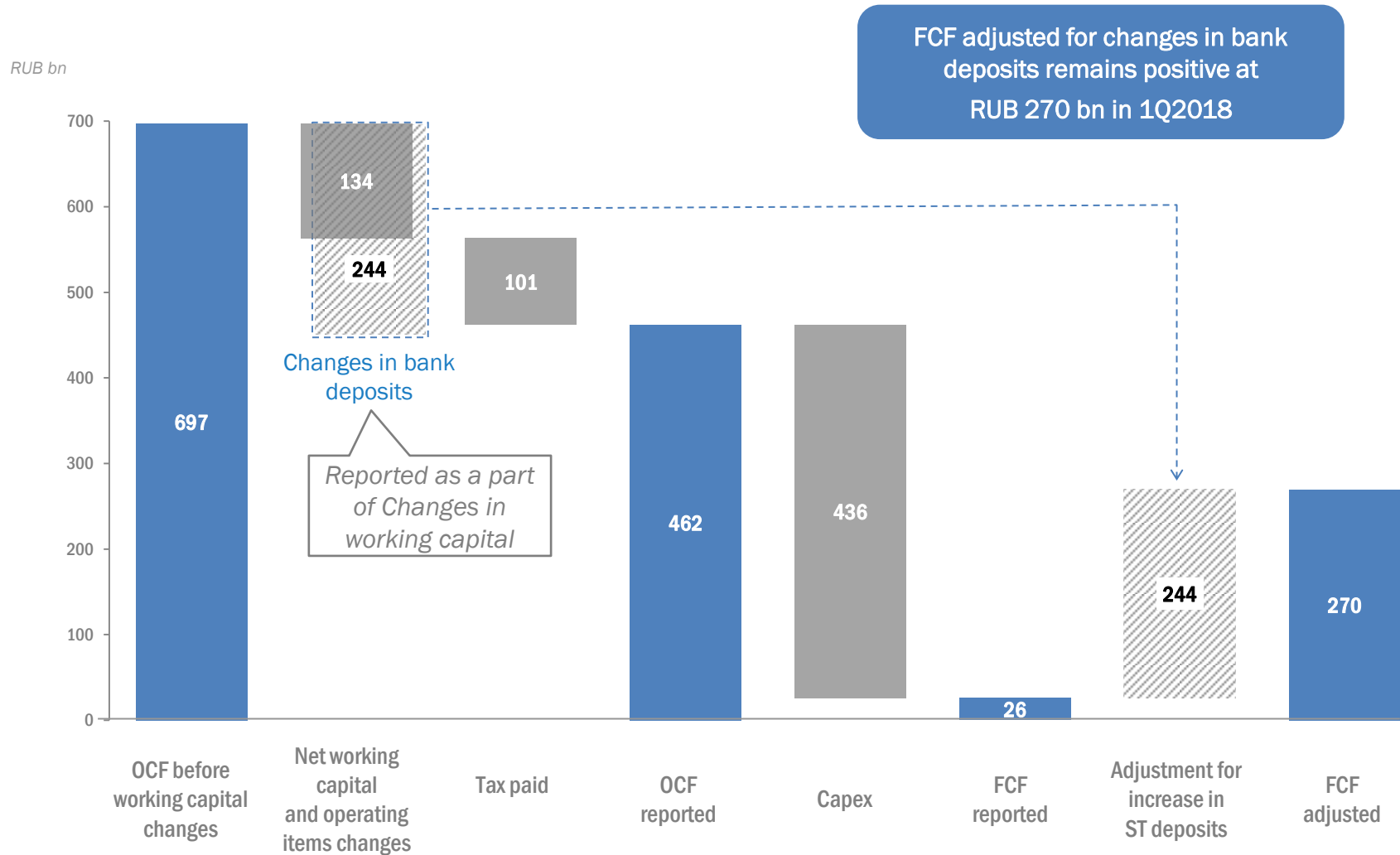
SUMMARY OF 1Q2018 IFRS FINANCIAL RESULTS



¹ EBITDA adjusted for changes in impairment provisions
² Profit for the period attributed to shareholders of PJSC Gazprom
³ Cash capital expenditures
⁴ Compared to Net debt as of December 31, 2017

*In order to reflect the effects of the bank deposits (reported as part of Other current and non-current assets). See page 13

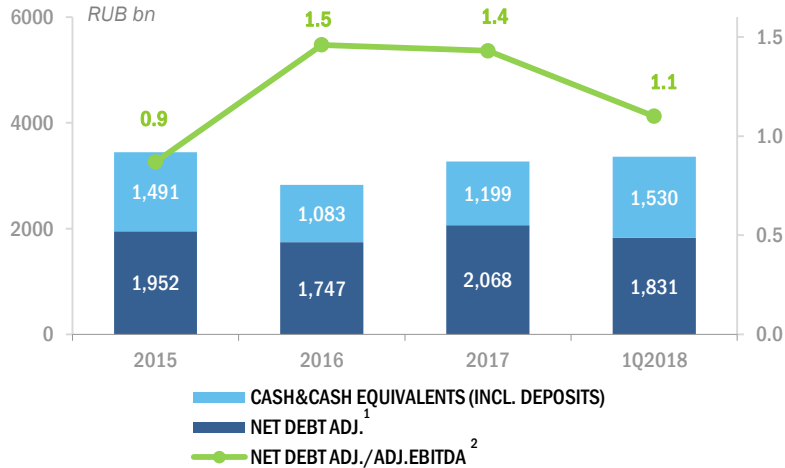
1Q2018 ADJUSTED FREE CASH FLOW BREAKDOWN*



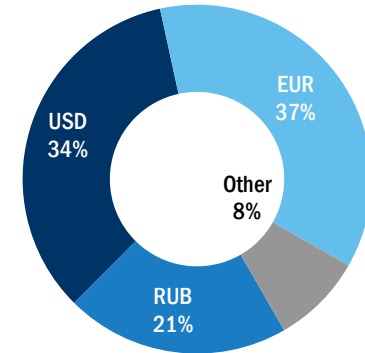
* Free Cash Flow adjusted for changes in the ST bank deposits

KEY DEBT METRICS

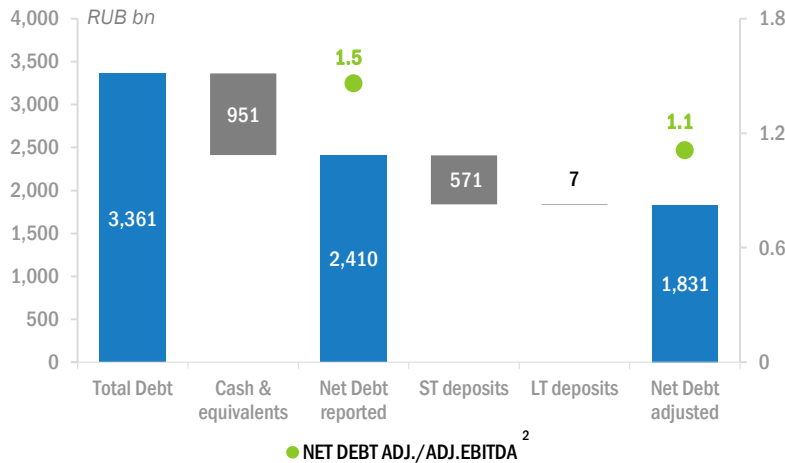
Total Debt and Net Debt



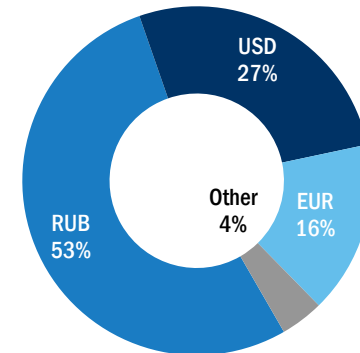
Total Debt breakdown by currency



1Q2018 adjusted Net Debt structure²



Cash, cash equivalents, bank deposits breakdown by currency



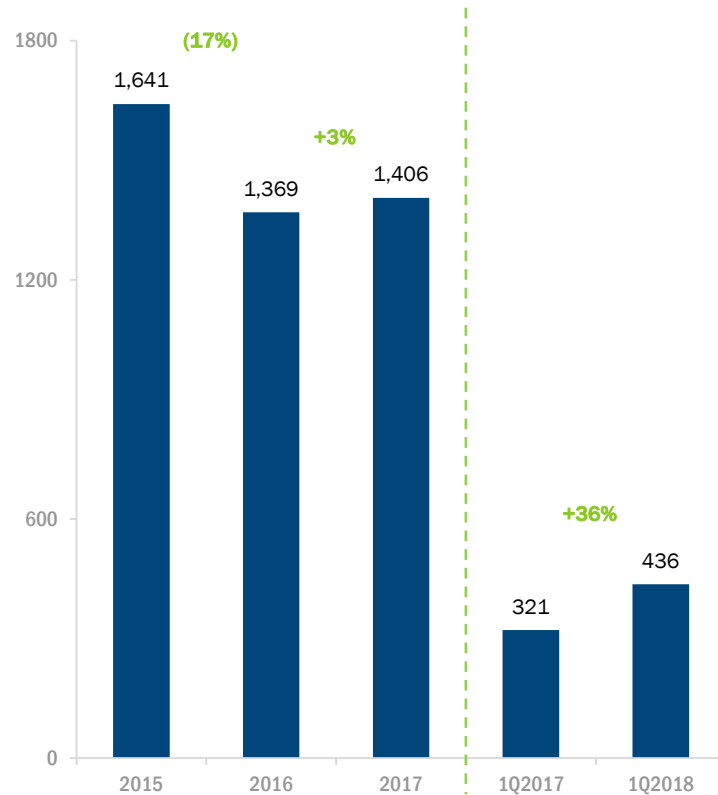
¹ Net Debt adjusted for the bank deposits reported as a part of Other current and non-current assets

² Calculated using dollar values of Net debt and EBITDA

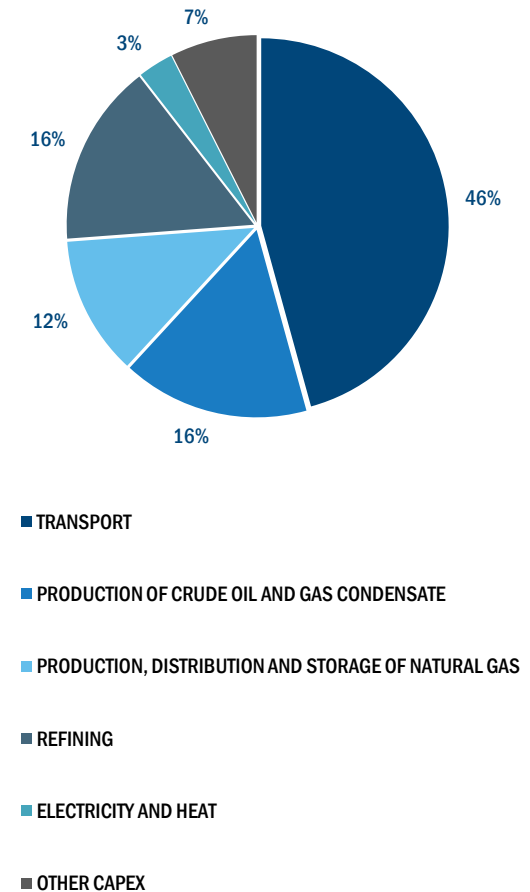
CAPITAL EXPENDITURES

Cash CapEx

RUB bn



The Group's 1Q2018 CapEx breakdown¹



¹ CapEx breakdown as provided in Management Report

BUSINESS GROWTH, ENHANCING SUPPLY SECURITY

**Conservative
financial policy,
cost control**

**Improving
FCF profile**

**Balanced
dividend policy**

**STRONGER FINANCIAL
OUTLOOK**

**Strategic transformative projects
(capex peaking
in 2018 - 2019)**

**Business growth
in gas and oil
segments; further
growth potential**

**Improving gas markets
outlook.
Spare production and export
capacity**

**BUSINESS
GROWTH**

**Outstanding resource base and
infrastructure**

Low cost base

**High competitiveness
of Gazprom's gas.
Record exports**

**UNIQUE
FUNDAMENTALS**



ADDITIONAL INFORMATION

BANK DEPOSITS

According to Gazprom 1Q2018 IFRS report¹:

12 OTHER CURRENT AND NON-CURRENT ASSETS

As of 31 March 2018 and 31 December 2017 other current assets include:

- short-term deposits in the amount of RUB 571,468 million and RUB 327,969 million.

As of 31 March 2018 and 31 December 2017 other non-current assets include:

- long-term deposits in the amount of RUB 7,289 million and RUB 1,559 million.

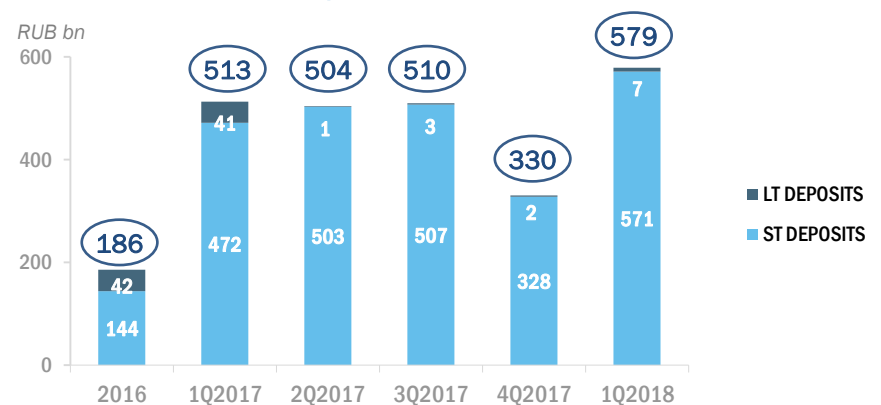
Key features of bank deposits²:

- 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 activities³ (changes in working capital)
- Decrease in Free cash flow³

In 1Q2018 Gazprom substantially increased bank deposits volumes



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

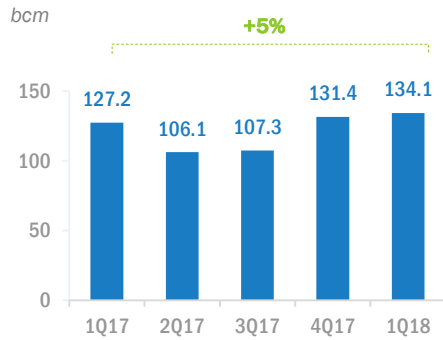
¹ Source: Gazprom 1Q2018 IFRS report, page 21

² Reported as a part of Other current assets and Other non-current assets

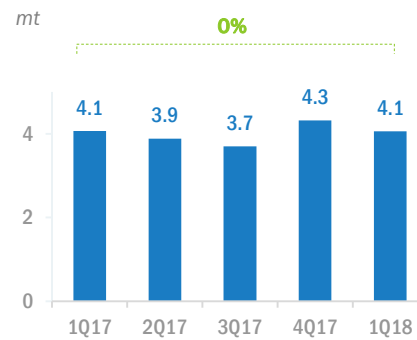
³ Affected by ST deposits

PRODUCTION

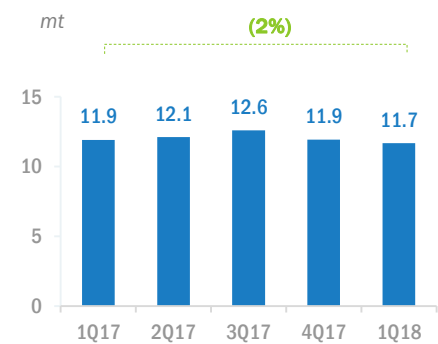
Natural gas



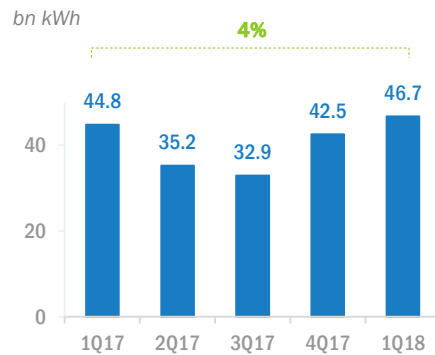
Gas condensate



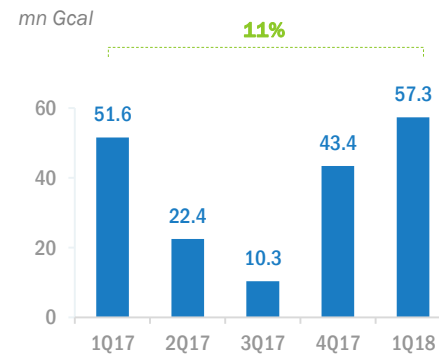
Crude oil



Electricity



Heat



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

RUSSIAN NATURAL GAS BALANCE

| Bcm | 2016 | 2017 | 1Q2018 | 1Q2017 |
|---|---------------|---------------|---------------|---------------|
| Natural gas resources | 718.20 | 770.29 | 234.17 | 217.32 |
| Domestic gas production | 640.40 | 691.19 | 190.69 | 182.29 |
| Other sources including Central Asian and Azerbaijani gas | 22.97 | 25.33 | 6.40 | 6.27 |
| Gas withdrawn from underground storage in Russia, Latvia and Europe | 50.98 | 50.45 | 36.54 | 27.92 |
| Decrease in the amount of gas within the gas transportation system | 3.85 | 3.31 | 0.55 | 0.84 |
| Natural gas distribution | 718.20 | 770.29 | 234.17 | 217.32 |
| Domestic consumption | 456.68 | 468.01 | 161.08 | 148.96 |
| including needs of the gas transportation system and underground storages | 32.29 | 37.81 | 11.07 | 10.50 |
| Gas pumped into underground storages | 28.54 | 53.02 | 0.26 | 0.16 |
| Gas for LNG production | 14.70 | 15.46 | 4.29 | 4.14 |
| Foreign supplies | 181.68 | 197.40 | 55.12 | 52.30 |
| FSU supplies | 32.11 | 32.88 | 0.79 | 1.29 |
| Increase in the amount of gas within the gas transportation system | 4.49 | 3.52 | 12.83 | 11.05 |

Source: Company Operating Data

THANK YOU!