



2016 IFRS RESULTS

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MAJOR 2016 AND RECENT EVENTS

2016 major events

- Record high gas exports to Europe – 179.3 bcm (+12.5% YoY)
- Oil production growth by 7%
- Corporate governance improvement
- Acquisition of 3.59% of Gazprom shares from VEB
- Increase of gas mineral extraction tax burden in 2016 and 2017

Jan. 2017

- High quality of Gazprom's corporate governance confirmed by Moscow Exchange

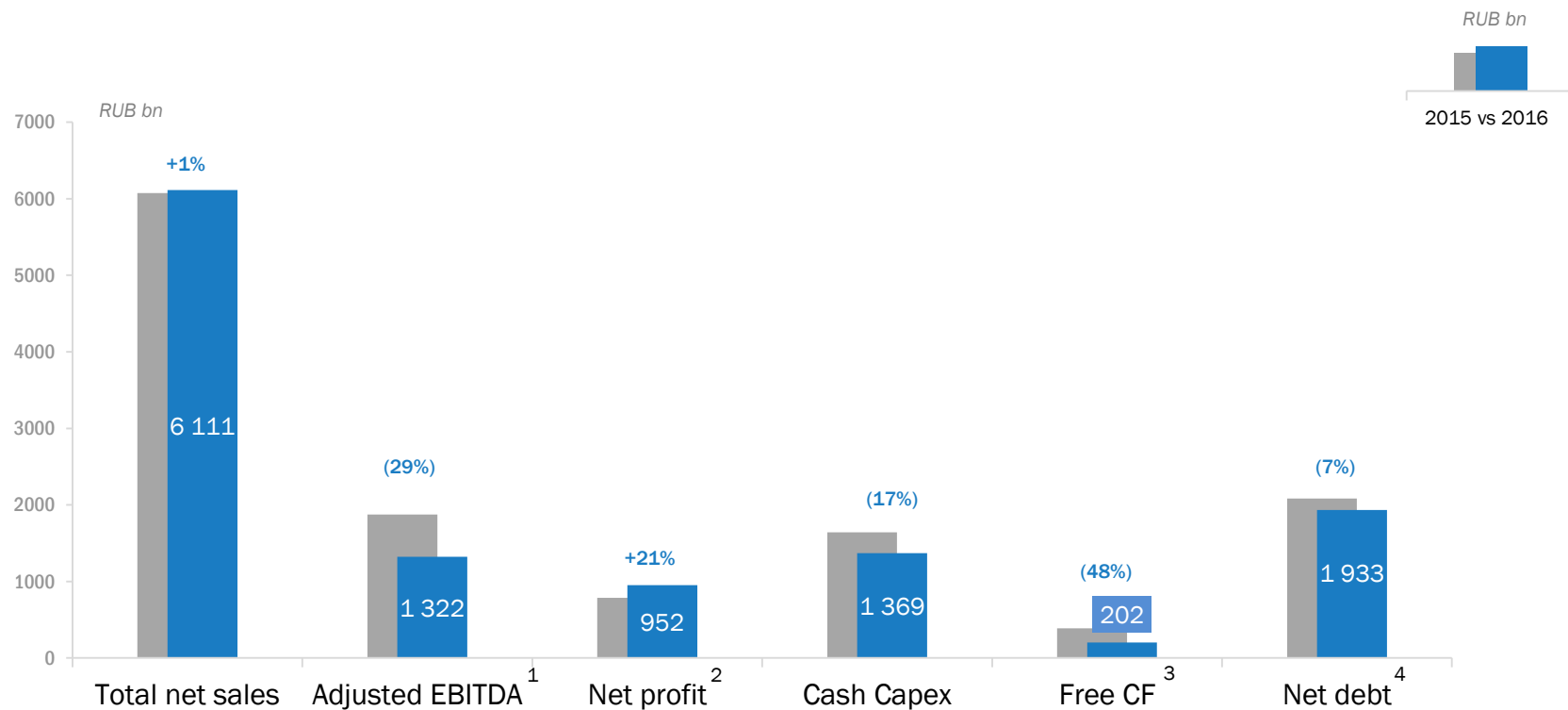
Mar. 2017

- Strong gas export volumes in 1Q17 (+13% YoY).
- Progress in approaching solution of EU antitrust case
- S&P changed Gazprom's rating outlook from 'Stable' to 'Positive'
- Gazprom placed \$ 750 mm Eurobonds. First dollar-denominated issue in the last 3 years
- Gazprom placed GBP 850 mm Eurobonds
- EUR 700 mm loan from Credit Agricole CIB

Apr. 2017

- Nord Stream 2 pipeline financing agreements signed with ENGIE, OMV, Shell, Uniper and Wintershall
- Gazprom's Management Committee proposed RUB 7.89 per share dividend for 2016
- Belarus fully paid off its overdue debt of \$726.2 mln for the Russian gas supplied by Gazprom in 2016–2017

SUMMARY OF 2016 IFRS FINANCIAL RESULTS



¹ EBITDA adjusted for changes in impairment provisions

² Profit for the period attributed to shareholders of PJSC Gazprom

³ Free cash flow is calculated as Net cash provided by operating activities less Capital expenditures

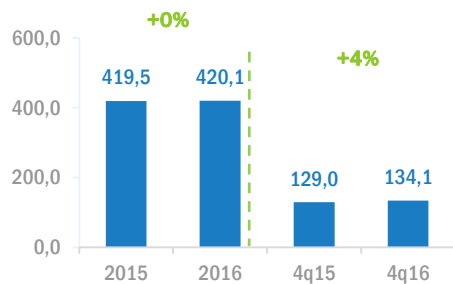
⁴ Compared to Net debt as of December 31, 2015

PRODUCTION



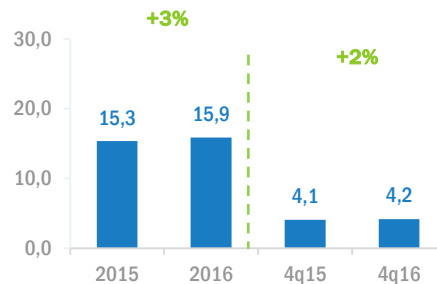
Natural gas

bcm



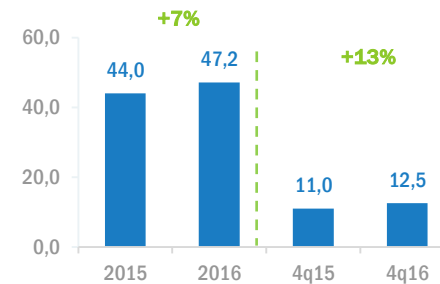
Gas condensate

mln ton



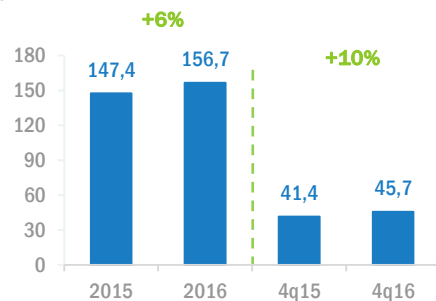
Crude oil

mln ton



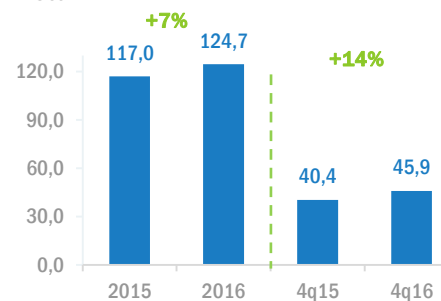
Electricity

bn kWh



Heat

mln Gcal

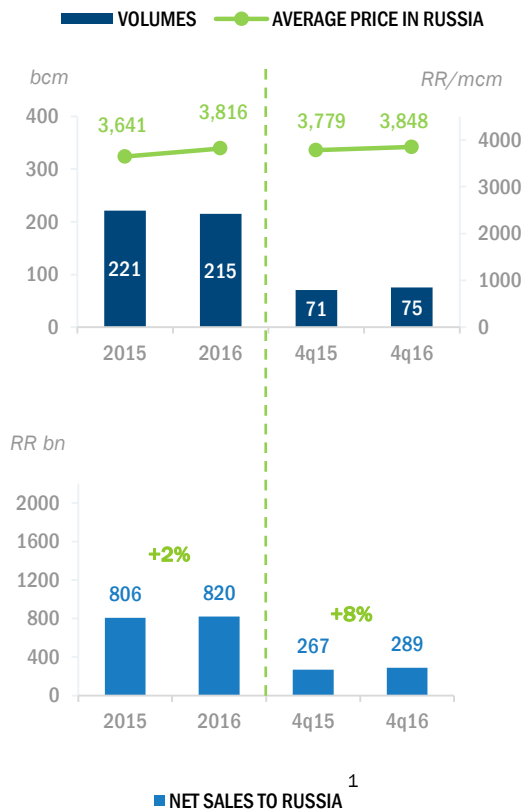


Gazprom Group's volumes produced in Russia
Calculations may diverge due to rounding.

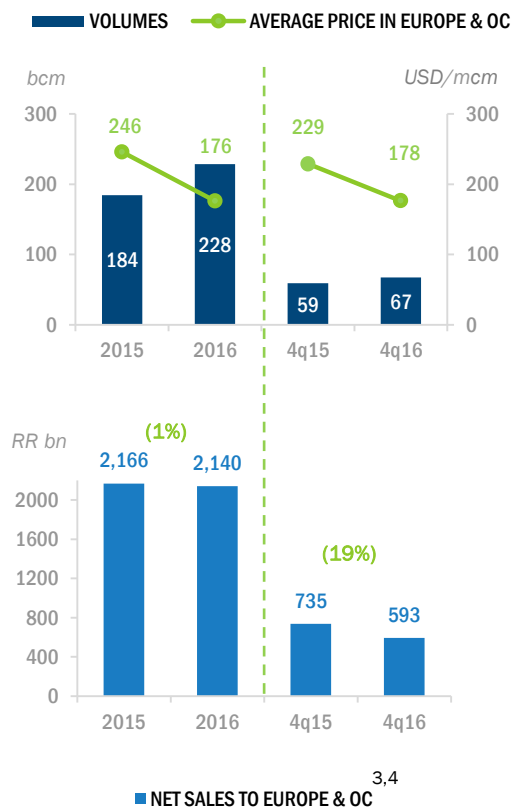
GAS SALES



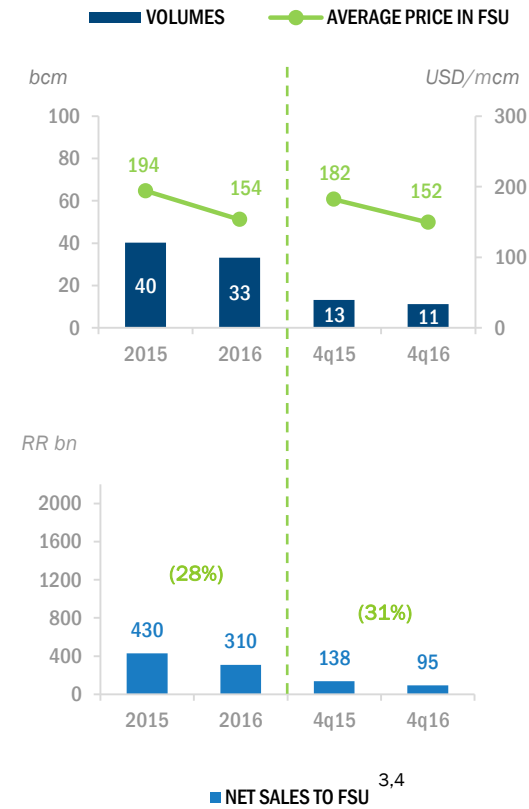
Russia



Europe & OC²



FSU



Calculations may diverge due to rounding.

¹ Net of value added tax (VAT)

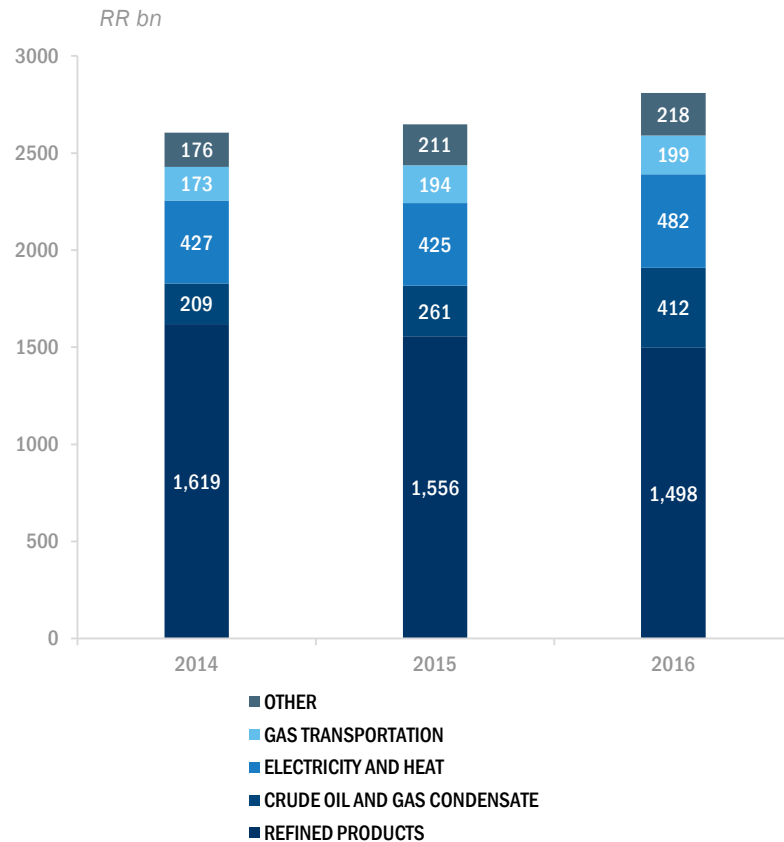
² OC - Other countries: include LNG sales

³ VAT is not charged on sales

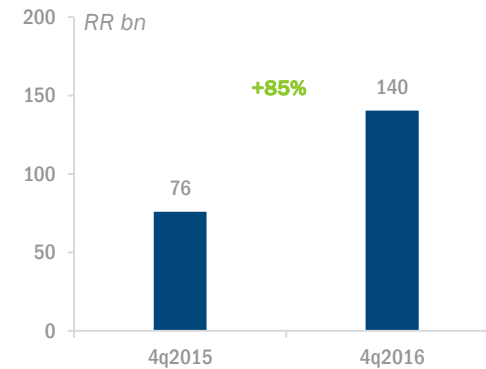
⁴ Net of custom duties and excise tax

OTHER SALES

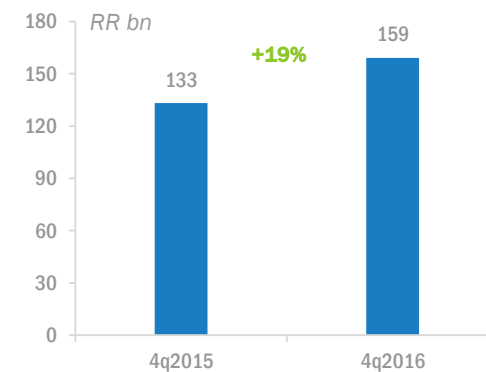
Net Sales¹



Crude oil and gas condensate



Electric and heat energy

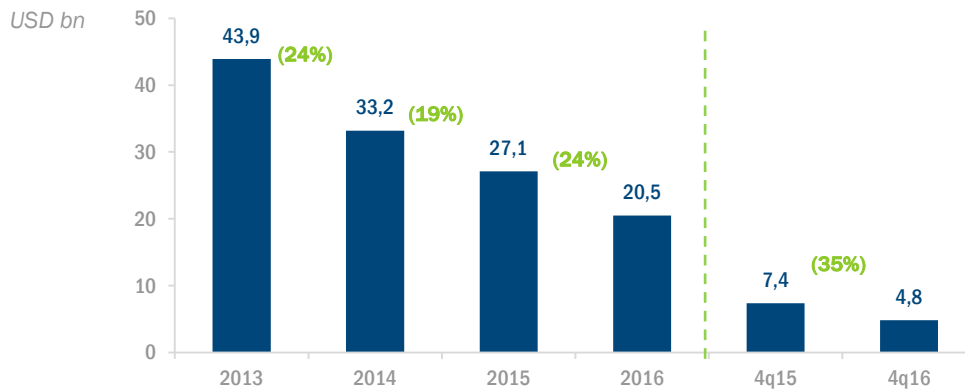
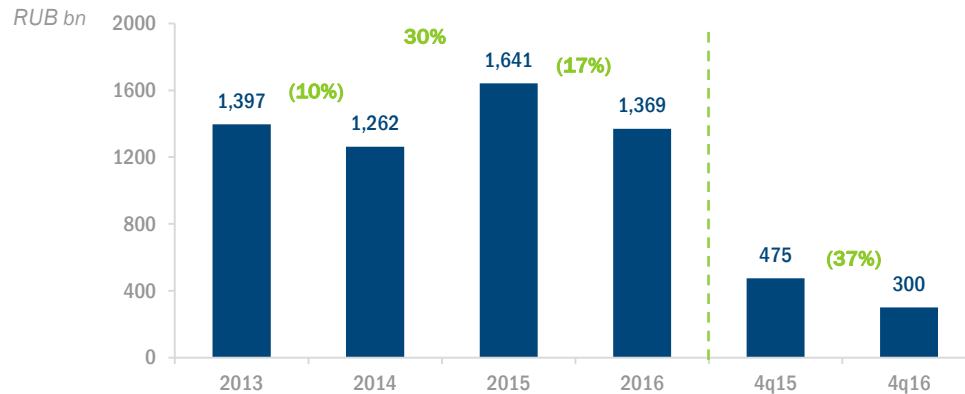


Calculations may diverge due to rounding.

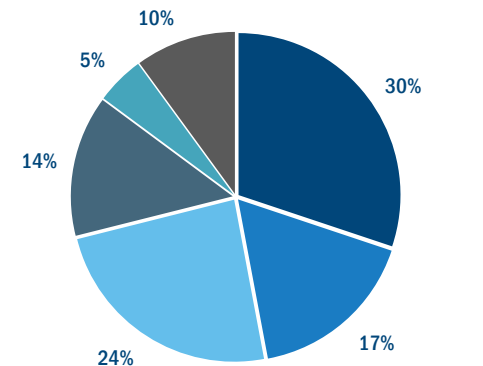
¹ Net of value added tax (VAT), excise tax and custom duties.

CAPITAL EXPENDITURES

Cash capex



The Group's 2016 capex breakdown¹



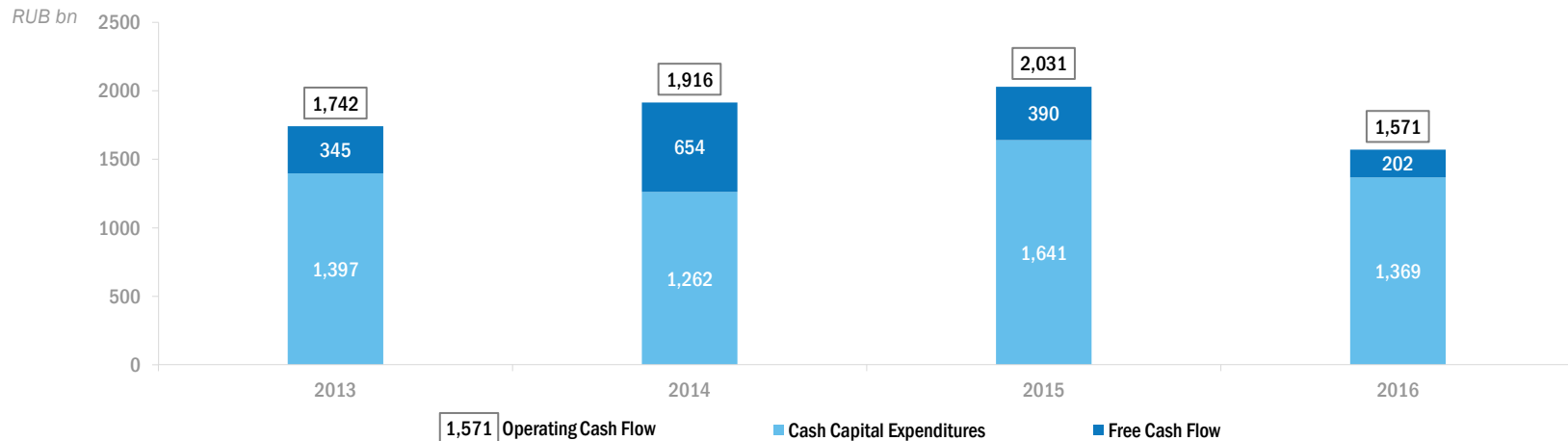
- TRANSPORT
- PRODUCTION OF NATURAL GAS
- PRODUCTION OF CRUDE OIL AND GAS CONDENSATE
- REFINING
- ELECTRICITY AND HEAT
- OTHER CAPEX

¹ Capex breakdown as provided in Management Report

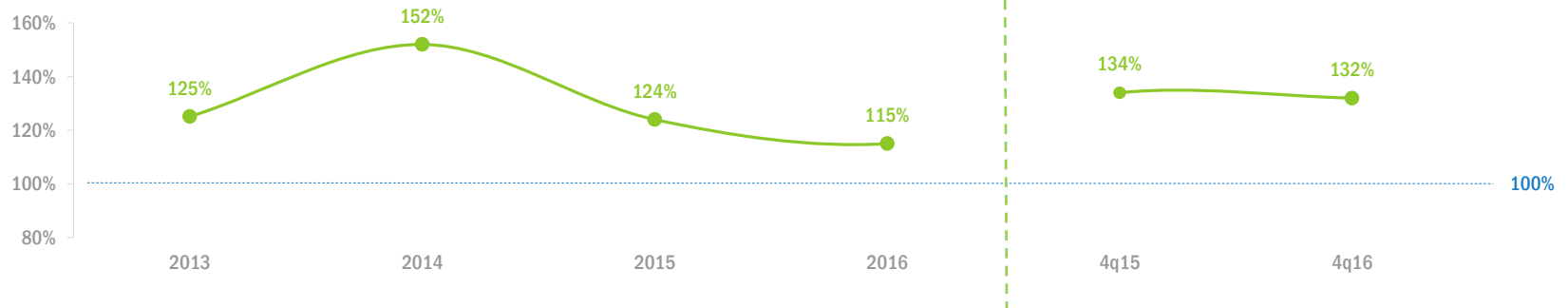
FREE CASH FLOW GENERATION

Conservative financial policy: 11 years of positive FCF

Free Cash Flow generation¹



Gazprom self funding²



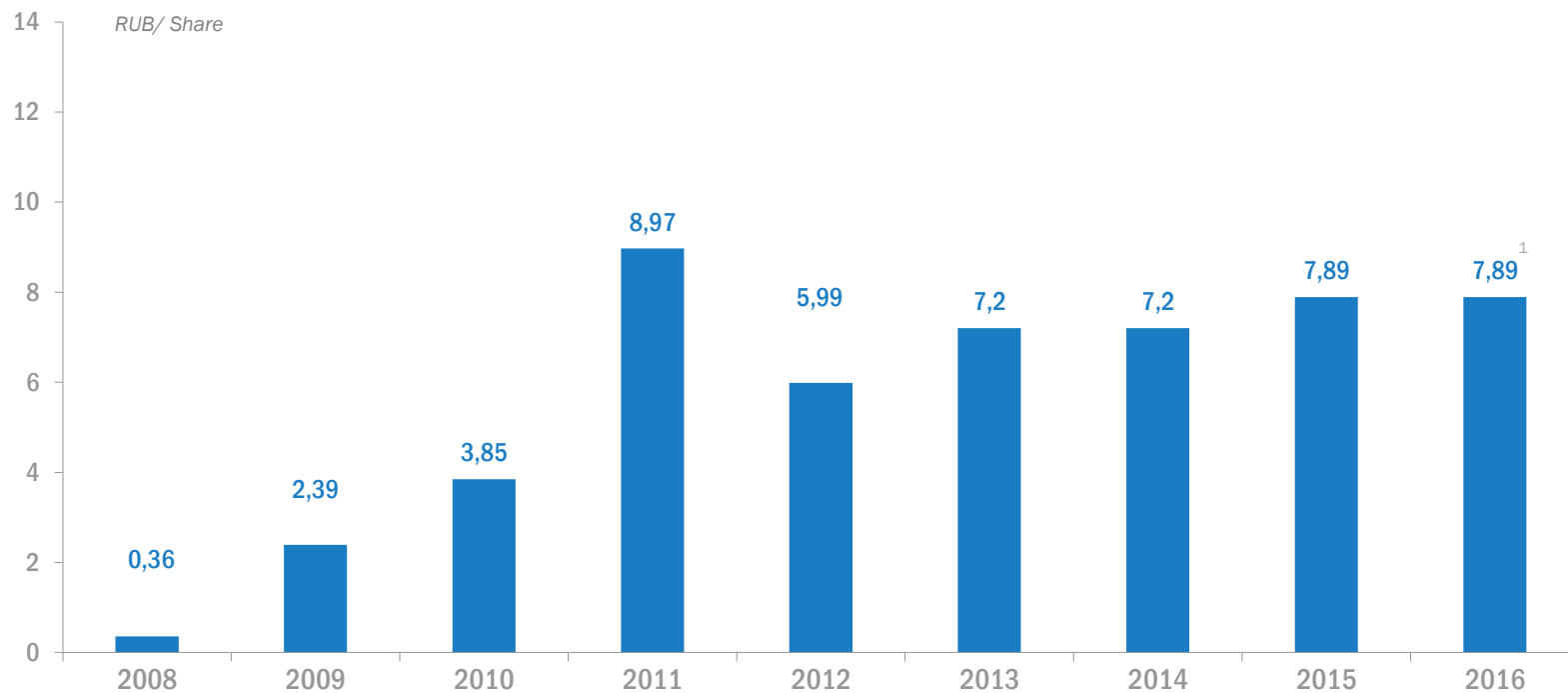
¹ Free Cash Flow = Net Cash from operating activities – Cash CAPEX

² Net Cash from operating activities / Cash CAPEX

DIVIDEND PAYOUT



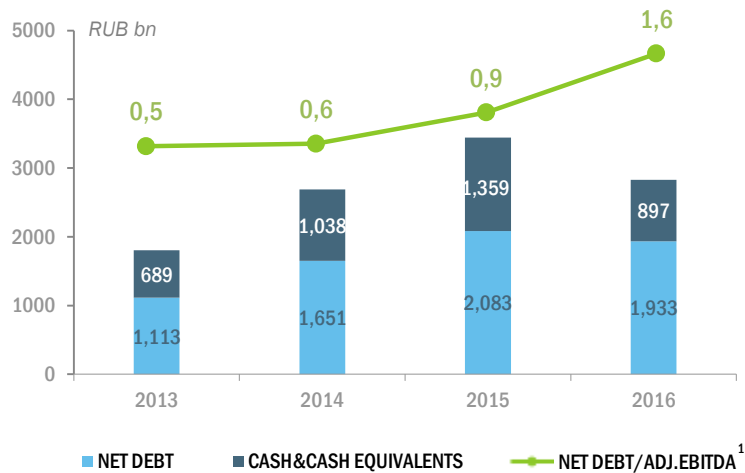
Dividend
per share



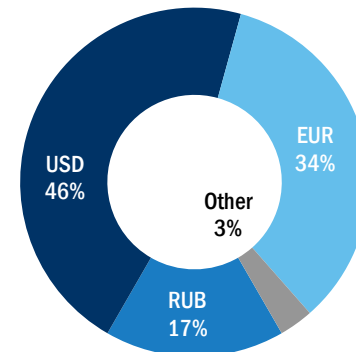
¹ As proposed by the Management Committee

KEY DEBT METRICS

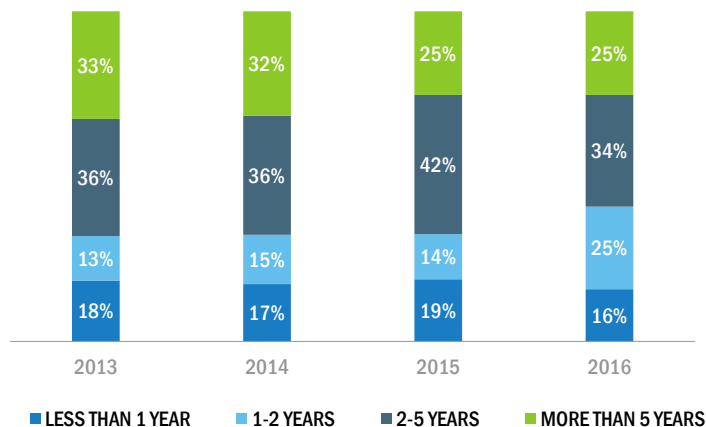
Total and Net Debt



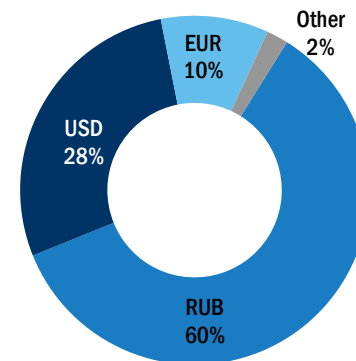
Debt breakdown by currency



Debt maturity profile²



Cash & equivalents breakdown by currency



¹ Calculated using dollar values of Net debt and EBITDA

² Excluding promissory notes



INVESTMENT CASE

GAZPROM

STRONG FOOTHOLD IN CURRENT MARKET ENVIRONMENT

Unique fundamentals

Low cost base

Diversified resource base
and consumer pool

Gas export growth

Prudent financial policy,
balanced dividend policy

Naturally hedged against
adverse price changes by
RUB exchange rate



ADDITIONAL INFORMATION

RUSSIAN NATURAL GAS BALANCE



Bcm	2015	2016	4Q2015	4Q2016
Natural gas resources	694.45	718.20	199.20	219.75
Domestic gas production	634.90	640.40	185.68	190.99
Other sources including Central Asian and Azerbaijani gas	25.84	22.97	6.21	6.66
Gas withdrawn from underground storage in Russia, Latvia and Europe	29.62	50.98	6.32	21.23
Decrease in the amount of gas within the gas transportation system	4.10	3.85	0.99	0.87
Natural gas distribution	694.45	718.20	199.20	219.75
Domestic consumption	443.67	456.68	134.75	147.19
including needs of the gas transportation system and underground storages	32.28	32.29	11.26	11.22
Gas pumped into underground storages	31.54	28.54	2.73	2.06
Gas for LNG production	14.54	14.70	3.91	4.24
Foreign supplies	163.00	181.68	44.48	53.64
including Baltic states	3.56	2.34	1.15	1.11
FSU supplies	37.58	32.11	12.28	10.81
Increase in the amount of gas within the gas transportation system	4.12	4.49	1.05	1.82

Source: Company Operating Data

THANK YOU!