

OJSC Rosneft Q1 2014 IFRS results



April 30, 2014

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Q1'14: Key Highlights

Free cash flow growth and debt reduction



Indicator	Value	Change QoQ	Causes
Revenue, RUB bln	1,375	+1.9%	Growth of crude oil and petroleum product prices in rubles, changes in export mix
EBITDA, RUB bln	289	+5.9%	Control of operating expenses under the negative impact of growing base tax rates
EBITDA margin, %	21.0	-	
Net income, RUB bln	88	(34.3)%	Foreign exchange loss partly offset by asset disposal gain
Adj. free cash flow, RUB bln	121	>2x	CAPEX program optimization, seasonality
Net debt, RUB bln	1,586	(14.7)%	Positive free cash flow



Q1'14: Key Highlights

Greenfield production growth with cost control



Indicator	Value	Change YoY	Causes
Hydrocarbon production, mmoed	5.1	+5.1%	
Liquids production, mmbd	4.2	+0.5%	Production growth at Vankor, Verkhnechonsk and Uvat
Gas production, bcm	13.2	>2x	Consolidation of gas assets and organic growth
Lifting costs, RUB/boe	132	+28.2%	Inclusion of new assets' production costs
Refinery throughput, mtd	276	+57.0%	Successful implementation of the refinery modernization program, integration of new assets
Refining margin in Russia, RUB/t	1,678	+41.7%	Better product slate, improved ecological properties of fuels, Tuapse Refinery expansion

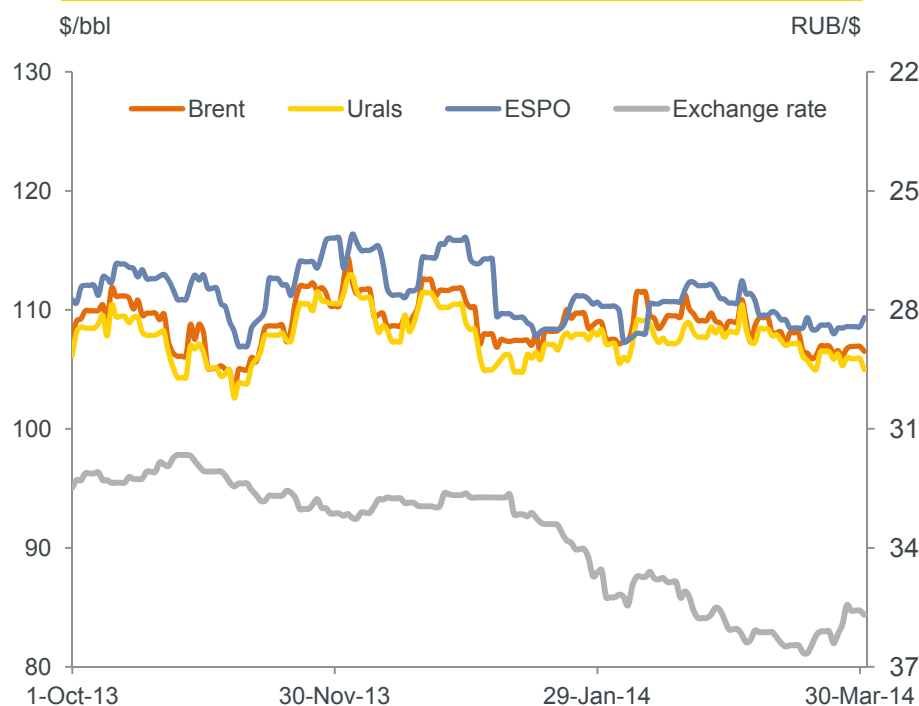


Market Environment:

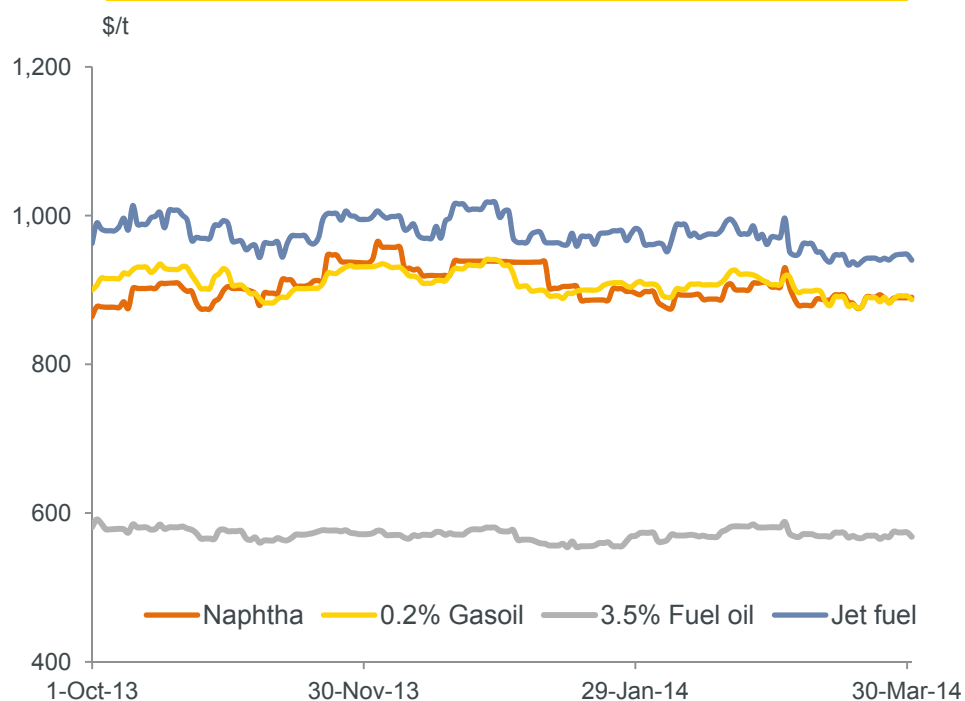
Price decline and growing RUB volatility



Crude oil prices and exchange rate⁽¹⁾



Petroleum product prices⁽²⁾



Indicator	Q1'14	Q4'13	%
Brent, \$/bbl	108.3	109.4	(1.0)%
Urals, \$/bbl	107.1	108.4	(1.2)%
ESPO, \$/bbl.	110.0	112.8	(2.5)%
Exchange rate, RUB/\$	34.96	32.53	7.4%

Indicator	Q1'14	Q4'13	%
Naphtha, \$/t	897.9	914.2	(1.8)%
0.2% Gasoil, \$/t	901.5	918.1	(1.8)%
3.5% Fuel oil, \$/t	568.8	574.0	(0.9)%
Jet fuel, \$/t	964.8	986.8	(2.2)%

Source: Thomson Reuters

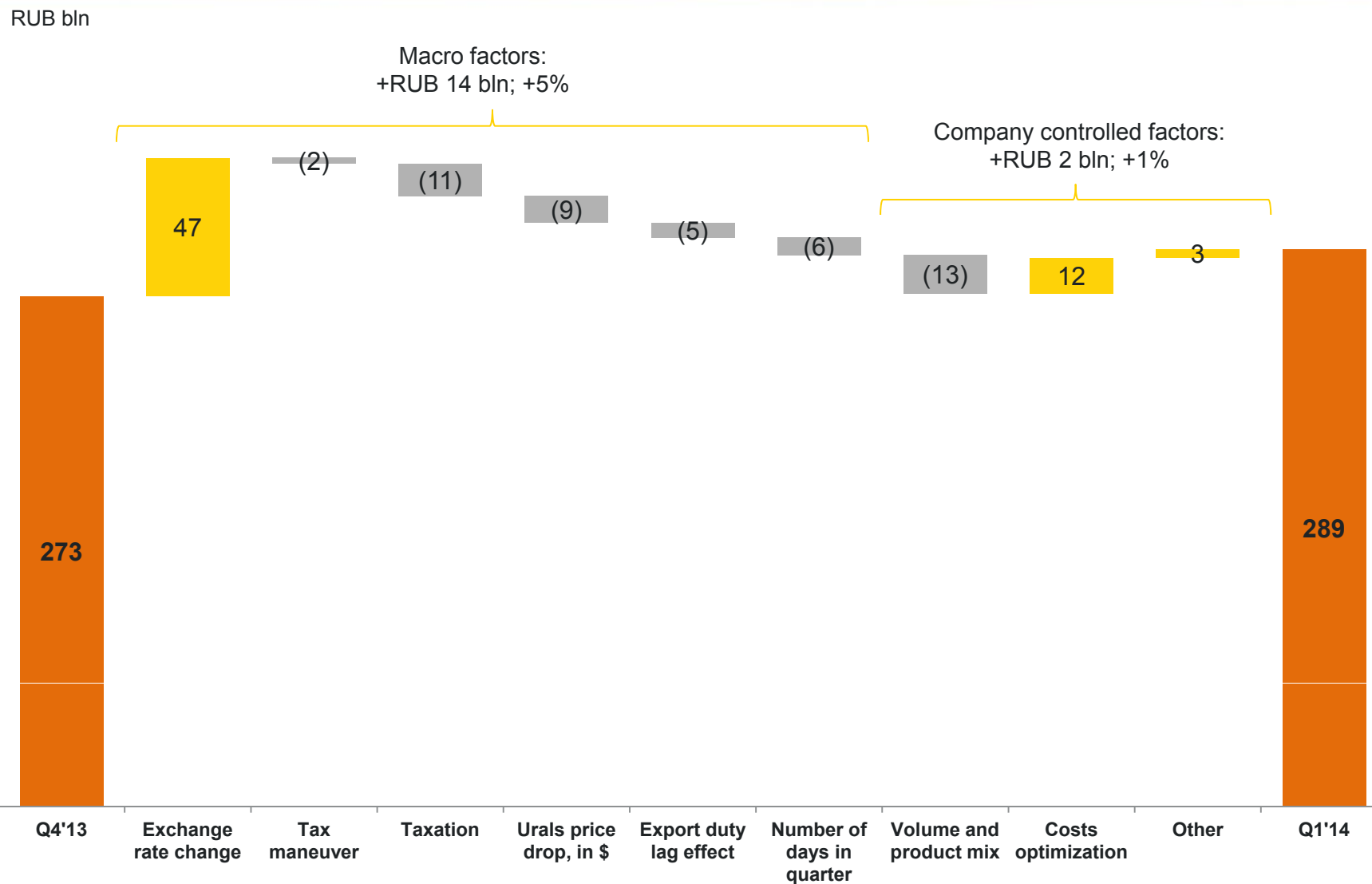
Note: (1) Brent quote FOB North Sea, Urals – average of FOB Primorsk/Novorossiysk, ESPO – FOB Russia, (2) Naphtha quote – average of FOB/CIF Med, 0.2% Gasoil - FOB NWE, 3.5% fuel oil – average of FOB/CIF Med/NWE, Jet fuel - FOB NWE



Financial results

EBITDA:

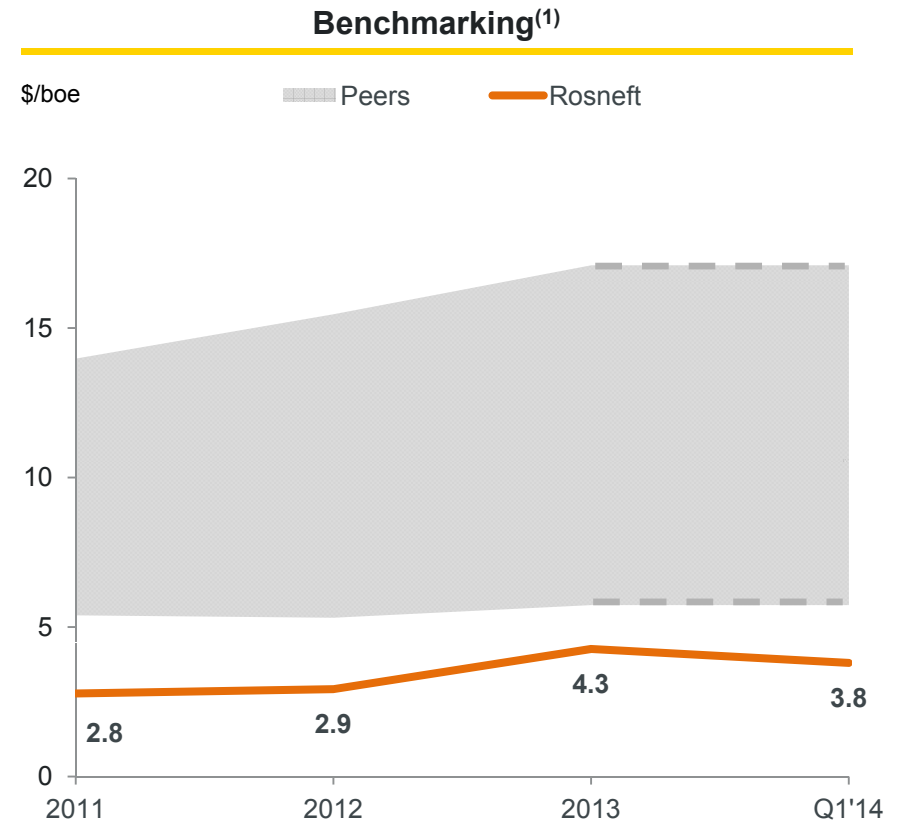
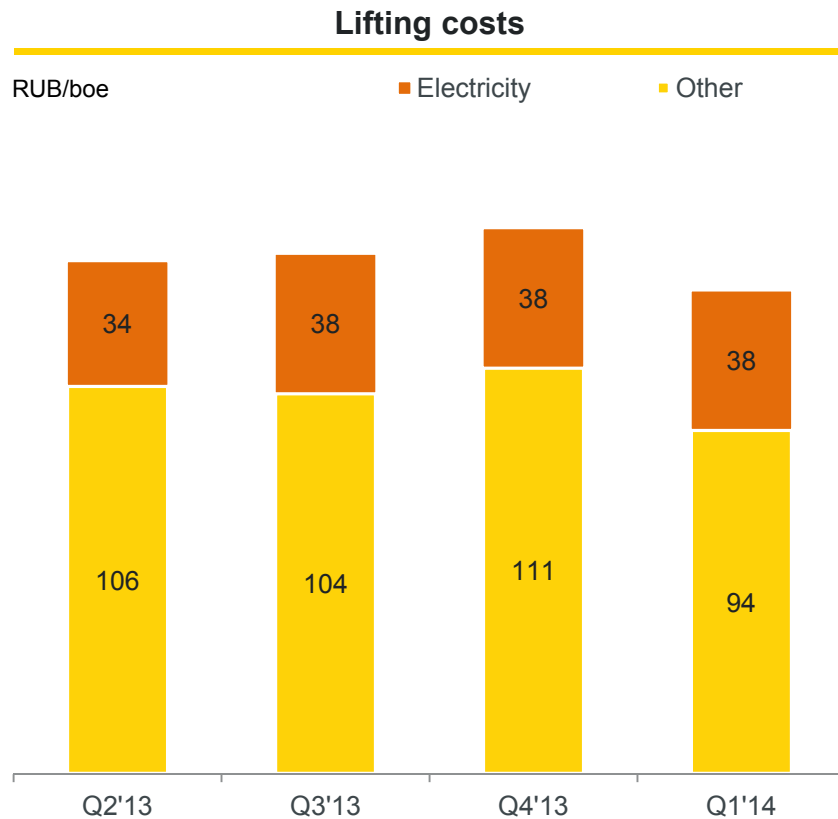
Growth through costs structure optimization



Note: Taxation factor includes effect from application of regressive scale for social insurance, end of MET break for Verkhnechonsk and effect from excises indexation

Lifting Costs:

Maintaining leadership positions in the industry



- Expenses dropped QoQ following a lower scope of well service and well repair activities, decrease in equipment maintenance and other operating expenses caused by climate-related factors (abnormally low temperatures)
- YoY expense growth caused by the incorporation of costs related to new acquired assets

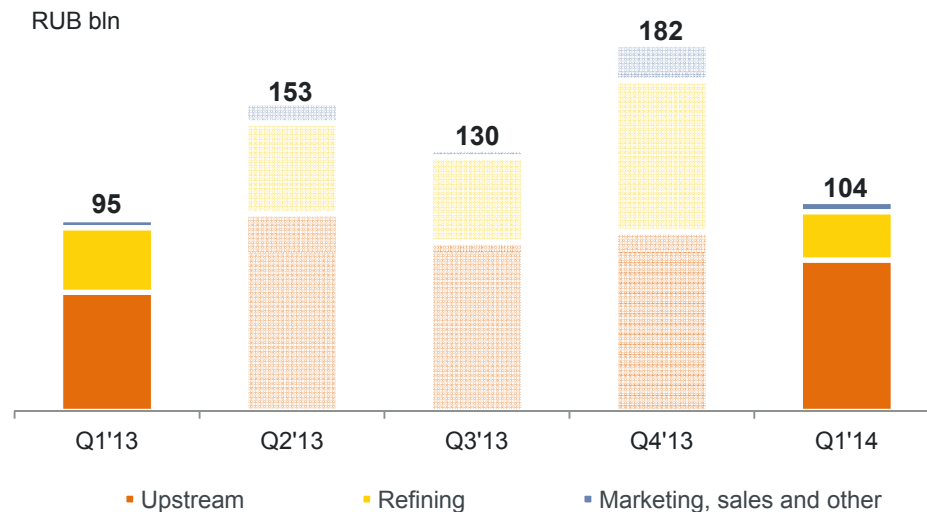
Note: (1) Peers include ExxonMobil, Chevron, BP, Shell, Statoil, Petrobras, Petrochina, Lukoil and Gazprom neft. Q1'14 data equals 2013 level

CAPEX:

Discipline in major projects implementation



CAPEX dynamics

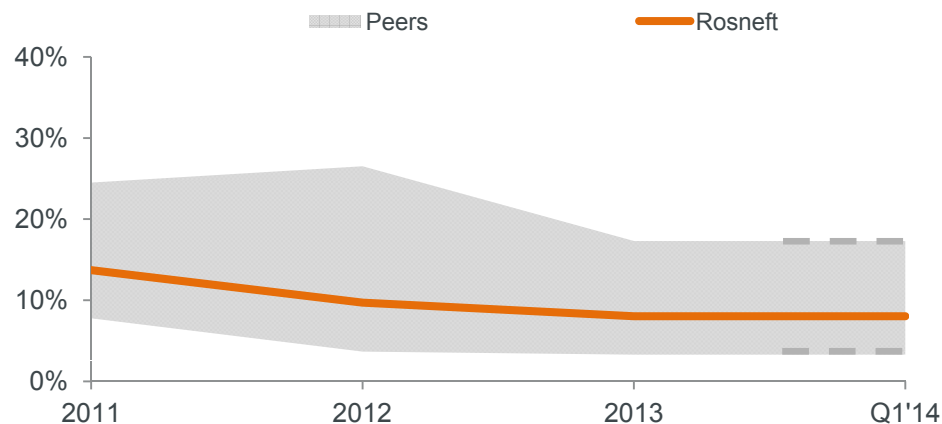


➤ Decline in Q1'14 vs. Q4'13 due to seasonality of work

Key priorities:

- Sustain brownfield production (over Q1'13 – Q1'14 ~RUB 268 bln; of this, ~RUB 197 bln in West Siberian projects)
- Develop new production clusters in East Siberia and Far East on the basis of Vankor, Verkhnechonsk, YuTM field (over Q1'13 – Q1'14 ~RUB 130 bln)
- Gas projects development: Rospan, Kharampur, KChNG (over Q1'13 – Q1'14 ~RUB 12 bln)
- Offshore exploration. Sakhalin-1 and N.-Chaivo development (over Q1'13 – Q1'14 ~RUB 15 bln)
- Refinery modernization program implementation, Tuapse refinery expansion, start of pre-construction activities at FEPCO
- Development of retail and oil depot network, upgrade of sea terminals in Tuapse and Nakhodka, reconstruction of Sheremetyevo, Vnukovo and BATO aircraft fueling stations

ROACE comparative analysis⁽¹⁾



Note: (1) Rosneft ROACE doesn't include revaluation effect of new assets acquired, with revaluation in 2012 – 11.4%, in 2013 - 13%. Peers include ExxonMobil, Chevron, Shell, Statoil, Petrobras, Petrochina, Lukoil and Gazprom нефт. Q1'14 data equals 2013 level

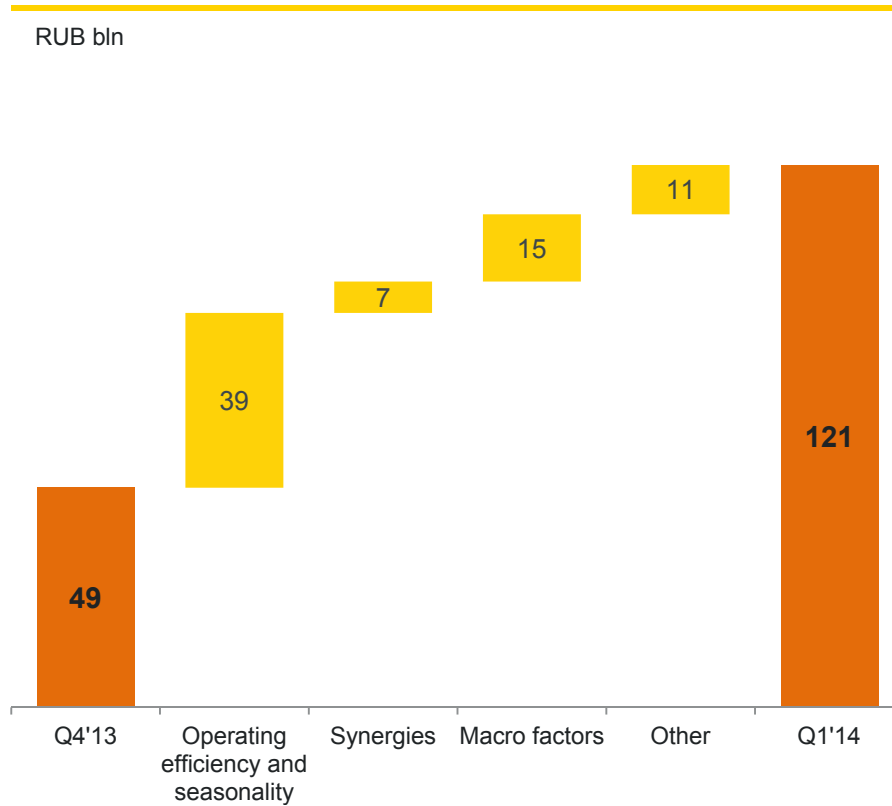
Free Cash Flow:

Sustainable level underpinned by improving operating efficiency



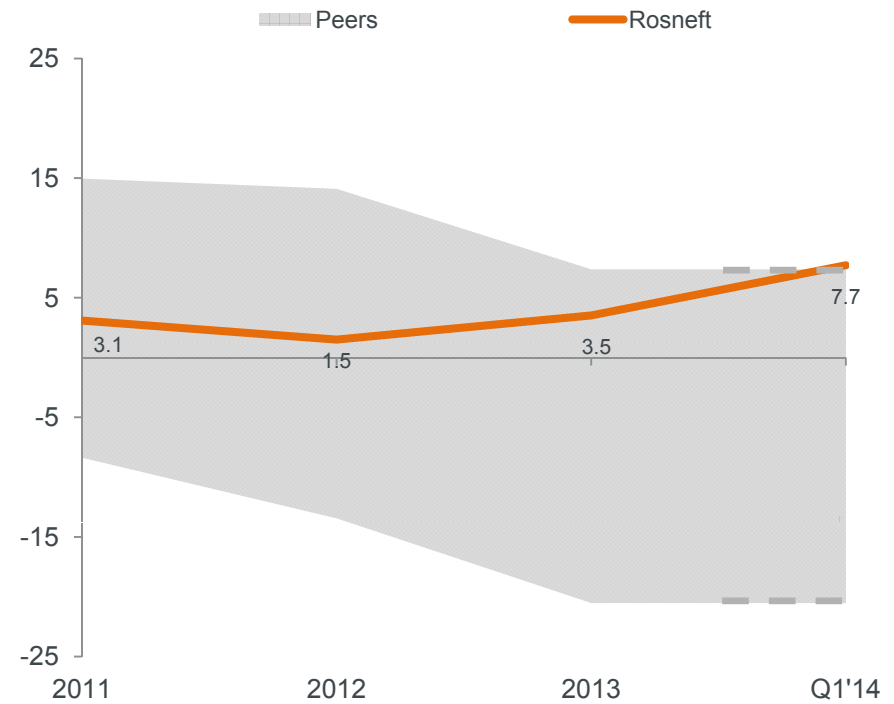
Free cash flow⁽¹⁾

RUB bln



Benchmarking⁽²⁾

\$/boe



- ▶ CAPEX program optimization and work seasonality

Note: (1) Adjusted for long-term oil supply contracts prepayment (RUB 431 bln in Q1'14 and RUB 163 bln in Q4'13) and for operations with trading securities (2) Peers include ExxonMobil, Chevron, Shell, Statoil, Petrobras, Petrochina, Lukoil and Gazprom нефт. Q1'14 data equals 2013 level

Improved Efficiency and Cost Reduction:

Procurement optimization, internal benchmarking



“Zero inflation” and procurement efficiency

- ▶ Prices for the services of several third-party contracts reduced by 1-6% (oilfield services, fracking and workovers, wells construction and internal infrastructure facilities)
- ▶ Rail operators services cost reduction by 6-7%, effect over 2014-2016 – RUB 2.7 bln

Unit costs optimization

- ▶ Upstream energy efficiency improvement program 2014-2018 approved (effect >RUB 2 bln in 2014)
- ▶ Business plan approved that assumes unit performance improvements by 5-15%

CAPEX reduction under quality control

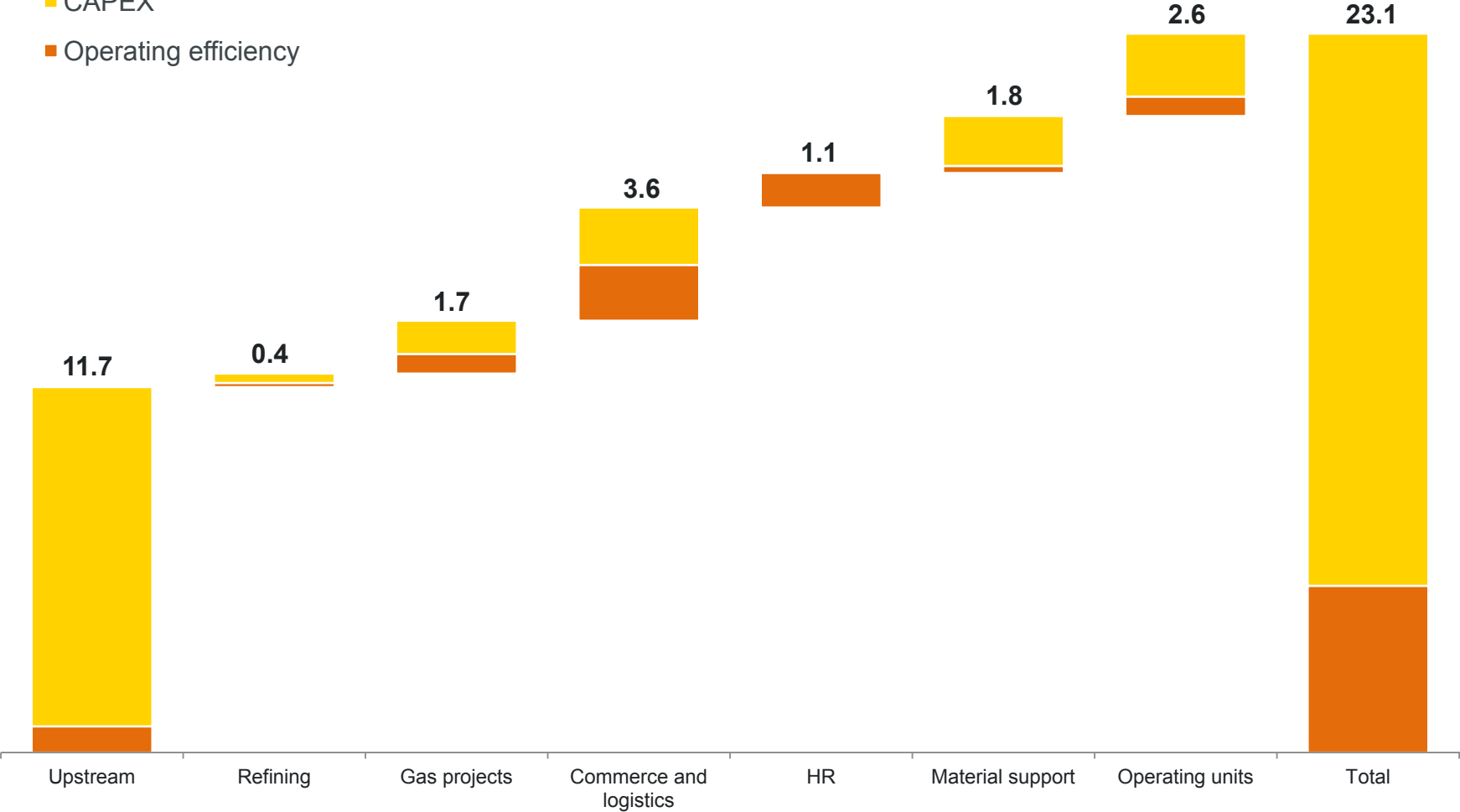
- ▶ Savings achieved in the construction of power supply and oil treatment facilities at developing fields (for example, effect for Verknechonsk is RUB 1.3 bln in 2014)

Synergies: Q1'14 results



RUB bln

- CAPEX
- Operating efficiency



Drilling Service Optimization:

Key performance improvement element



Current situation in the drilling and OFS market:

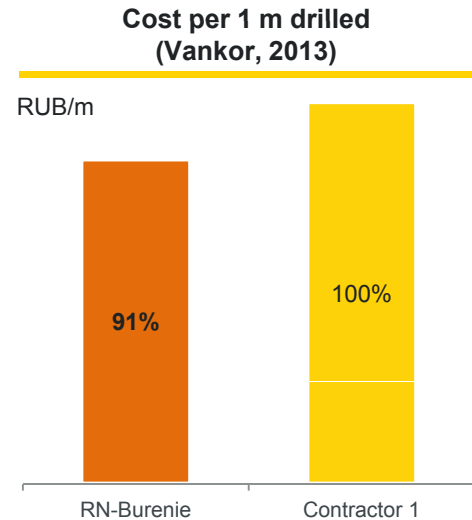
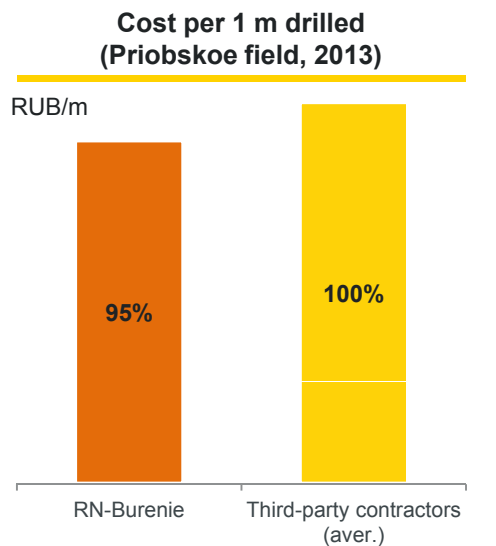
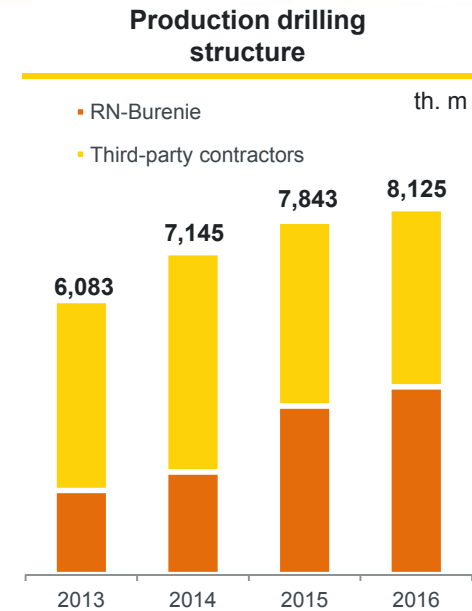
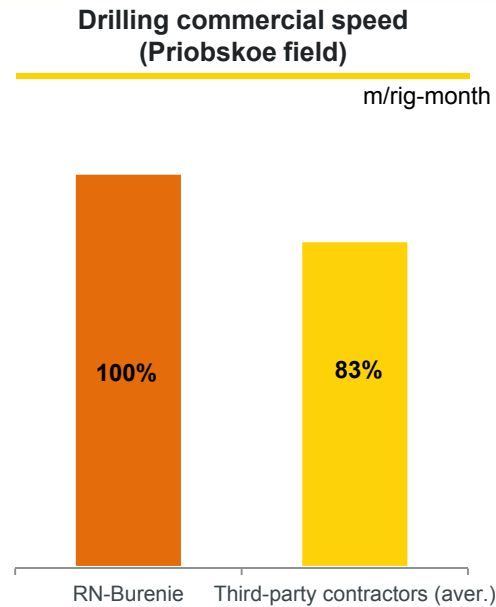
- High concentration (in 2013 >50% of Rosneft's drilling volumes were provided by 4 drilling companies other than RN-Burenie)
- Non-transparent pricing
- Worn fleet (>60% of Russia's rig fleet)
- Reduced quality of service

Expansion of in-house services on the basis of RN-Burenie:

- Financial transparency and efficiency (cost per 1 m of well drilled by third-party contractors is 5-9% higher than that offered by RN-Burenie)
- Application of advanced technologies (quicker construction at growing average well depth, horizontal drilling volumes and increasing complexity of horizontal well completion with multistage hydrofracturing)
- Engagement of leading foreign partners – high-tech drilling equipment vendors and accompanied service providers
- Increased drilling efficiency (RN-Burenie outpaces competitors by ~9% in commercial speed)




Drilling volume growth by 7-10% a year over the nearest 5 years

Target share of in-house drilling service – over 50%



Asset Portfolio Development: Improving integrated business performance

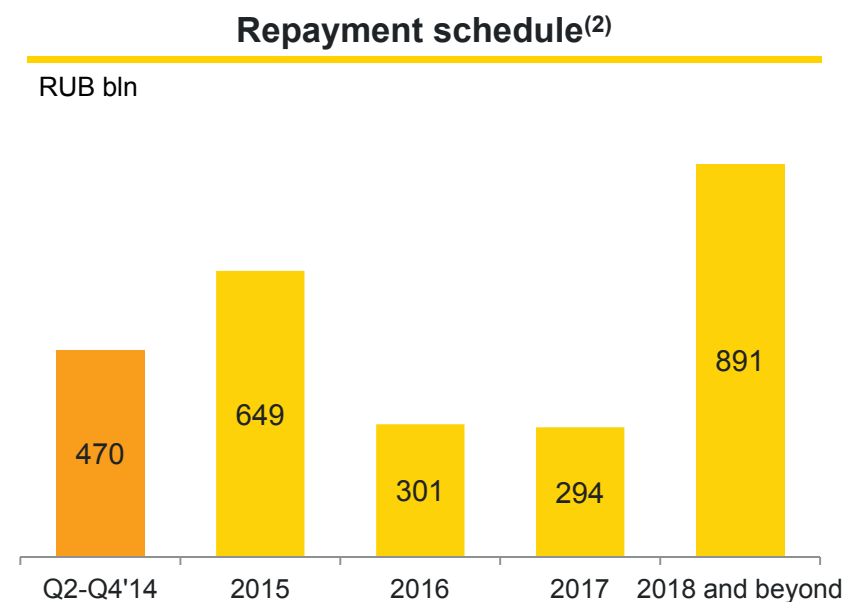
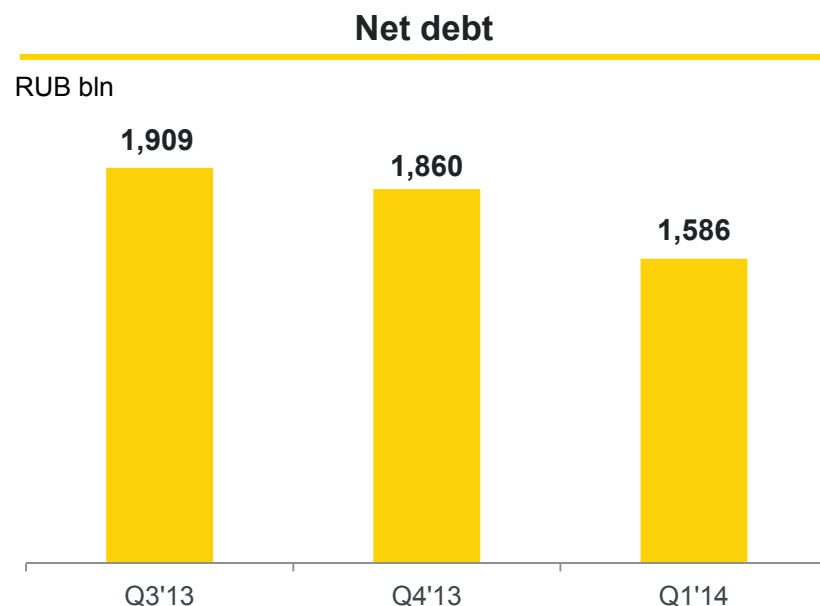


	Transaction description	Strategic rationale
	6 licenses obtained for field development and 5 for geological exploration	Support production level
	Acquisition of 100% in LLC Orenburg Drilling Company ⁽¹⁾	Increase in drilling efficiency and volumes
	Sale of 49% in Yugragazpererabotka	Exit from inefficient assets, significant gas supply returns growth
	Increase of the share in the Solimoes project to 51%	Raise project efficiency, reduce costs, develop resource base

Note: (1) Event after the reporting period

Improving Financial Sustainability:

Efficient management of debt portfolio



- ▶ Focus on deleveraging:
 - In Q1'14 RUB 300⁽¹⁾ bln of debt was repaid, including RUB 193⁽¹⁾ bln of loans taken to finance asset acquisitions (partially prescheduled)
- ▶ Considerable cash balance on Company accounts guarantees financial sustainability

- ▶ Efficient management of debt portfolio average maturity and repayment schedule:
 - Partial early repayments of short-term debt
 - In Q1'14, 10 years⁽³⁾ listed ruble bonds were placed for a total amount of RUB 35 bln

Note: (1) At Central Bank exchange rate as of the repayment date (2) With future accrued interest at exchange and interest rates as of March 31, 2014 (excluding debt owed to other YUKOS group companies), (3) Offer option opens in 5 years



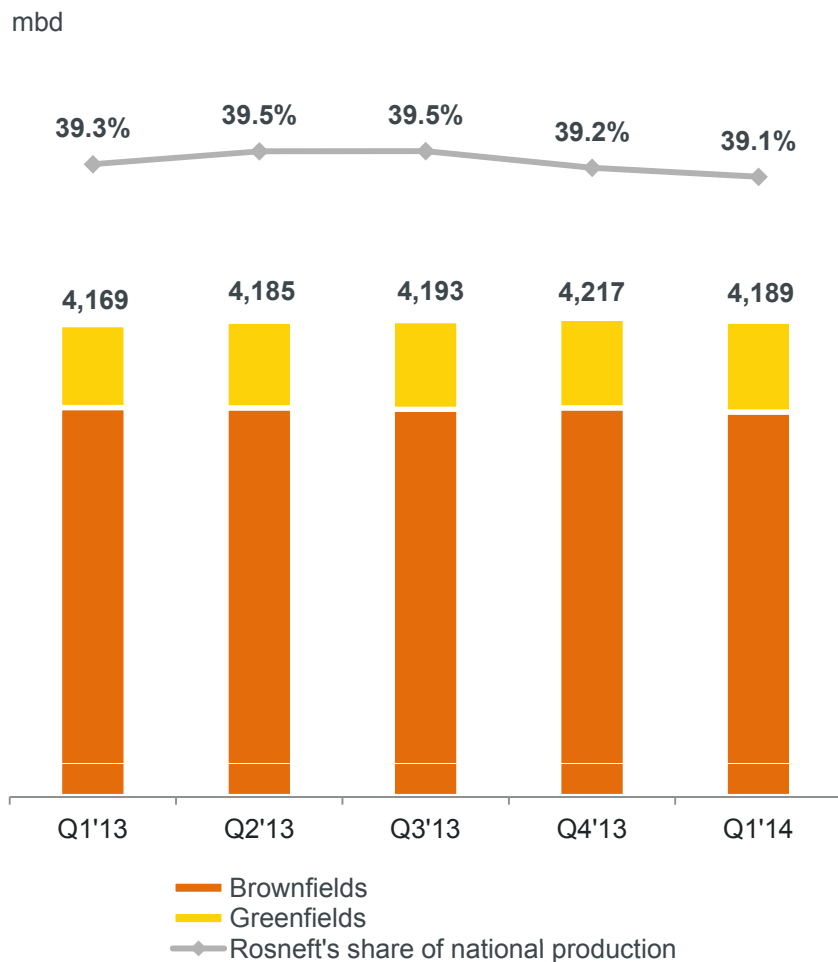
Operating results

Crude Production:

Stabilization of production at key brownfields



Oil production



Key achievements in Q1'14

- ▶ **Successful implementation of key workover solutions:**
 - Multistage hydrofracs: 2x growth YoY (effect – 20 mbd)
- ▶ **Stabilization of brownfields production:**
 - Samotlor : 4.2% vs 7.0%⁽²⁾
 - Varyoganneftegaz: 1.6% vs 10.3%⁽²⁾
- ▶ **Additional tax benefits for tight oil⁽¹⁾:**
 - Total eligible oil – 452 th. t
 - EBITDA effect +\$13/bbl

Key objectives for 2014

- ▶ Carry on with brownfield production support activities
- ▶ Launch Osoveyskoe field ("Severnaya Neft") with 36 mmt of C1+C2 in-place reserves
- ▶ Launch pilot operations at North Chaivo field with potential annual production of up to 1 mln t

Source: Rosneft, CDU Fuel & Energy Complex

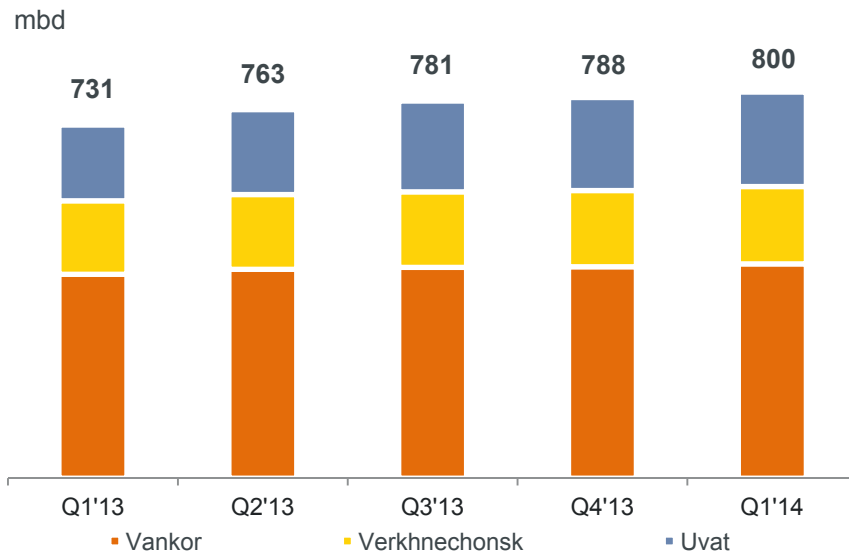
Note: (1) RN-YuganskNG, Varyoganneftegaz, Tomskneft, Verkhnechonskneftegaz, RN-NyaganNG, (2) Average daily production decline in Q1 current year vs Q1 previous year

Crude Production:

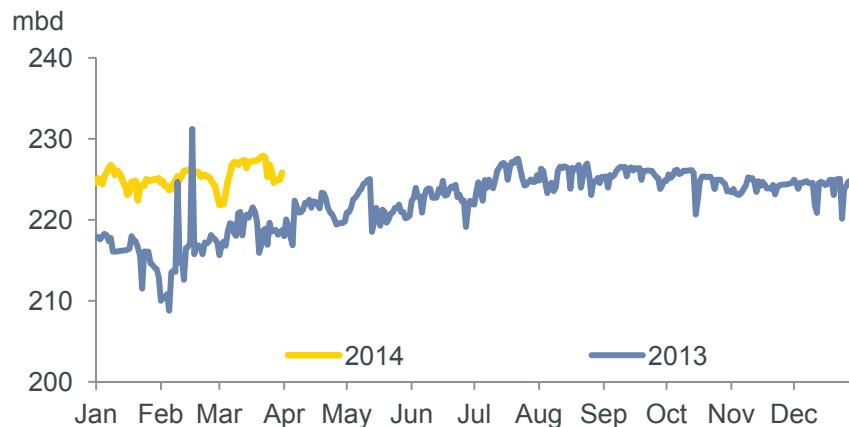
Production growth drivers in Q1'14



Greenfield production



Samaraneftegaz oil production



Key achievements in Q1'14

- ▶ **Uvat:**
 - record commercial speed – 1,513 m/day
 - shorter well development cycle (from 19.2 to 11.5 days)
 - waterflood system management and FPM systems optimization
- ▶ **Verkhnechonsk:**
 - daily production growth by 5% (8 mbbl) YoY
 - surface infrastructure optimization
- ▶ **Vankor:**
 - Plateau reached (444 mbd)
- ▶ **Samaraneftegaz** – production growth 4% YoY driven by:
 - additional well interventions program implementation
 - demothballing of 2 wells (increment – 148 t/day)

Key objectives for 2014

- ▶ **Uvat:** Tyamkinskoe CPF capacity growth to 4.5 mln t
- ▶ **Vankor:** launch FWKO-North unit (2 commissioning complex), reach designed gas injection rates
- ▶ **Samaraneftegaz:** expand effective well interventions program, acceleration of new license blocks commencement

Crude Production:

Continuing efficient reserves development in East Siberia



- ▶ The Company has started infrastructure development at the first priority part of Yurubcheno-Tokhomskoe field
- ▶ Efficiency guaranteed through tax breaks on MET and export duty
- ▶ Considerable synergies from concurrent development with Kuymba
- ▶ Project synched with Transneft's "Kuyumba-Tayshet" pipeline construction
- ▶ The field will become a source of crude oil for supplies to the growing Asia-Pacific market

Key features

Field ABC1+C2 oil reserves, including:	>350 mmt
Yurubchenskaya formation	175 mmt
Commercial launch (Phase I)	2017
Plateau year (Phase I)	2019
Plateau production (Phase I)	5 mmt
APG utilization rate	95%
CAPEX (net of VAT, Phase I)	~RUB 132 bln



Yurubcheno-Tokhomskoe field

Gas Business:

Efficient production growth



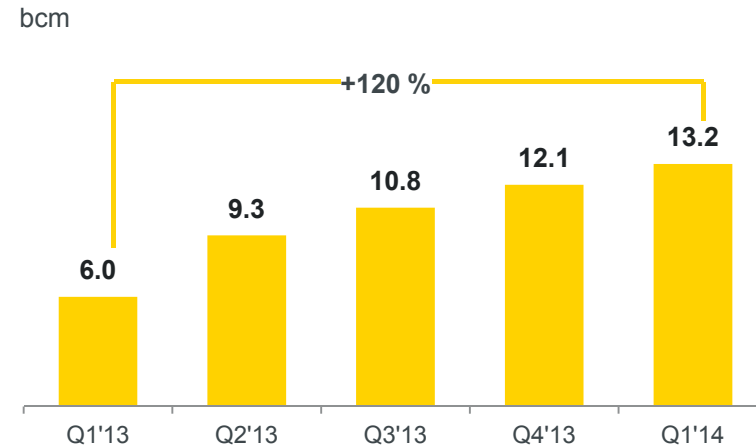
Key achievements in Q1'14

- ▶ **Gas processing and petrochemical agreement with SIBUR:**
 - closed sale of 49% in JV Yugragazpererabotka
 - signed long-term, more efficient contracts for APG supply (10 bcma) and for dry lean gas, resulting from refining purchase
- ▶ **Vankor gas program implementation:**
 - start-up activities at HP GCS (Phase 3) and GPU-2 for APG treatment and subsequent transportation

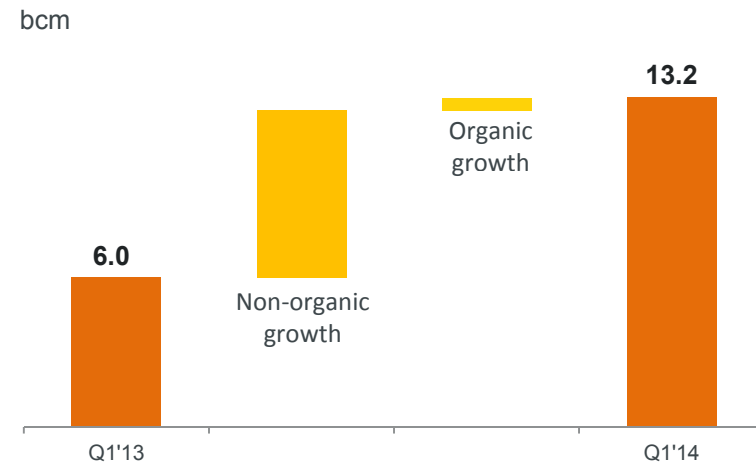
Key objectives for 2014

- ▶ By way of continuous Gas Program implementation, it is expected that 95% APG utilization rates will be achieved by the end of 2014:
 - at Malo-Balykskoe field (YuganskNG),
 - at Vankor
 - at some fields operated by KrasnodarNG, PurNG, Orenburgneft and StavropolNG

Gas production

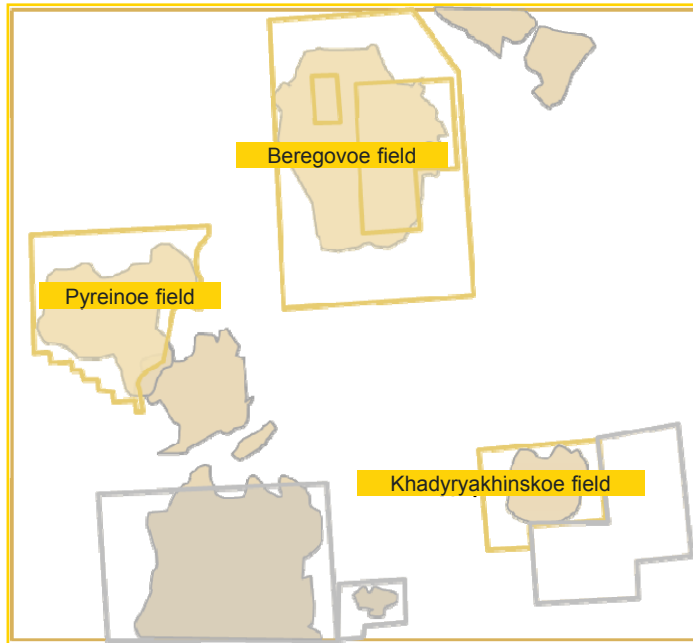


Sources of production growth in Q1'14



Key projects:

Sibneftegaz

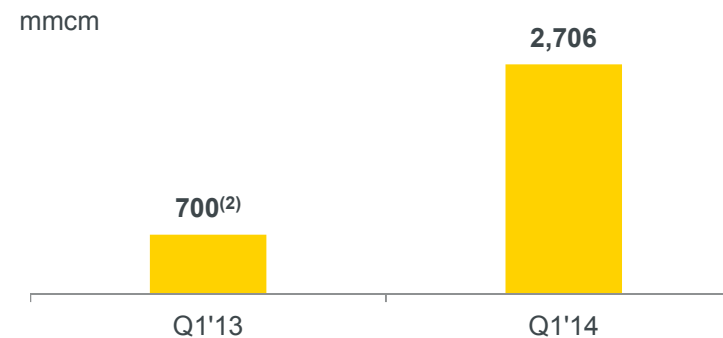


- Mature gas asset with growth potential
- Gas MET breaks (savings in 2014-2018 ~RUB 4 bln)
- **Key objectives for 2014:**
 - start infrastructure development at Beregovoe and Khadyryakhinskoe gas condensate formations with the purpose of growing gas production volumes

Key features

Project gas reserves (ABC1+C2)	551 bcm
Plateau year	2019
Plateau production	15.5 bcm ⁽¹⁾

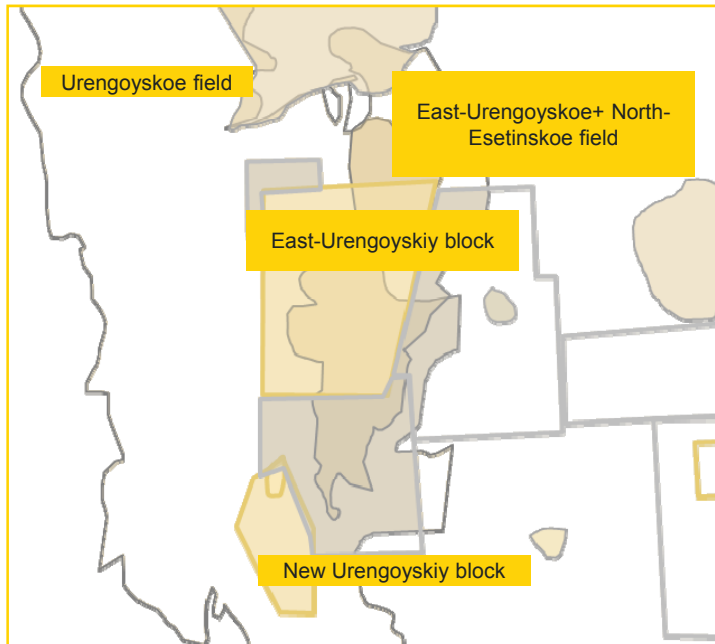
Gas production



Note: (1) Production upside exists beyond 2020, (2) Rosneft' share (in accordance with IFRS)

Key projects:

Rospan



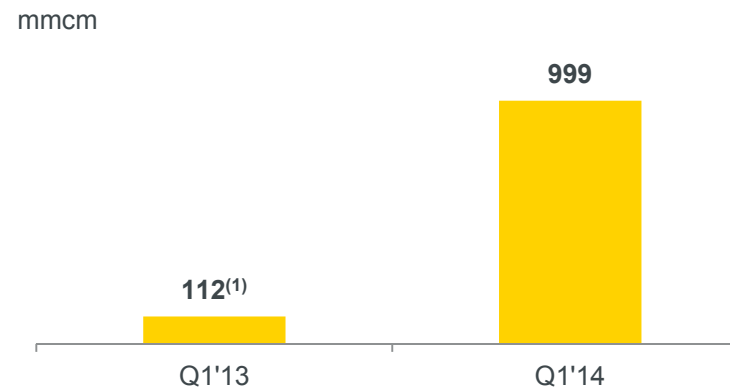
- ▶ Gas asset that will assure most of production growth over the next 5 years
- ▶ MET breaks for gas and gas condensate (Savings in 2014-2018 ~RUB 28 bln)
- ▶ **Key objectives for 2014:**
 - drilling of 16 wells
 - gathering pipeline construction (7 km)
 - launch of construction operations at key infrastructure projects (CGTP and other)

Key features

Project gas reserves (ABC1+C2)	981 bcm
Plateau year	2018
Plateau production	
Gas	18 bcm
Gas condensate	4 mln t

Note: (1) Rosneft' share (in accordance with IFRS)

Gas production

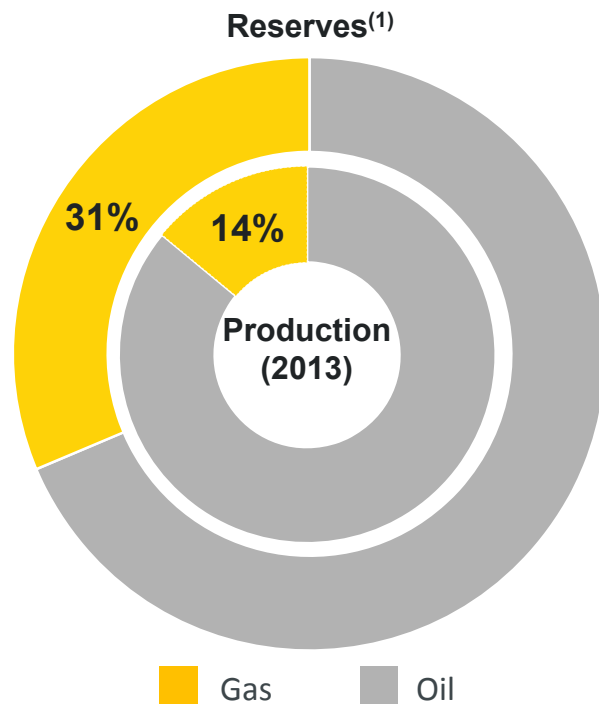


Gas Business:

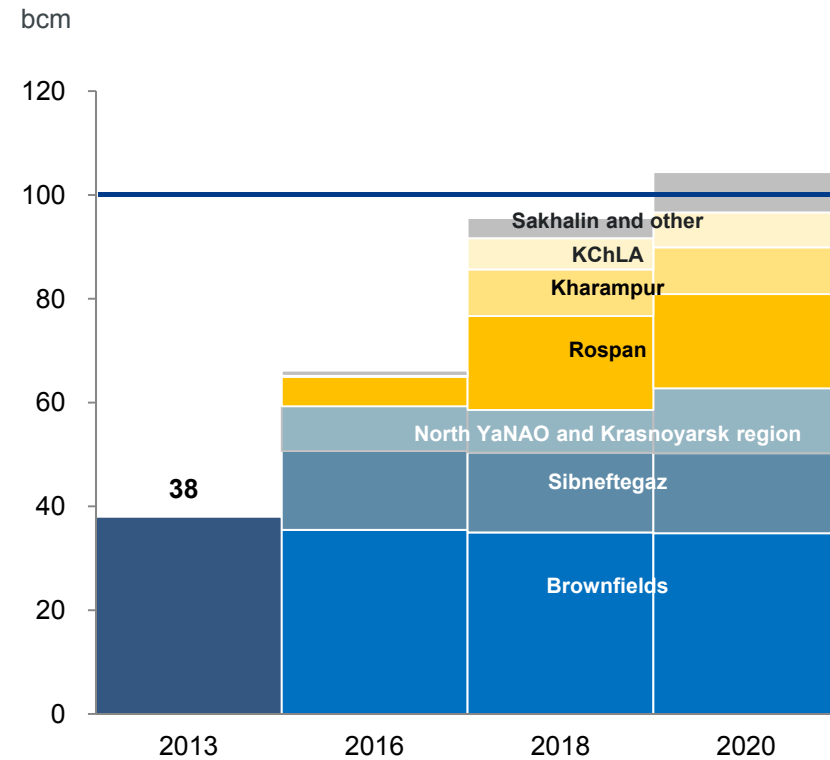
Organic growth is a base for further development



Gas share in hydrocarbon reserves and production



Target for 2020 – 100 bcm



- ▶ Launch of new fields will assure rapid gas production growth
- ▶ 100 bcm will be reached by 2020 due to organic growth
- ▶ Current projects portfolio allows production growth beyond 2020

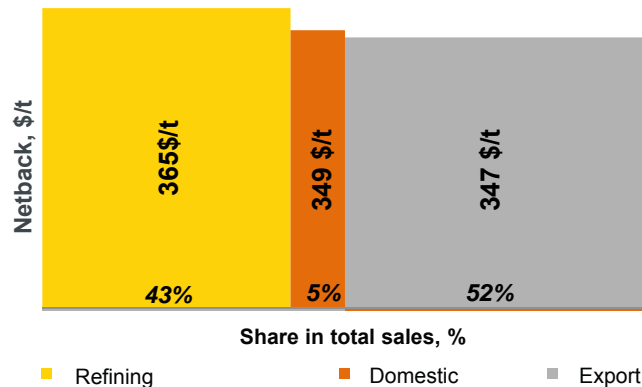
Note: (1) Reserves ABC1+C2 as of 31.12.2013

Refining:

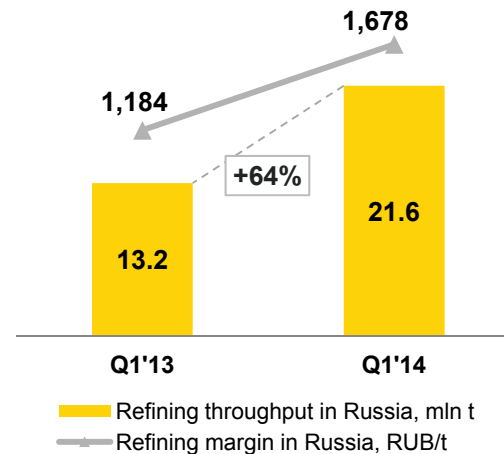
High-margin monetization channel



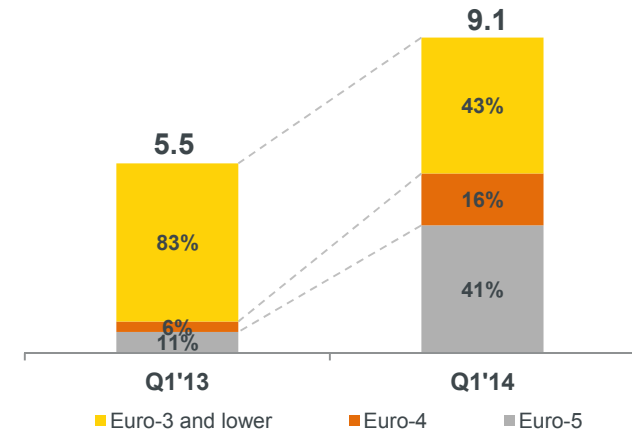
Monetization channels in Q1'14: refining



Refinery throughput in Russia



Production of motor fuels in Russia



Key achievements in Q1'14

- ▶ Growth in Russian oil refining volumes ~64% YoY to 240 mtd
- ▶ Incremental effect from operating efficiency improvement program ~RUB 1.8 bln
- ▶ Effect from Euro-4/5 motor fuels production growth due to excise savings ~RUB 2.8 bln

Key objectives for 2014

- ▶ **Russian refineries modernization program:** complete 4 unit construction projects (at Ryazan, Novokuibyshevsk and Kuibyshev refineries)
- ▶ **FEPCO:** have external infrastructure facilities included in the Far East government support program, purchase of licenses, start of complex engineering surveys and works on project documentation

Refineries Modernization: Completion status



	Vacuum block	Isomerization	Cat cracking	Hydro-treatment	Reforming	Alkylation	Coking ⁽¹⁾	Hydrocracking	MTBE
Ryazan	●	●		○●					●
Angarsk				○●		●			●
Novokuibyshevsk		●		●	●		○	●	
Syzran			●	●	○	●			●
Kuibyshev		●	●	○	○	●			●
Komsomolsk				●				●	
Tuapse	●	●		●	●		●	●	
Achinsk				●			●	●	
Effect on oil products output	↑ Refining depth	↑ Euro-5 gasoline	↑ Light product yield	↑ Euro-5 motor fuels	↑ Light product yield	↑ Euro-5 gasoline	↑ Refining depth	↑ Light product yield	↑ Euro-5 gasoline

● Completion in 2014
 ● Completion in 2015
 ● Completion in 2016 and beyond
 ○○ Upgrade

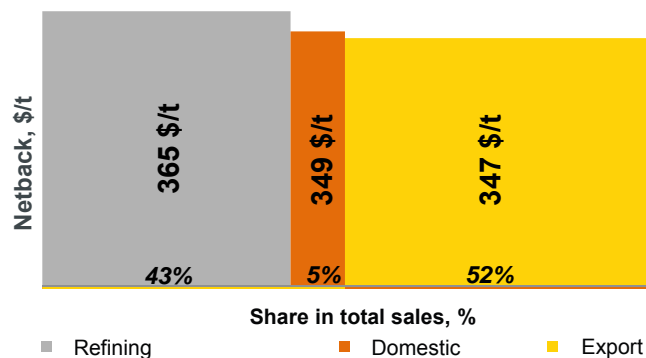
Note: (1) Delayed coking or flexicoking

Trading in Crude Oil and Petroleum Products:

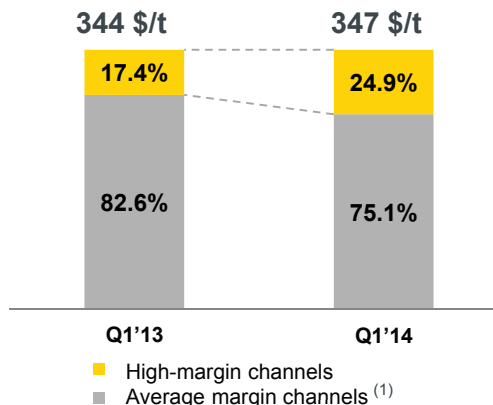
Growth in premium channels



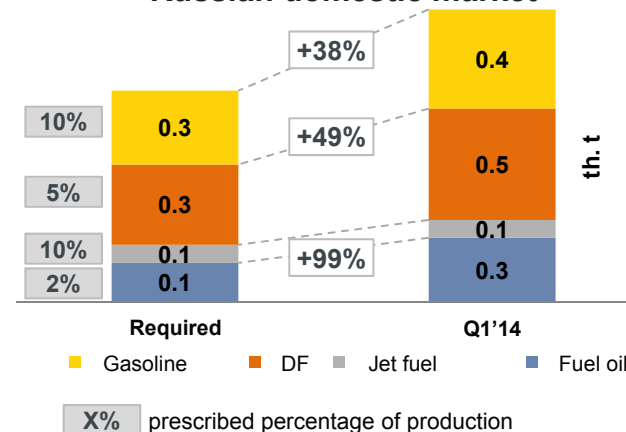
Monetization channels in Q1'14: exports



Crude export mix



Exchange-based trading on Russian domestic market



Key achievements in Q1'14

- ▶ Start of crude oil supplies to China via Kazakhstan
- ▶ Growth of end consumer sales share in "Druzhba" supplies to 80%
- ▶ Increased fuel oil supplies along premium channels, captured incremental premium from segregation of fuel oil from Samara refineries (effect – RUB 0.6 bln)
- ▶ Reduced rail operators services cost by 6-7% (effect over 2014-2016 – RUB 2.7 bln)

Key objectives for 2014

- ▶ Long-term tenders for 2015 maximizing premium
- ▶ Increase crude oil sales efficiency:
 - long-term contracts for ESPO crude sales
 - segregated exports of light crudes with a view to preserve quality
- ▶ Expand sales to end consumers
- ▶ Increase river transportation to record 6 mln t

Note: (1) High-margin channels: De Castri, CPC, Hungary, Slovakia, Kozmino, Belarus, Kazakhstan, Czech Republic

Retail Operations:

Improving fuel quality and class of service



Key achievements in Q1'14

- ▶ Retail margin grew to **~5,200 RUB/t**
- ▶ Aver. throughput per filling station – **11.4 t/d**
- ▶ Launched automated control system and implemented pilot 12-hour schedule at 7 Olympic filling stations
- ▶ Prepared for launch of FORA fuels in 5 new regions of presence in Russia
- ▶ Developed plan for the 3rd generation Ultimate gasolines additive modification project

Key objectives for 2014

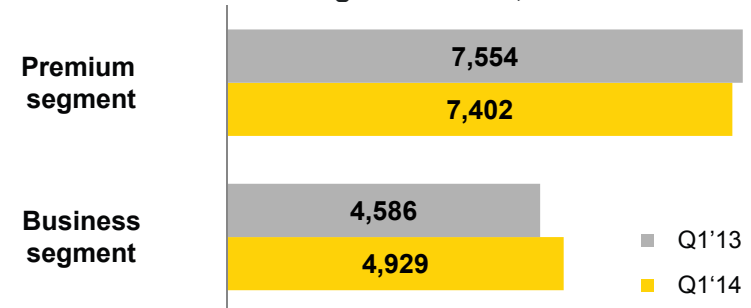
- ▶ Implement corporate loyalty program
- ▶ Start filling stations re-branding
- ▶ Optimize costs based on benchmarking results
- ▶ Develop non-fuel offer: implement food offer across retail network

Note: Q1'13 data is based on pro-forma

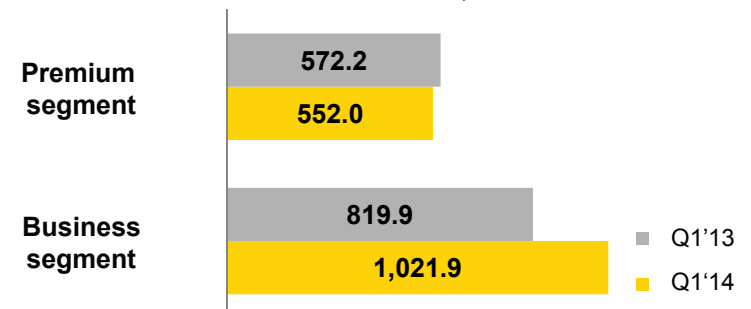
Retail sales via own network, t/day



Retail margin in Russia, RUB/t



Non-fuel sales, RUB mln



Premium Channels Expansion: B2B



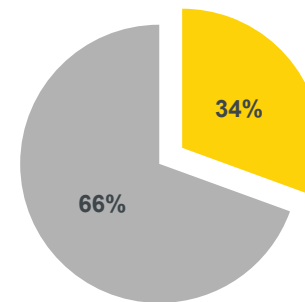
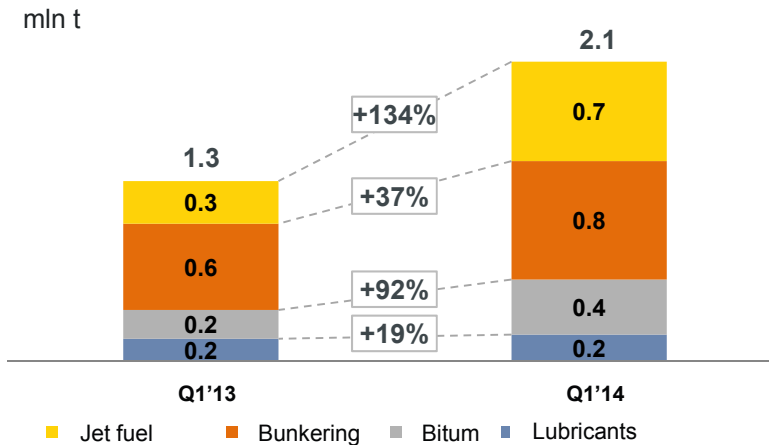
Key achievements in Q1'14

- ▶ Share of “into-plane” sales of jet fuel up to 69%
- ▶ Storage cards opened in Ramenskoe and Chita airports
- ▶ Started fueling Deutsche Lufthansa aircraft in Domodedovo, Vnukovo and Rostov-on-Don airports
- ▶ Signed contract with Maersk for supplies of bunker fuel in the Novorossiysk port
- ▶ Signed 5-years contract for bunker fuel supplies to special-purpose vessels servicing the Sakhalin-2 project

Key objectives for 2014

- ▶ Launch aircraft fueling services at the Ministry of Defense airfields
- ▶ Develop international bunkering

Sustainable development of B2B

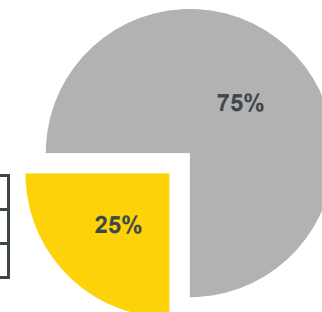


Jet fuel: market share

Own a/c fueling sites	13
Partner a/c fueling sites	18
“Into-plane” share	69%

Bunkering: market share

Ports of presence	15
Bunkering tankers	6
Direct bunkering	99%



Key Priorities for 2014



- ▶ Growing efficiency at sustained CAPEX levels
- ▶ Gradual deleveraging
- ▶ Stabilizing production at key assets in West Siberia
- ▶ Optimizing drilling business structure and development of in-house services
- ▶ Drilling start up in the Arctic offshore





Appendix

Q1 2014 Financial Results

(\$ mln)



Item name	Q1'14 ⁽¹⁾	Q4'13 ⁽¹⁾	Δ
Revenue	39.3	41.5	(5.3)%
EBITDA	8.3	8.4	(1.2)%
Net income	2.5	4.1	(39.0)%
Operating cash flow ⁽²⁾	18.8	11.6	62.1%
CAPEX	3.0	5.6	(46.4)%
Free cash flow ⁽³⁾	15.8	6.0	163.3%
Net debt	44.4	56.8	(21.8)%

Note: (1) All items except net debt are calculated on the base of average Central Bank exchange rate for corresponding report period: Q1'14 – 34.96 RUB/\$, Q4'13 – 32.53 RUB/\$. Calculation of net debt is based on Central Bank exchange rate for the end of corresponding report period: 31.03.2014 – 35.69 RUB/\$, 31.12.2013 – 32.73 RUB/\$ (2) Operating cash flow adjusted for operations with trading securities (outflow of RUB 2 bln in Q1'14 and inflow of RUB 17 bln in Q4'13) was equal to RUB 656 bln in Q1'14 and RUB 394 bln in Q4'13 (3) Free cash flow adjusted for long-term oil supply contracts prepayment (RUB 431 bln in Q1'14 and RUB 163 bln in Q4'13) was equal to RUB 121 bln in Q1'14 and RUB 49 bln in Q4'13

RN-Holding: Results of the Voluntary Buyout



► On November 6, 2013, OJSC RN Holding received a voluntary tender offer from Rosneft in respect of:

- **1,918,701,184** ordinary shares
- **450,000,000** preferred shares

► Offer price equaled:

- **RUB 67** per ordinary share
- **RUB 55** per preferred share

► **RUB 149 bln** were paid out to RN Holding minorities under the VTO

► On March 7, 2014 RN Holding received a notify of **compulsory buyout** at the price of the VTO

► Shares bought out will be paid by **May 12, 2014**

67 RUB

offer price per ordinary share

149 RUB bln

paid out to minorities

99.5 %

Rosneft's share in RN Holding following the VTO

Management Ownership of Rosneft Shares

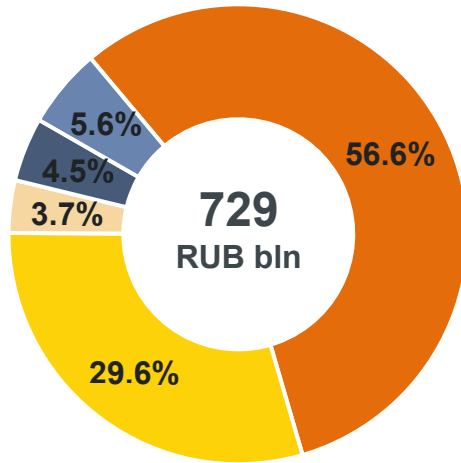


Members of the Board of Directors and Management Board	Number of common shares	Stake in share capital, %
Igor Sechin	13,489,350	0.1273
Larisa Kalanda	2,171,818	0.0205
Eric Maurice Liron	543,804	0.0051
Didier Casimiro	457,598	0.0043
Petr Lazarev	448,066	0.0042
Igor Maydannik	432,964	0.0041
Svyatoslav Slavinskiy	378,949	0.0036
Zeljko Runje	377,318	0.0036
Igor Pavlov	280,465	0.0026
Andrey Votinov	248,926	0.0023
Yuri Kalinin	203,916	0.0019
Andrey Kostin	111,876	0.0011
Matthias Warnig	92,633	0.0009
Alexander Nekipelov	85,920	0.0008
Nikolay Laverov	75,009	0.0007
Rashid Sharipov	4,443	0.00004
TOTAL	19,403,055	0.1831

Revenue

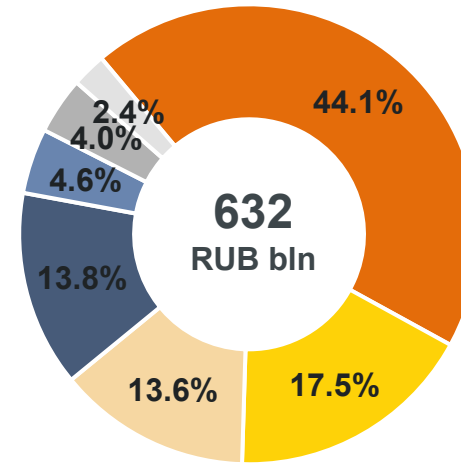


Crude oil and gas sales



- Europe and other directions
- Asia
- CIS
- Domestic
- Gas sales

Petroleum product sales



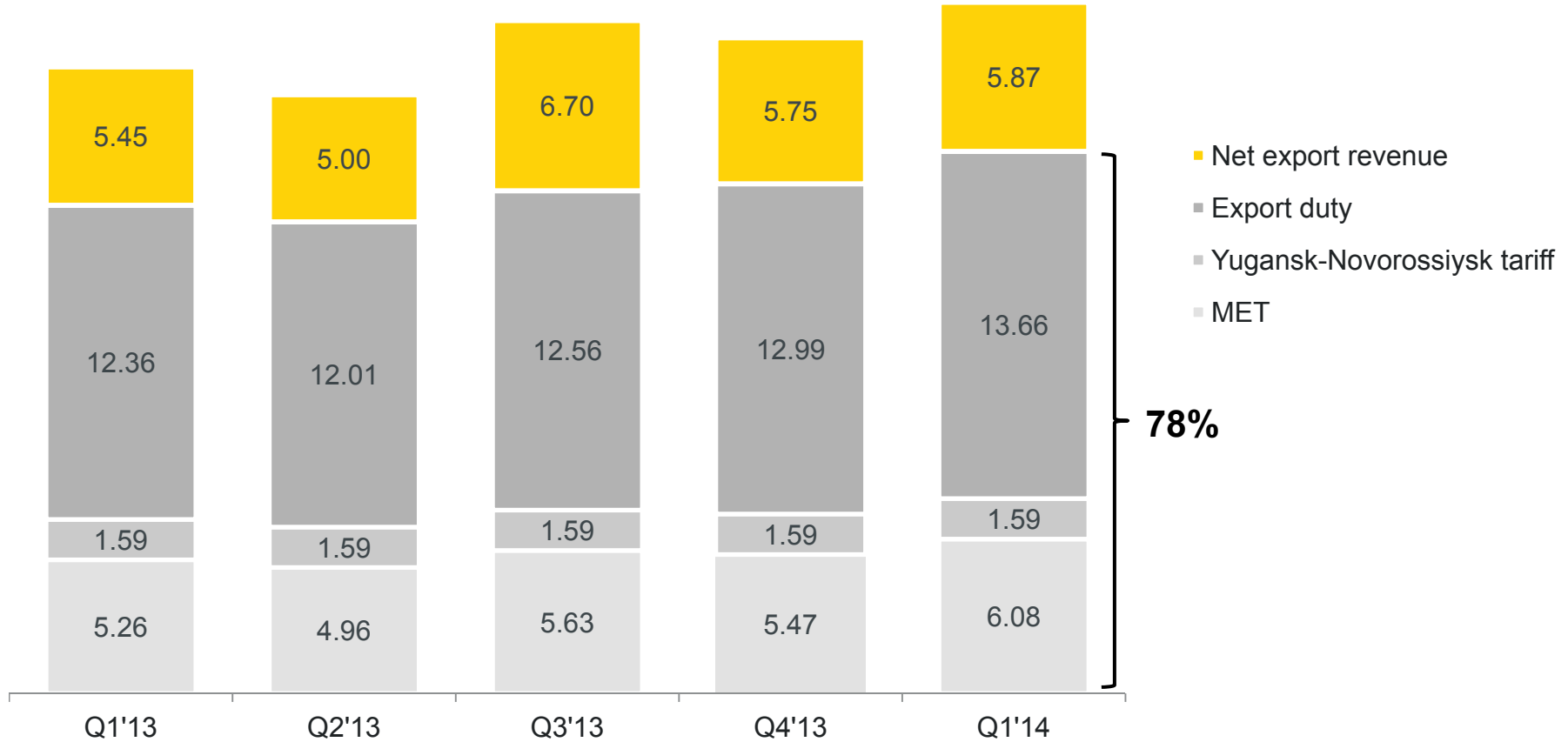
- Europe and other directions
- Domestic wholesale
- Domestic retail
- Asia
- Petrochemical
- Bunkering
- CIS

- Increase of crude oil and petroleum product prices in the RUB equivalent due to RUB depreciation
- Change in export mix

Non-controlled Expenses

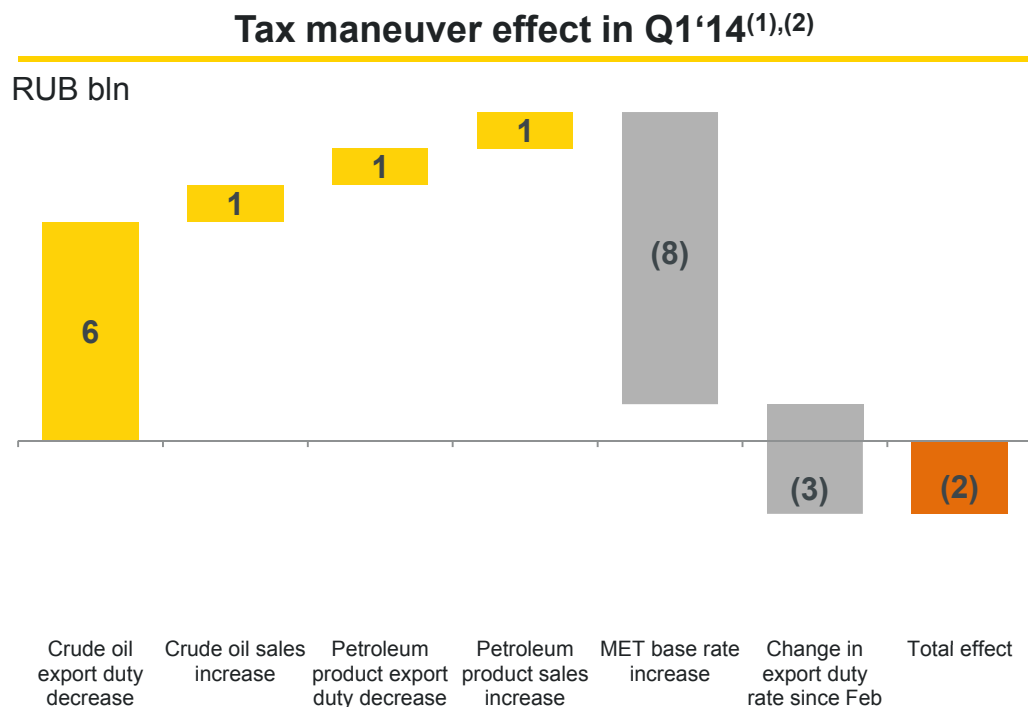


th. RUB/t



- Non-controlled expenses in crude oil price accounted for **78%**
- Net export revenue **up 2.1%** QoQ in rubles

Tax Maneuver Effect



Key changes

Item	Before	After
Crude oil MET base rate, RUB	470	493
Crude oil marginal export duty rate	60%	59%
Export duty rate for diesel fuel	0.66	0.65

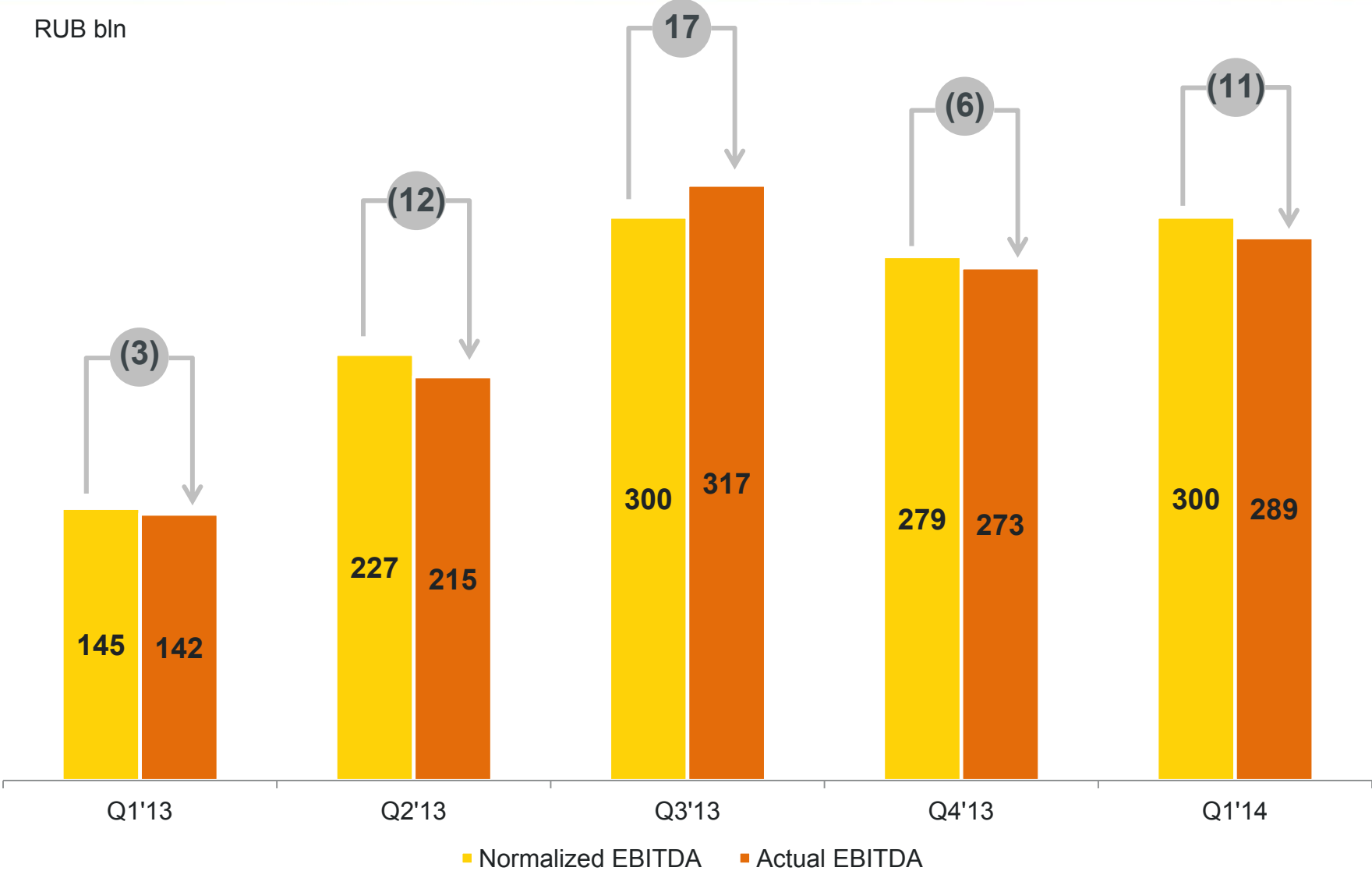
➤ Total effect of tax maneuver amounted to **(2) RUB bln** in Q1'14

Note: (1) Revenue growth was calculated with assumption of crude oil and petroleum product prices increase on domestic market and for CIS export on the amount of export alternative upturn, related to export duty rates decrease. Effect calculation is based on volumes, Urals price and exchange rate in Q1'14 (2) Decreased export duty rate was adopted since February, a month later MET base rate increased

Export Duty Lag Effect



RUB bln



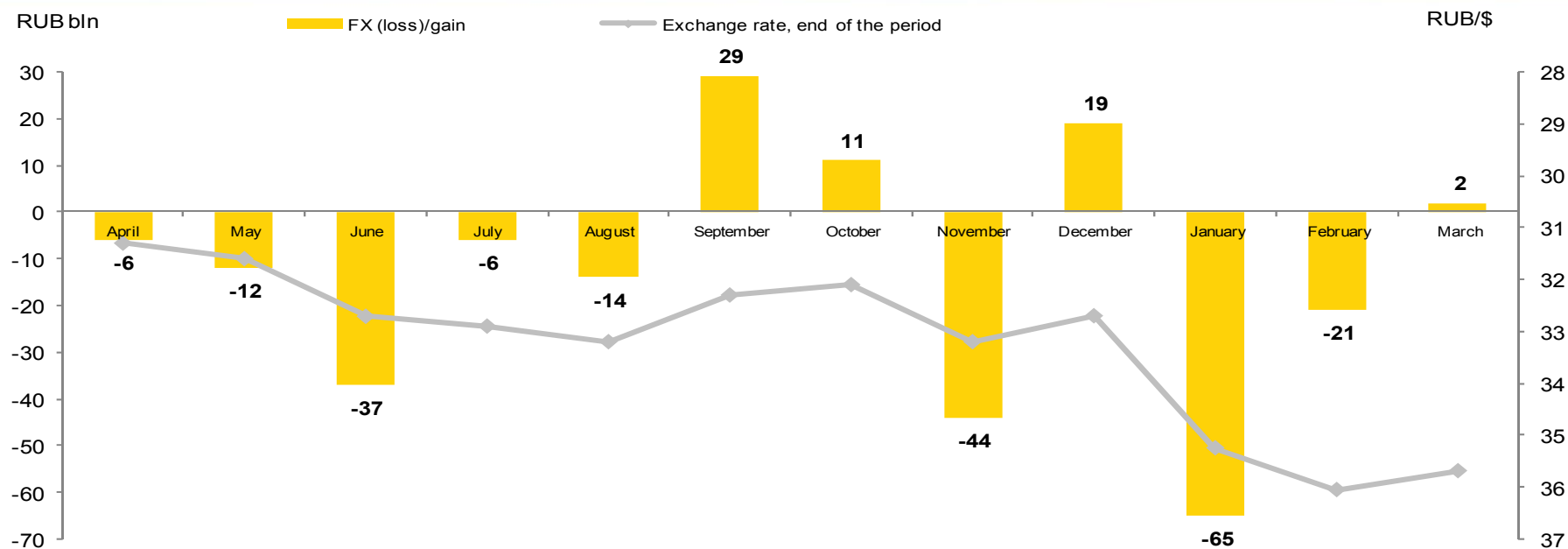
Finance Expenses, RUB bln



	Q1'14	Q4'13	Δ	Q3'13	Q2'13
1. Interest accrued⁽¹⁾	22	21	4.8%	19	19
2. Interest paid	23	18	27.8%	22	23
3. Change in interest payables (1-2)	(1)	3	-	(3)	(4)
4. Interest capitalized ⁽²⁾	8	9	(11.1%)	8	9
5. Net (gain)/loss from operations with derivative financial instruments ⁽³⁾	19	-	-	(5)	8
6. Increase in provision due to the unwinding of discount	2	3	(33.3%)	3	1
7. Interest expense for the use of funds	6	1	500.0%	2	2
8. Other interest expenses	-	-	-	-	1
Finance expenses (1-4+5+6+7+8)	41	16	156.3%	11	22

Note: (1) Including interest accrued on loans and borrowings, promissory notes payable, RUB bonds and eurobonds, (2) Capitalized interests are estimated in accordance with IAS 23 'Borrowing Costs'. The capitalization rate is calculated by dividing interest expenses on loans related to capital expenditures by the average balance of these loans. Interests capitalized are calculated by multiplying the average balance of construction in progress by the capitalization rate (3) QoQ net effect from operations with derivative financial instruments is due to exchange rate fluctuations with regard to forwards and cross-currency interest rate swaps

FX (loss)/gain



Average monetary position

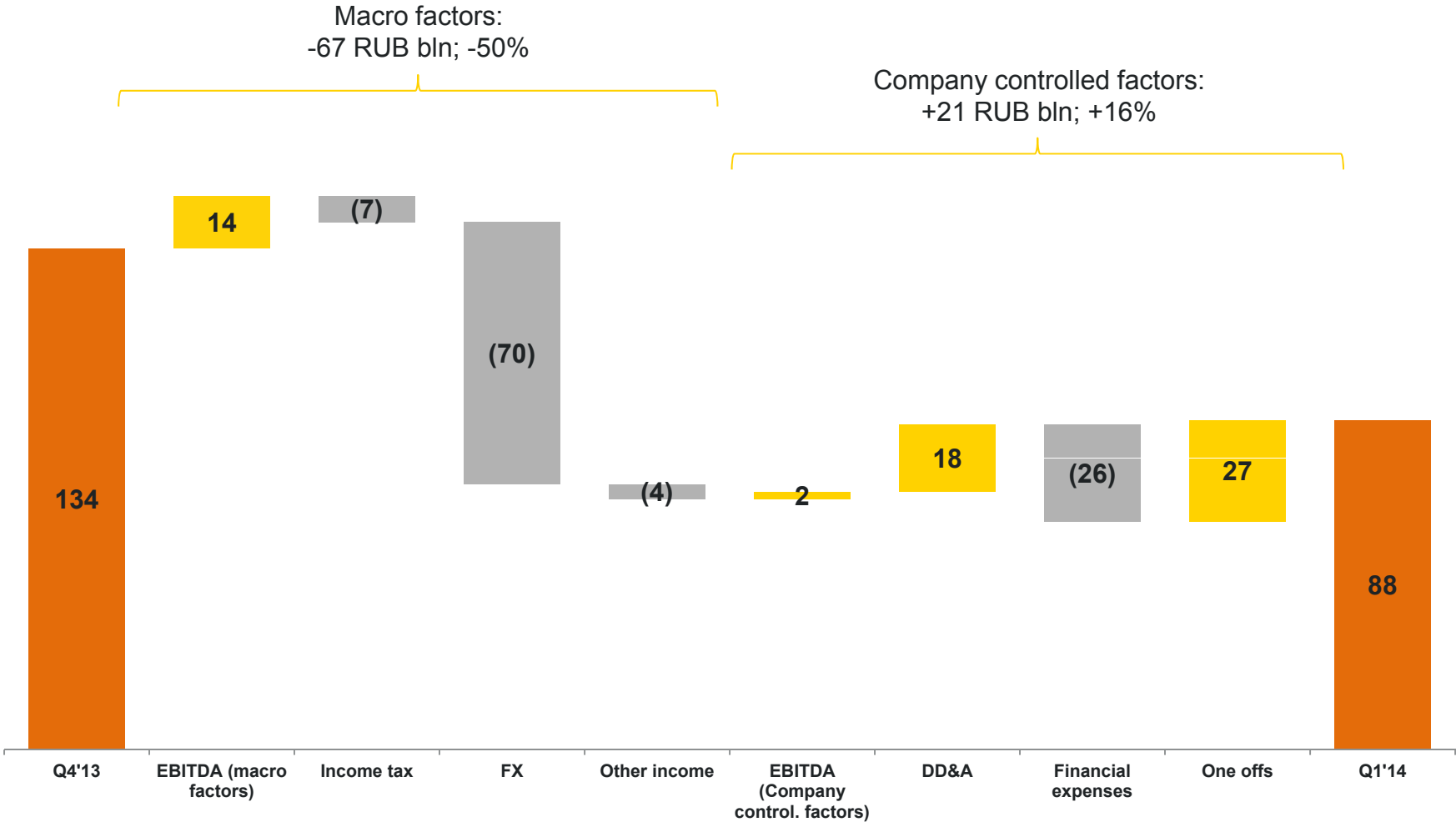
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cash, accounts receivable and payable and other monetary items in foreign currencies	USD mln	27,795	24,548	30,229	32,051	27,407	31,686	25,752	26,025	24,784	46,895	35,670	29,907
Loans and borrowings in foreign currencies	USD mln	(62,208)	(62,106)	(63,077)	(64,132)	(64,349)	(64,534)	(64,559)	(65,214)	(64,294)	(62,439)	(59,509)	(55,928)
Foreign exchange rate change	RUB /USD	(0.2)	(0.3)	(1.1)	(0.2)	(0.4)	0.9	0.3	(1.1)	0.5	(2.5)	(0.8)	0.4
FX gain/(loss) in P&L	RUB bln	(6)	(12)	(37)	(6)	(14)	29	11	(44)	19	(65)	(21)	2
Increase/decrease in cumulative translation adjustment related to monetary items as part of other comprehensive income	RUB bln	(1)	(3)	(3)	(3)	(1)	3	-	(4)	3	(17)	(5)	5
Total FX gain/(loss)⁽¹⁾	RUB bln	(7)	(15)	(40)	(9)	(15)	32	11	(48)	22	(82)	(26)	7

Note: (1) Includes result from operations with foreign currencies and other effects

Net Income



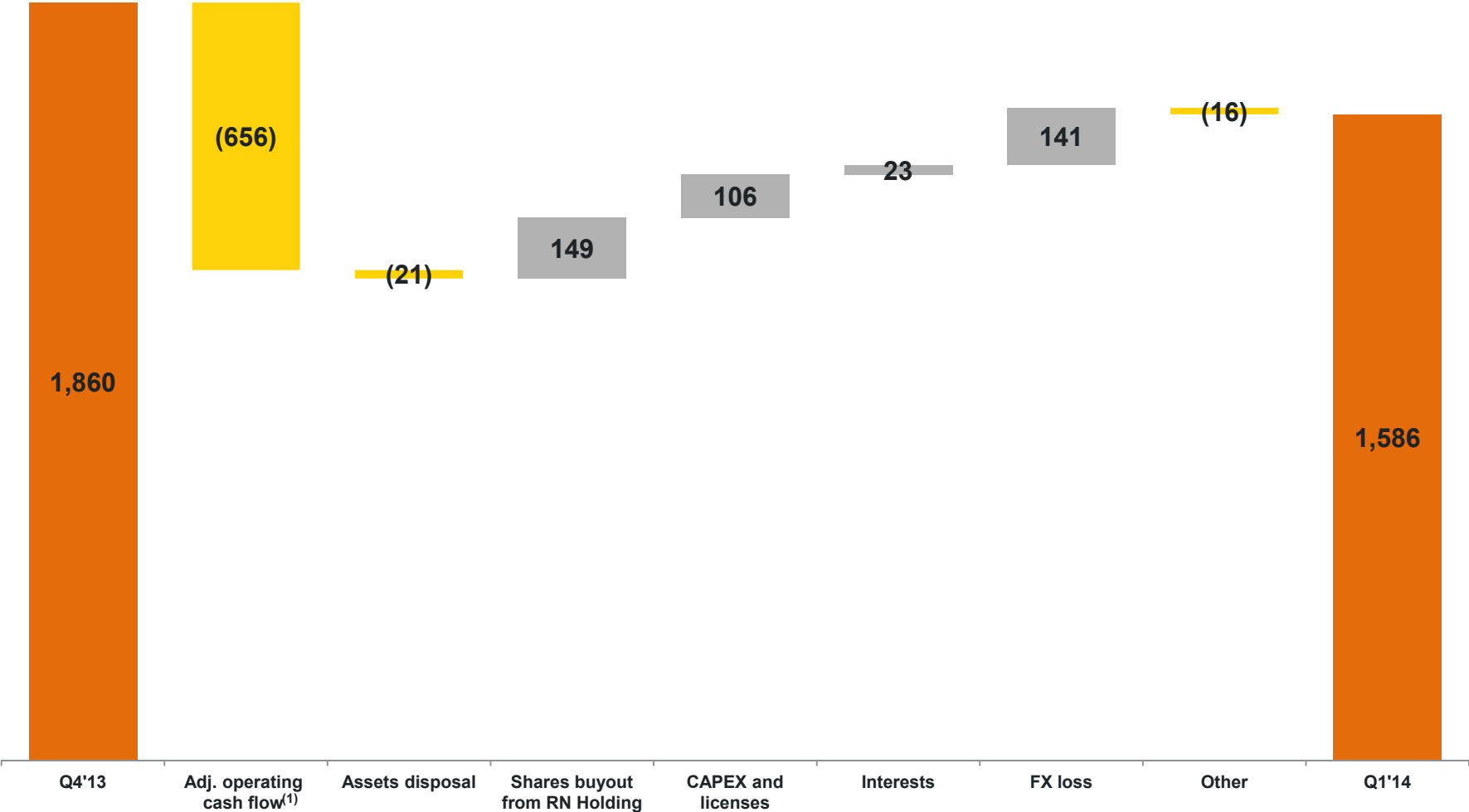
RUB bln



Net Debt



RUB bln



Note: (1) Operating cash flow adjusted for operation with trading securities



Questions & Answers