



JOINT STOCK COMPANY «GAZPROM NEFT»
(JSC «GAZPROM NEFT»)

PRESS-RELEASE

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Saint Petersburg

Gazprom Neft reports IFRS financial results for 1Q 2014

Gazprom Neft today announces its consolidated financial results for 1Q 2014, prepared in accordance with International Financial Reporting Standards (IFRS).

A stronger financial performance in 1Q 2014 compared with 1Q 2013 was driven by increased hydrocarbon production volumes and a rise in product sales via premium channels. These factors led to a 9.6% Y-o-Y increase in adjusted EBITDA* (84.03 RUB bln). Net profit attributable to Gazprom Neft's shareholders was 37.82 RUB bln, a 4.4% decrease, mainly due to foreign exchange losses associated with the revaluation of the loan portfolio. Operational cash flow reached 70.98 RUB bln in 1Q 2014, an increase of 61.6% Y-o-Y.

Hydrocarbon production volumes in 1Q 2014 increased 4.5% Y-o-Y to 116.75 mmboe (15.88 mmtoe), due to the application of new technology at mature fields, continued production growth at the Orenbrug region and Yuzhno-Priobskoye fields as well as Gazprom Neft's increased effective stake in Sever Energia.

Refining throughput in 1Q 2014 reached 10.84 million tonnes, showing growth of 4.6% Y-o-Y, supported by increased condensate refining at the Omsk refinery and higher bitumen output and the completion of maintenance work on a diesel hydrotreater at the Moscow refinery in 2Q 2013.

Sales via premium channels rose 9.4% to 5.6 million tonnes. Average daily throughput via Company retail sites in Russia grew 4.8% to 18.4 tonnes/day.

** Adjusted EBITDA includes the EBITDA share of associated and jointly controlled companies recorded by the equity accounting method*

Key Financial Data

	Q1		Δ, %
	2014	2013	
Sales (RUB million)	385,170	355,954	8.2
Adjusted EBITDA* (RUB million)	84,033	76,693	9.6
Profit attributable to the shareholders of Gazprom Neft (RUB million)	37,816	39,567	(4,4)
Cash flow from operations	70,977	43,928	61.6
Net Debt / EBITDA	0.56	0.52	8.7

Key Operational Data

	Q1		Δ, %
	2014	2013	
Hydrocarbon production including our share of joint ventures (Mmboe)	116.75	111.76	4.5
Refining throughput at own refineries and joint ventures (MMtonnes)	10.84	10.36	4.6

Sales volumes via premium channels (MMtonnes)	5.60	5.12	9.4
Sales volume via retail network (MMtonnes)	2.22	2.04	8.8

MEDIA RELATIONS
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