



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

PRESS-RELEASE

13.08.2015

Saint Petersburg

Gazprom Neft reports IFRS financial results for 1H 2015

Gazprom Neft has published its consolidated financial results for 1H 2015, prepared in accordance with International Financial Reporting Standards (IFRS).

The 1.4% year-on-year decline in revenues (including duties)* was due to a drop in prices for oil and oil products on global markets. In spite of this, the growth in hydrocarbon production and sales volumes via premium channels drove a 12% increase year-on-year in adjusted EBITDA** (earnings before interest, taxes, depreciation and amortization) for 1H15, to 199.8 RUB bln.

Net profit for the reporting period attributable to the shareholders of Gazprom Neft rose by 28.3% year-on-year to 112.4 RUB bln. Higher growth in net profit attributable to shareholders of Gazprom Neft compared to growth in EBITDA resulted from the positive effect of foreign exchange rate differences from the revaluation of loans and credit lines.

Hydrocarbon production volumes in 1H 2015 increased by 20.5% compared to the previous year, to 282.06 mmboe (38.01 mmtoe). This growth was due to the continued development of SeverEnergia, consolidation of the share in NorthGas, increasing production at the Prirazlomnoye field in the Russian Arctic, the start of crude exports from Badra field in Iraq, an increase in associated petroleum gas utilization and the successful use of high-tech operations at brownfields.

Refining throughput for 1H 2015 reached 21.32 million tonnes, down 3.1% year-on-year due to lower refining volumes at the Moscow refinery, which were driven by a decline in demand in the Moscow oil market in 1Q15. Sales via premium channels rose by 1% year-on-year to reach 12.32 million tonnes, which is mainly due to retail network sales growth as well as the expansion of the airport network presence in Russia and internationally.

** Revenues including duties takes into account revenues as well as export duties and excise taxes calculated based on volume of products sold*

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

Key Financial Data

2Q	1Q			6 months		
2015	2015	Δ, %		2015	2014	Δ, %
423,225	380,035	11.4	Revenues including duties* (RUB million)	803,260	814,508	(1.4)
94,786	80,983	17.0	EBITDA (RUB million)	175,769	162,871	7.9
106,379	93,387	13.9	Adjusted EBITDA** (RUB million)	199,766	178,383	12.0
73,225	39,129	87.1	Profit attributable to Gazprom Neft shareholders (RUB million)	112,354	87,599	28.3
88,561	55,437	59.8	Operating cash flow	143,998	145,559	(1.1)
1.44	1.51	(4.9)	Net debt / EBITDA	1.44	0.64	124.8

Key Operational Data

2Q	1Q			6 months		
2015	2015	Δ, %		2015	2014	Δ, %
146.92	135.14	8.7	Hydrocarbon production including our share of joint ventures (Mmboe)	282.06	234.18	20.5
10.93	10.39	5.2	Refining throughput at own refineries and joint ventures (MMtonnes)	21.32	21.99	(3.1)
6.62	5.70	16.1	Sales volumes via premium channels (MMtonnes)	12.32	12.20	1.0
2.48	2.28	8.8	Sales volumes via retail network (MMtonnes)	4.76	4.61	3.3

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