



## 2013 IFRS Consolidated Financial Results



April 29<sup>th</sup>, 2014



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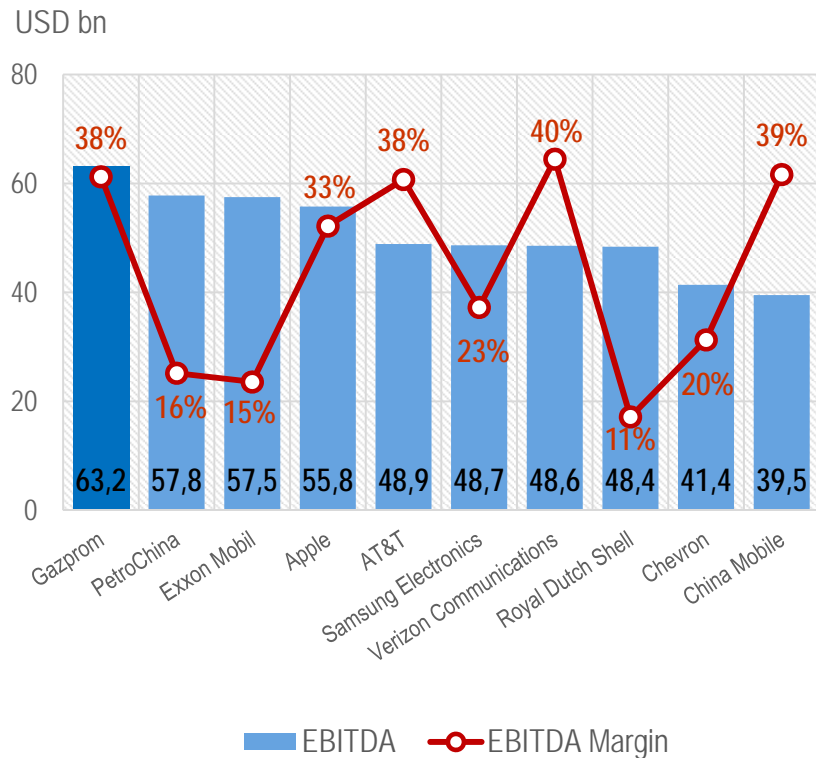


## Alexander Ivannikov

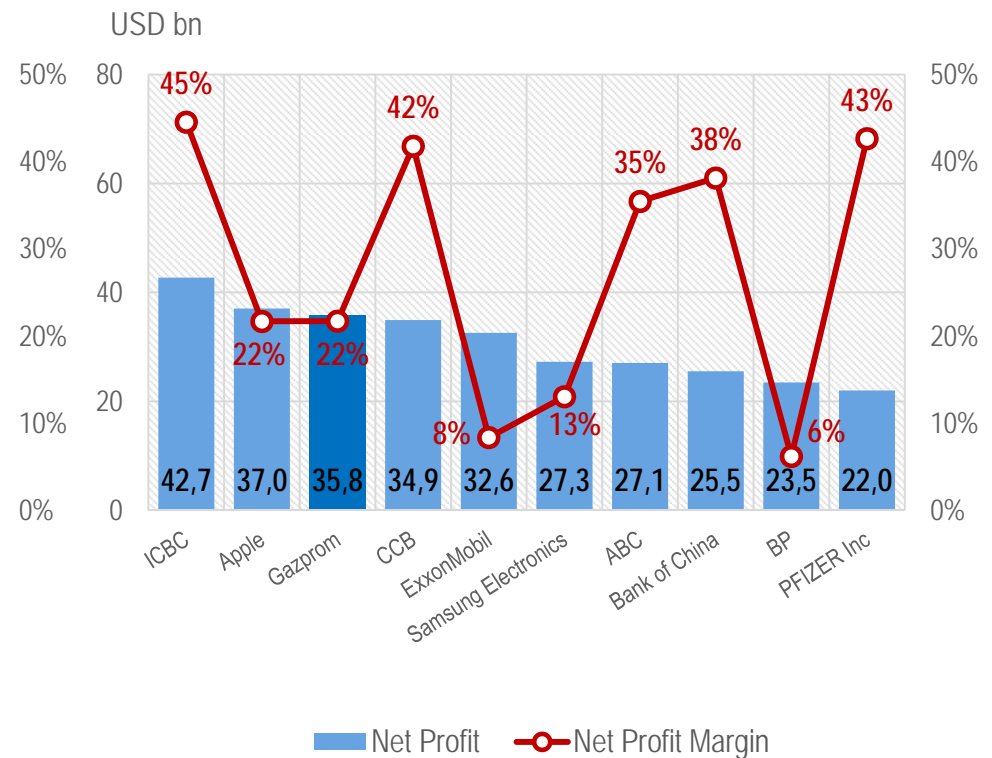
First Deputy Head of the Department for Finance and Economics

Gazprom is among the world's 10 largest companies in terms of EBITDA and Net Profit

World leader by 2013 EBITDA<sup>(1,2)</sup>



Top-3 among world companies by 2013 Net Profit<sup>(1,3)</sup>



Source: Bloomberg

1. FY 2013 data

2. Gazprom Adjusted EBITDA is calculated as operating profit before depreciation and provision for impairment of assets (excluding provisions for accounts receivable and prepayments)

3. Profit attributable to equity holders

- Total net sales
  - RR 5,250 bn in 2013 — up 10% compared to 2012
  - RR 1,477 bn in 4Q2013 — up 4% compared to 4Q2012
- Adj. EBITDA<sup>(1)</sup>
  - RR 2,009 bn in 2013 — up 22% compared to 2012
  - RR 514 bn in 4Q2013 — up 2% compared to 4Q2012
- Net Profit<sup>(2)</sup>
  - RR 1,139 bn in 2013 — down 7% compared to 2012
  - RR 280 bn in 4Q2013 — down 29% compared to 4Q2012
- Operating cash flow
  - Increased by 19% to 1,748 bn RR in 2013 compared to 2012
  - Decreased by 3% to 450 bn RR in 4Q2013 compared to 4Q2012
- Continued positive free cash flow<sup>(3)</sup> generation
  - RR 351 bn FCF in 2013 – up 2,8x compared to RR 124 bn in 2012
- Leverage easing
  - Net debt increased by 4%<sup>(4)</sup> to 1,113 bn RR as of the end of 2013
  - Net Debt/Adj.EBITDA was 0.55x as of the end of 2013

1. EBITDA adjusted by changes in impairment provisions.

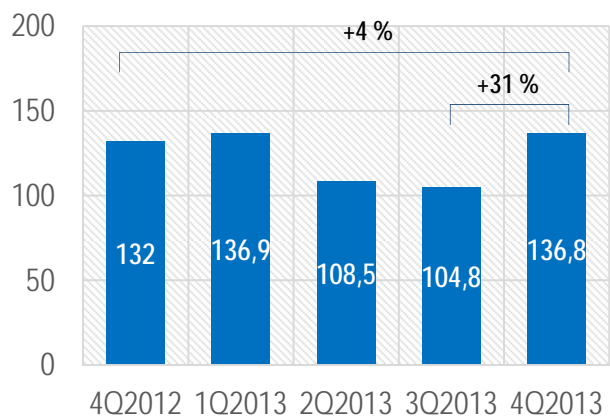
2. Profit for the period attributed to owners of OAO Gazprom.

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

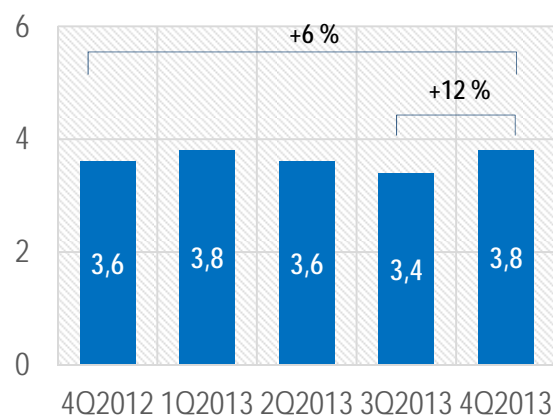
4. Compared to Net debt as of December 31, 2012.



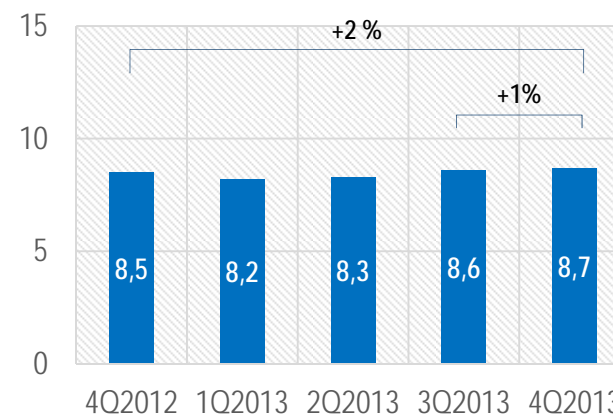
Natural Gas, bcm



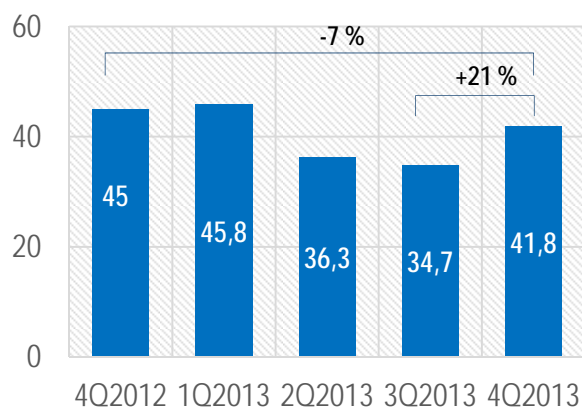
Gas Condensate, mln ton



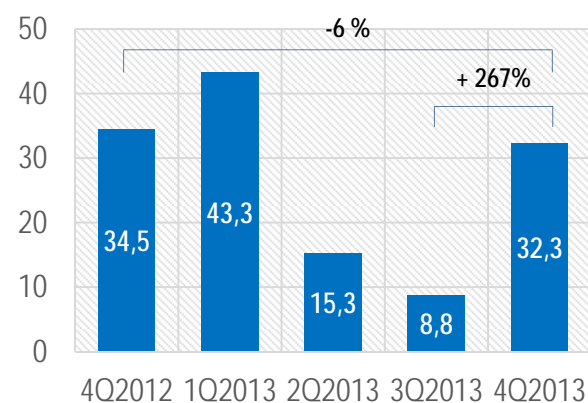
Crude Oil, mln ton



Electricity generation, bn kWh



Heat generation, mln Gcal

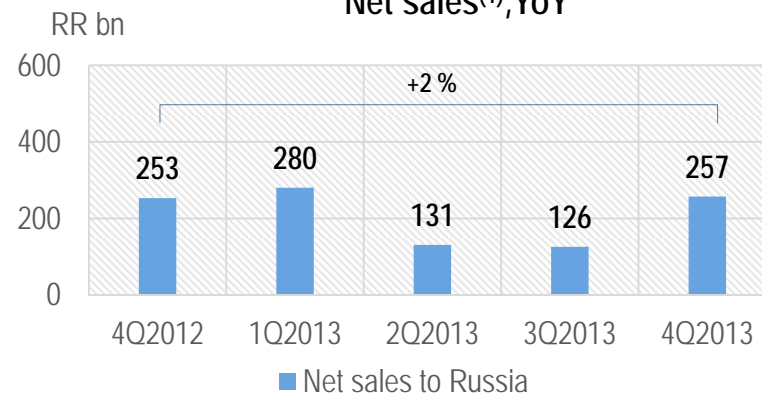


*Including Russian generating companies: Mosenergo, OGG-2, TGG-1  
Calculations may diverge due to rounding.*

### Net sales<sup>(1)</sup>, historically



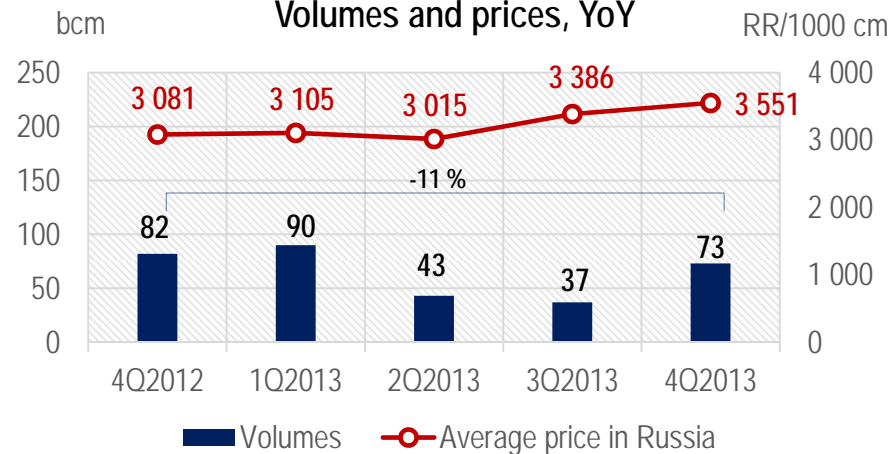
### Net sales<sup>(1)</sup>, YoY



### Volumes and prices, historically



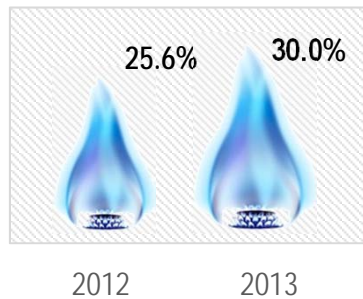
### Volumes and prices, YoY



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

# Gas Sales to Europe and Other Countries (OC) <sup>(1)</sup>

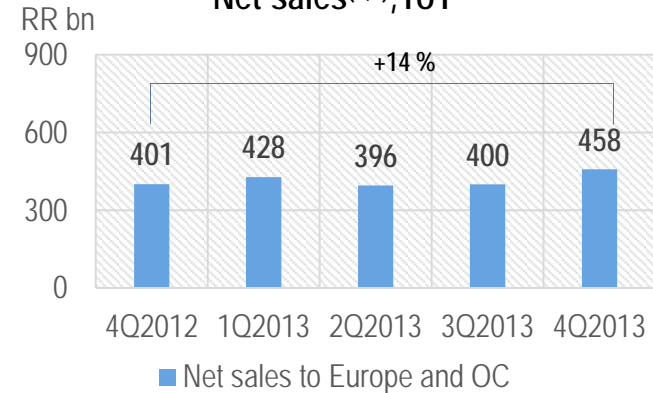
Gazprom deliveries in European Consumption



Net sales<sup>(2,3)</sup>, historically



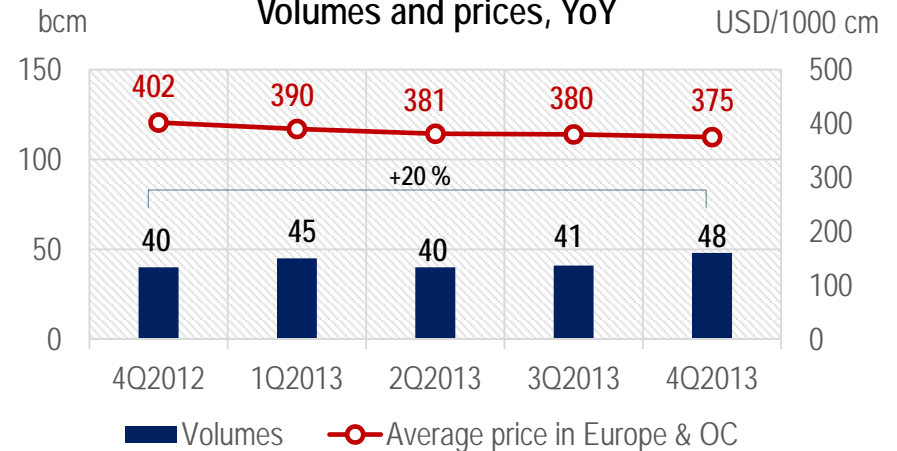
Net sales<sup>(2,3)</sup>, YoY



Volumes and prices, historically



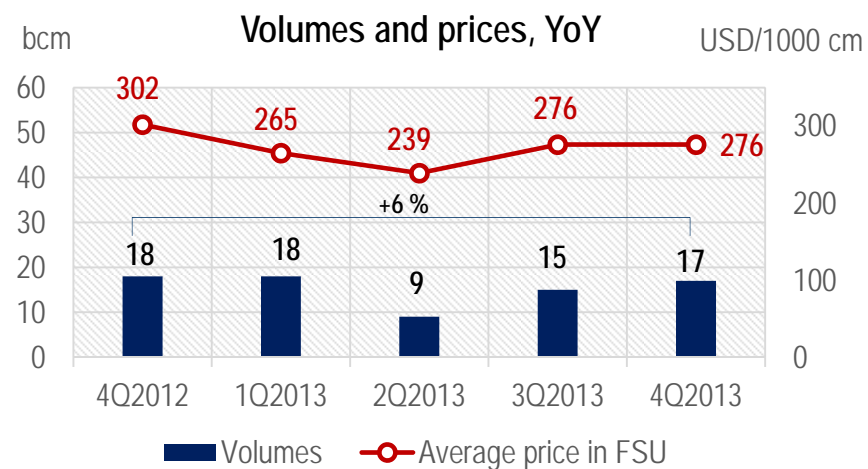
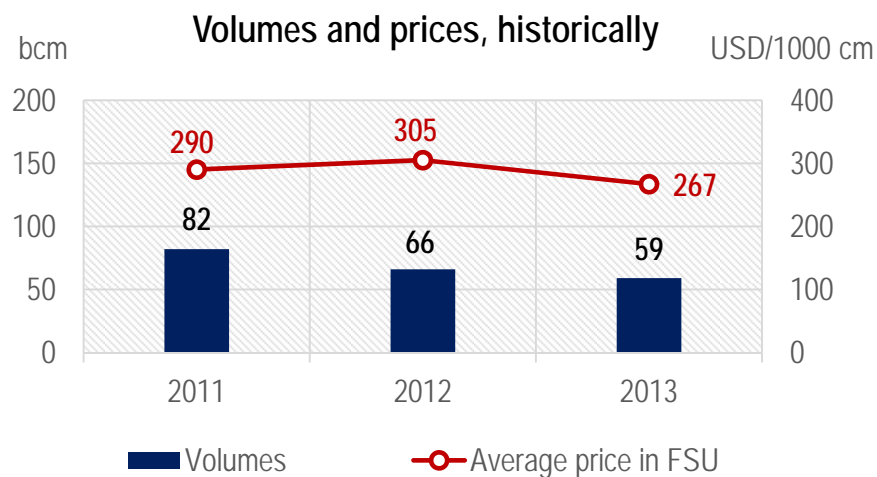
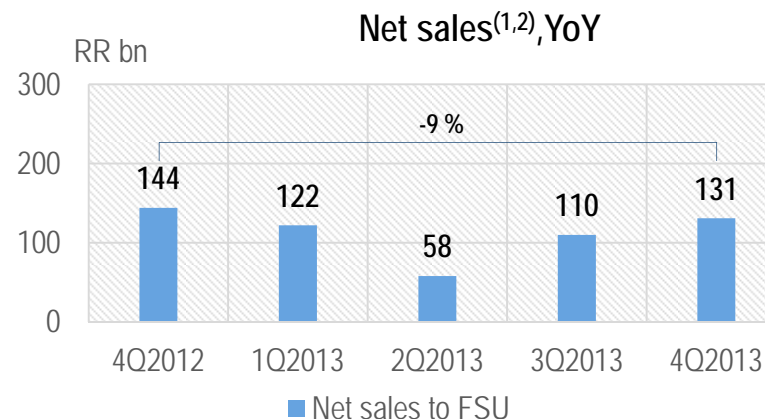
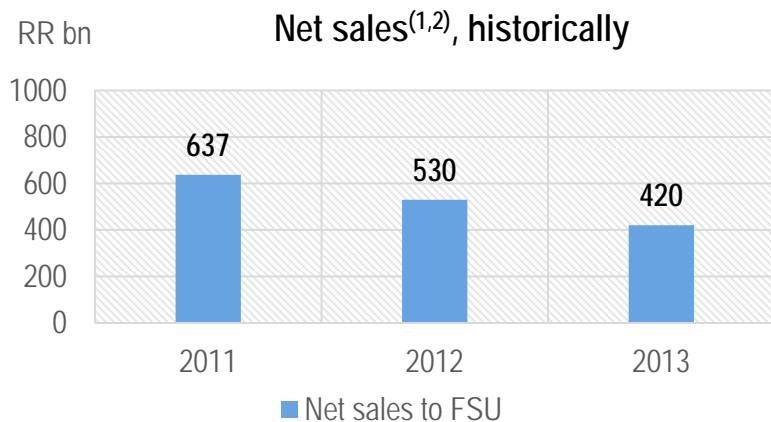
Volumes and prices, YoY



Calculations may diverge due to rounding.

1. Other countries include LNG sales to Japan, Korea, China and Vietnam; 2. VAT is not charged on sales to Europe and other countries; 3. Net of custom duties and excise tax.

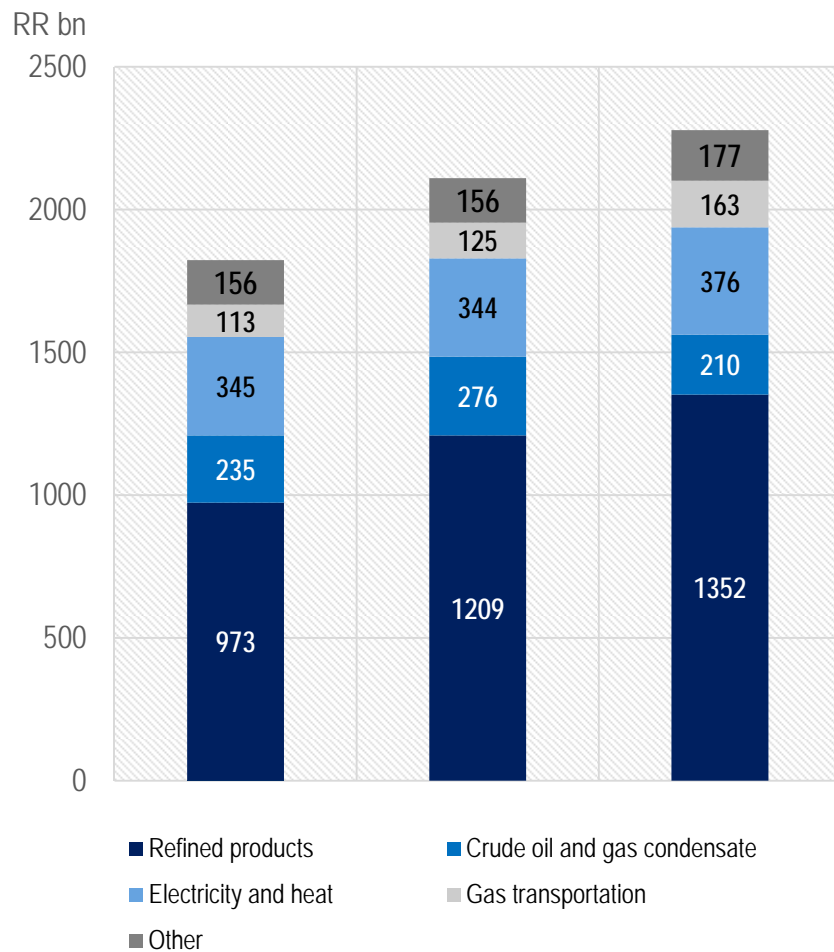




Calculations may diverge due to rounding.

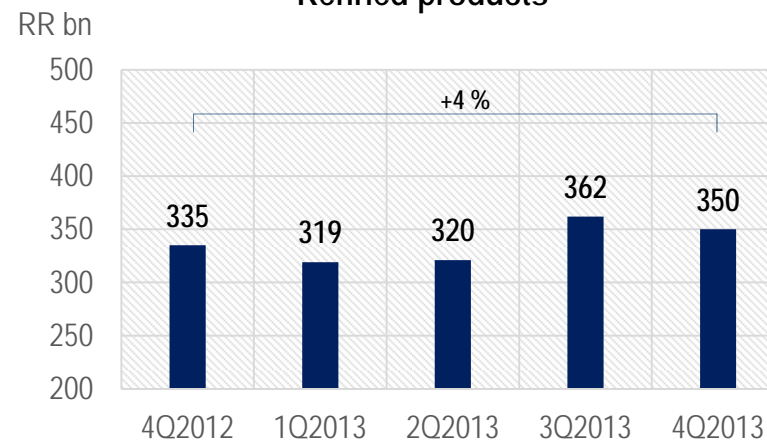
1. VAT is not charged on sales to FSU; 2. Net of custom duties

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

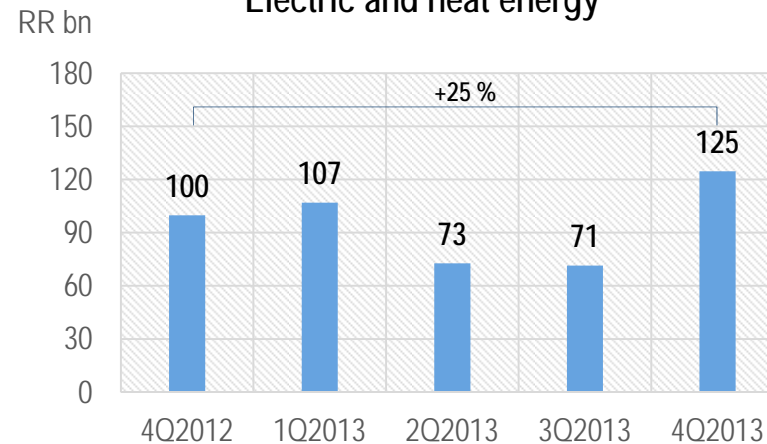


Calculations may diverge due to rounding.  
1. Net of value added tax (VAT), excise tax and custom duties.

### Refined products



### Electric and heat energy

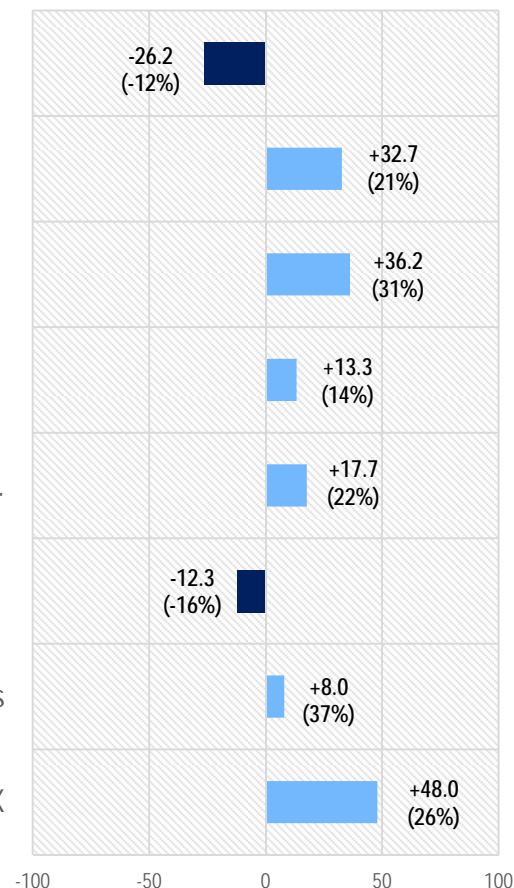


# 4Q2013 vs. 4Q2012 Changes of Operating Expenses Items

## Main drivers of change

+ RR bn (%)

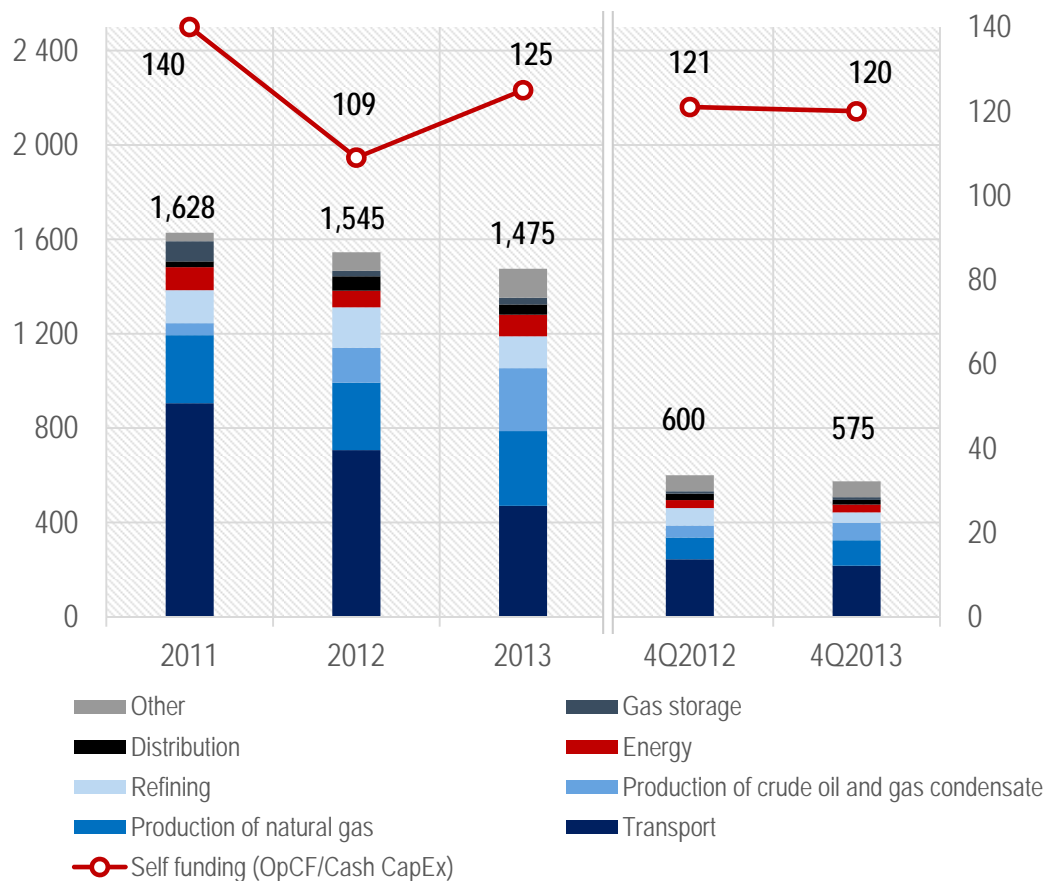
Relates mainly to the decline in volumes of purchased oil and gas	Purchased oil and gas
Mainly resulted from an increase in the tax rate for natural gas from RR 509 to RR 582 per tcm from January 1, 2013 and to RR 622 per tcm from July 1, 2013	Taxes other than on income
Mainly relates to average salary indexation and increase of average number of personnel	Staff costs
Primarily relates to the growth in fixed asset base.	Depreciation
Mainly resulted from growth in oil and gas refined product transit and increase in transportation volumes through Nord Stream	Transit of gas, oil and refined prod.
Mainly resulted from a decline in the volumes of repair services rendered by third parties to the Group	Repairs and maintenance
Mainly resulted from the inclusion of OAO MIPC in the consolidated financial statements from September 2013, as well as an increase in volumes of electricity consumed and growth in tariffs	Electricity and heat expenses
	The rest of OPEX



**Total OpEx growth: +117.3 (12%)**

*The rest of OpEx include: Materials; Cost of goods for resale, incl. refined products; Changes for impairment provisions; Social expenses; Transportation services; Rental expenses; Insurance expenses; Research and development expenses; Processing services; Heat transmission; Derivatives (gains) losses; Exchange rate differences on operating items; Other: Changes in inventories of finished goods, work in progress and other.*

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



## 2014 Priorities

### Gas Upstream

- ▼ Bovanenkovo field
- ▼ Brown fields and Nadym-Pur-Taz region
- ▼ Field development projects abroad

### Gas Midstream

- ▲ Bovanenkovo-Ukhta pipeline
- ▲ GTS Extension – Southern Corridor
- ▲ Long-term financial investments for the construction of the South Stream pipeline outside Russia
- ▲ The reconstruction of the Petrovsk Pisarevka section of the Urengoy Novopskov
- ▲ Other reconstruction and technical re-equipment of the GTS

### Gas Downstream

- ▲ Gas condensate refining

### Oil

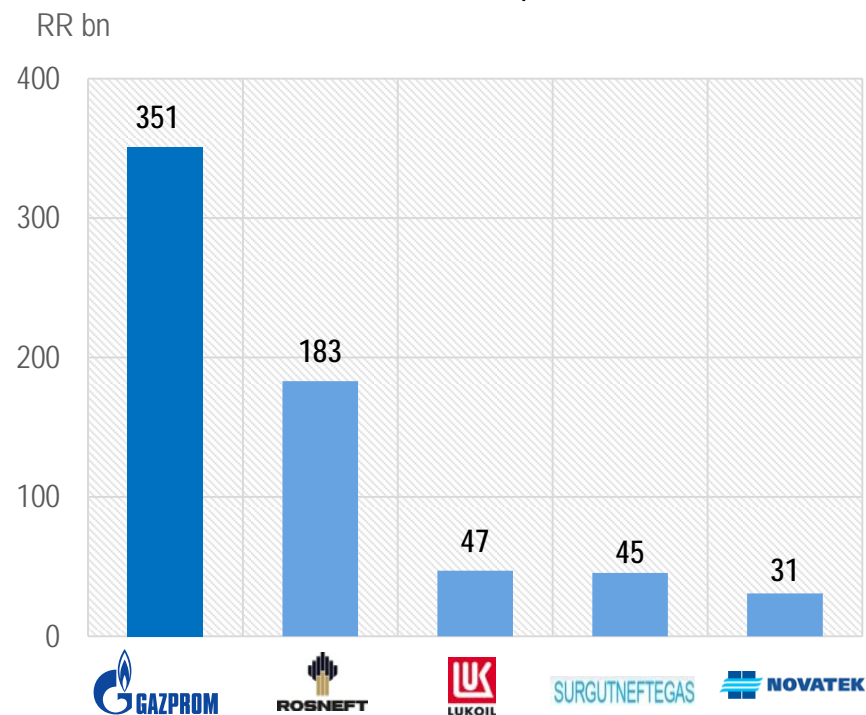
- ▲ Novoportovskoe and Mesoyahinskoe fields

### Power generation

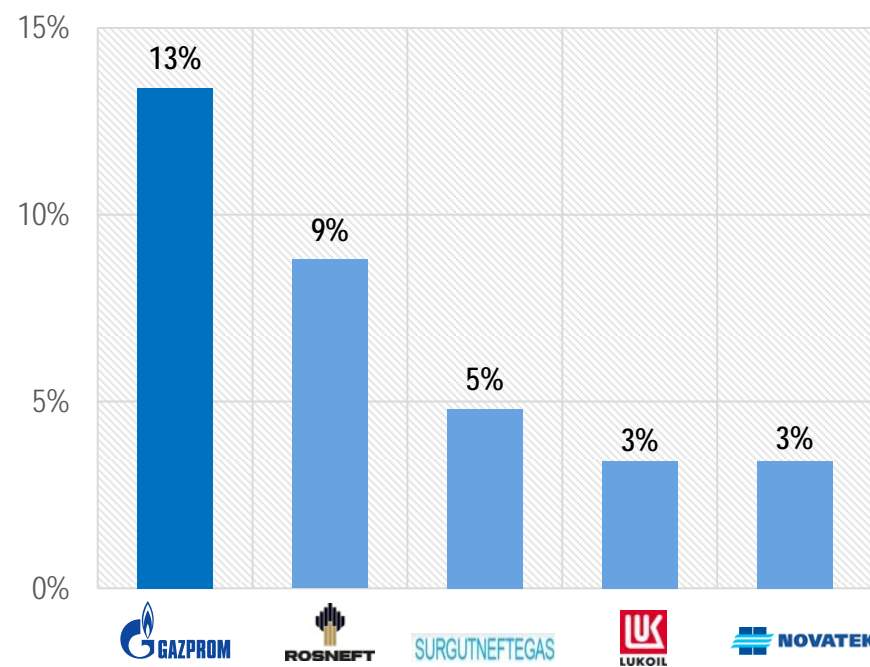
- ▲ New capacity investments

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

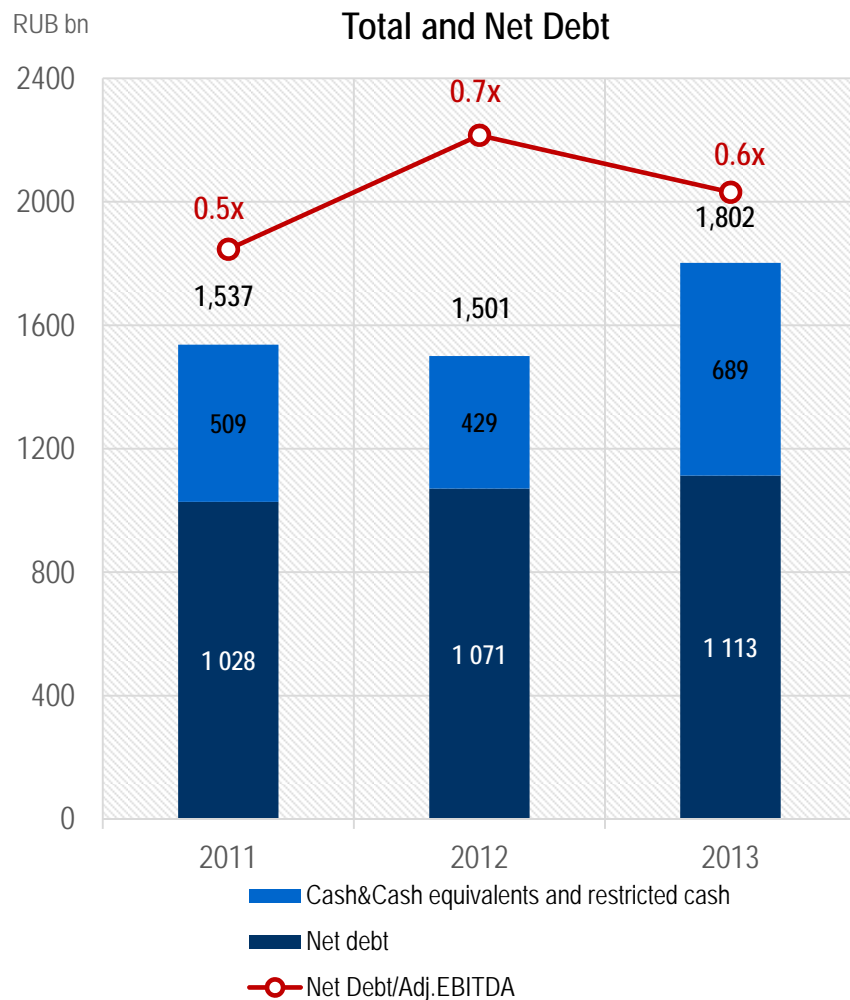
### Gazprom vs Russian Oil & Gas Majors Free Cash Flow, 2013<sup>(1)</sup>



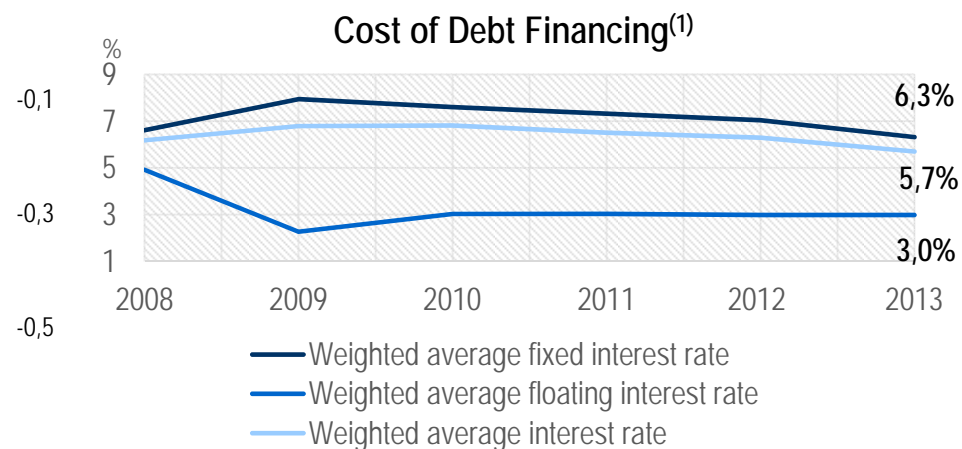
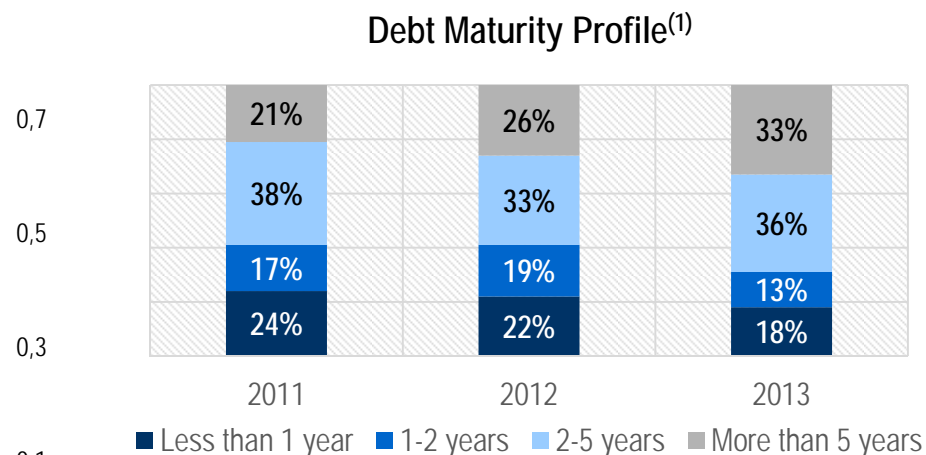
### Gazprom vs Russian Oil & Gas Majors Free Cash Flow Yield, 2013<sup>(1)</sup>



Source: Bloomberg as of April 28, 2014  
1. Five Russian oil and gas majors by capitalization as of April 28, 2014



1. Excluding promissory notes





## Value drivers:

- Growth in the European gas market
- Improvement of the Russian gas market competitiveness
- Diversification to the Asian market
- Outstanding growth of liquids in the production mix
- Optimization of costs and financing solutions for upcoming projects
- Compliance with best corporate governance standards
- Robust financial performance

## Appendix

### Russian Natural Gas Balance

Bcm	4Q2012	4Q2013	2012	2013
<b>Natural gas resources</b>	<b>203.56</b>	<b>205.52</b>	<b>746.03</b>	<b>745.20</b>
Domestic gas production	176.86	185.66	654.43	668.21
Other sources including Central Asian and Azerbaijani gas	8.53	7.62	35.72	33.25
Gas withdrawn from underground storage in Russia, Latvia and Europe	15.45	10.46	47.74	38.09
Decrease in the amount of gas within the gas transportation system	2.72	1.78	8.13	5.65
<b>Natural gas distribution</b>	<b>203.56</b>	<b>205.52</b>	<b>746.03</b>	<b>745.20</b>
Domestic consumption	137.80	134.74	465.36	461.28
including needs of the gas transportation system and underground storages	11.00	11.68	40.90	40.56
Gas pumped into underground storages	4.22	4.59	51.69	44.38
Gas for LNG production	3.86	3.77	14.64	14.50
FSU supplies (including Baltic states)	17.58	16.74	140.06	162.72
Foreign supplies	36.69	43.33	64.72	56.65
Increase in the amount of gas within the gas transportation system	3.40	2.35	9.55	5.67

Source: Company Operating Data



## Contacts for Investors and Analysts

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