

**Gazprom**

**Consolidated 1Q 2007 IFRS**

**Financial Results Presentation**

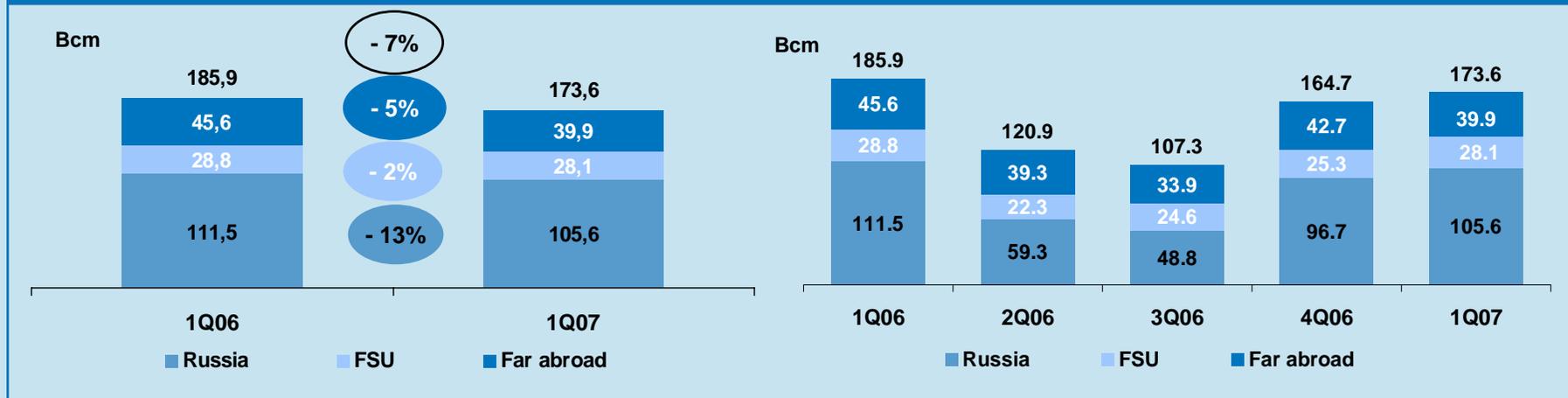


# Key Highlights

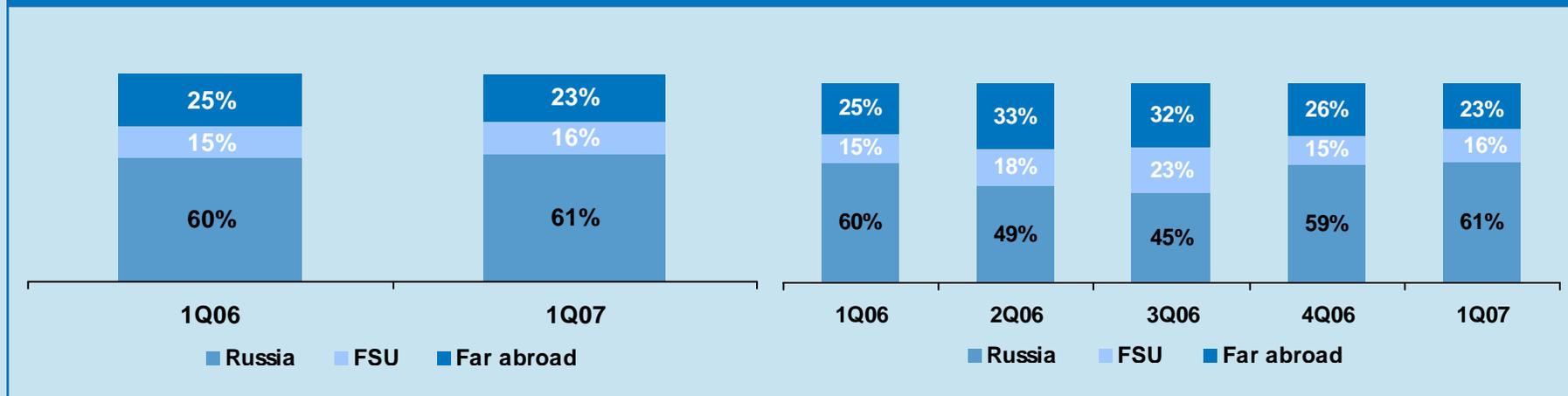
- Revenue growth in 1Q 2007 – up 4.4% compared to 1Q 2006
- EBITDA decreased by 6.8% due to warm weather conditions
- EBITDA margin declined slightly: about 5 basis points to 42.5%
- Strong cash flow generation
- Gazprom maintained low levels of leverage during the period:
  - Total Debt / adjusted EBITDA of 1.2x

# Operational Results

## Gas Sales By Market, Bcm

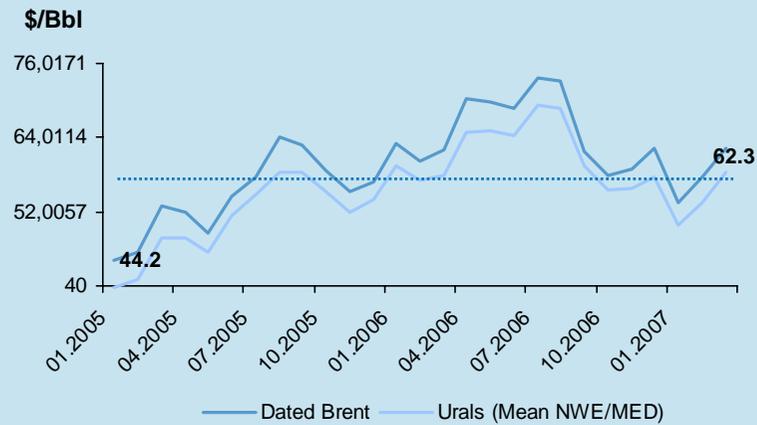


## Gas Sales By Market, %

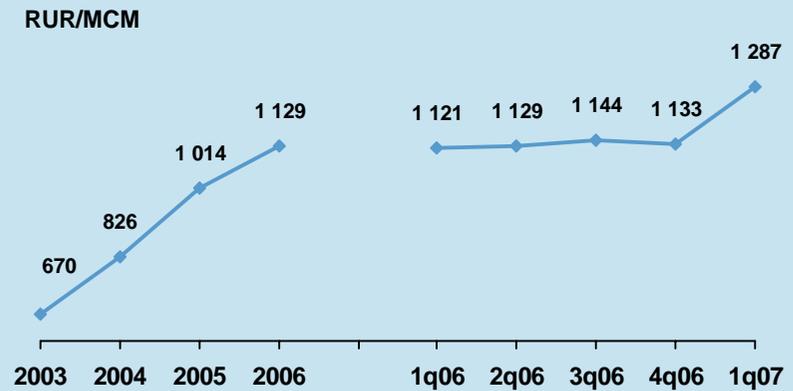


# Market Environment

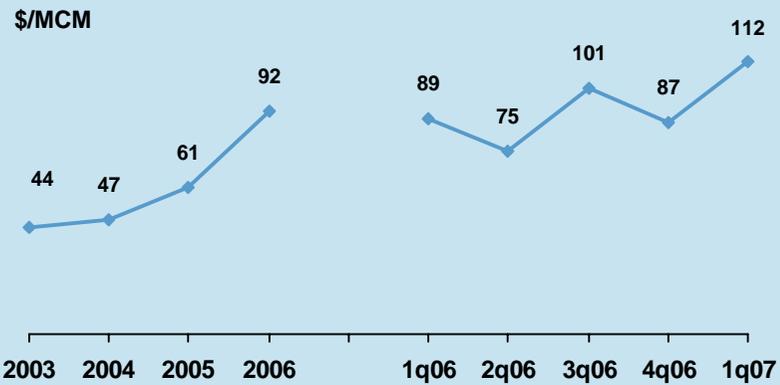
## Crude Price



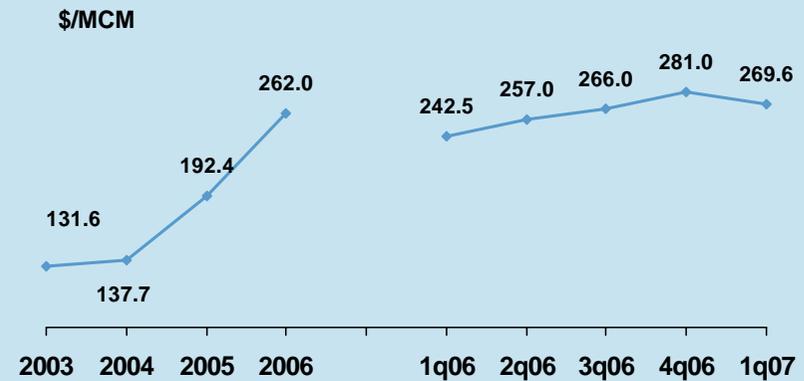
## Average Domestic Gas Price



## Average FSU Gas Price

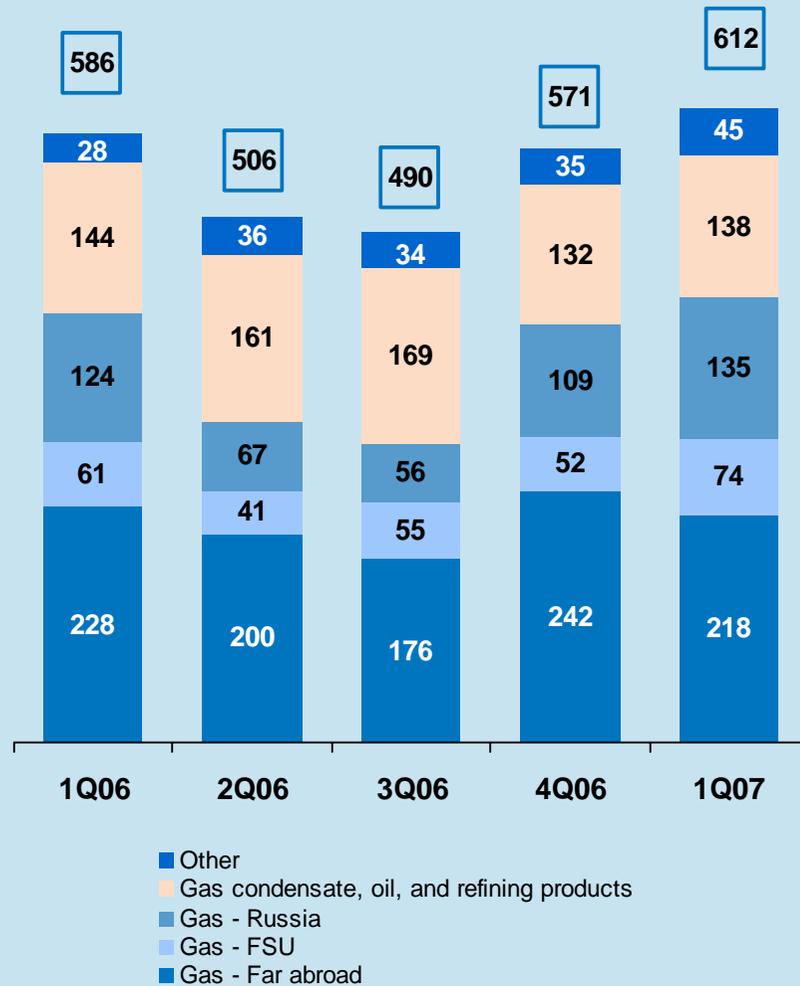


## Average Europe Gas Price

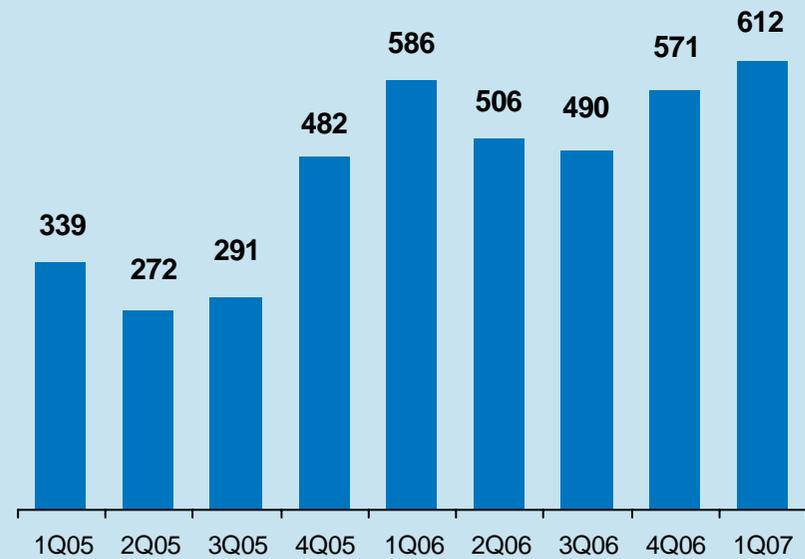


# Revenues

Total Net Revenues (RR billion)



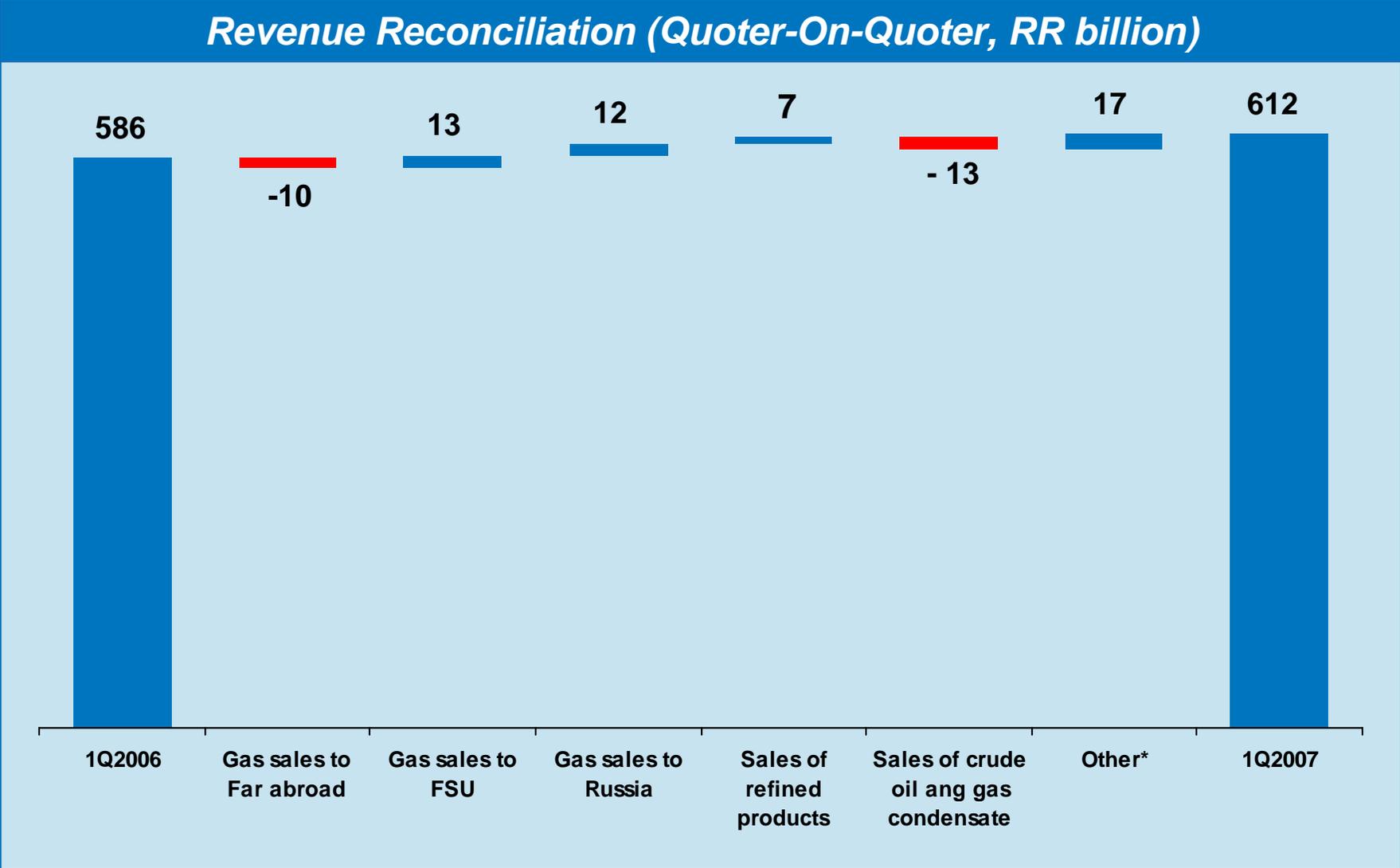
Total Net Revenues (RR billion)



## Comments

- 1Q 2007 revenues grew 4.4% compared to 1Q 2006
- 7% revenue growth since 4Q 2006

# Revenue Reconciliation



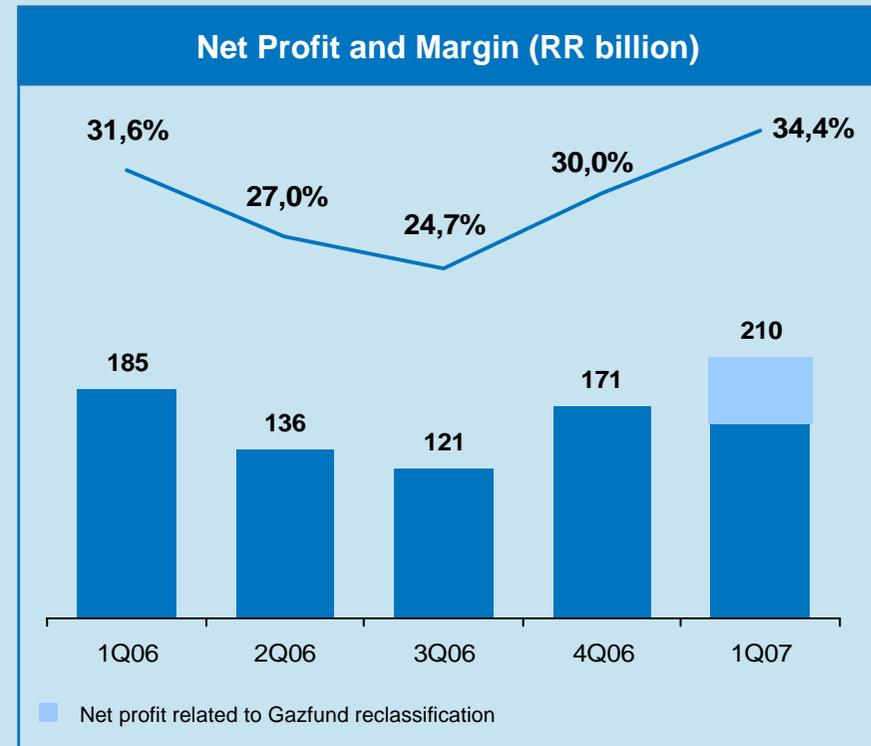
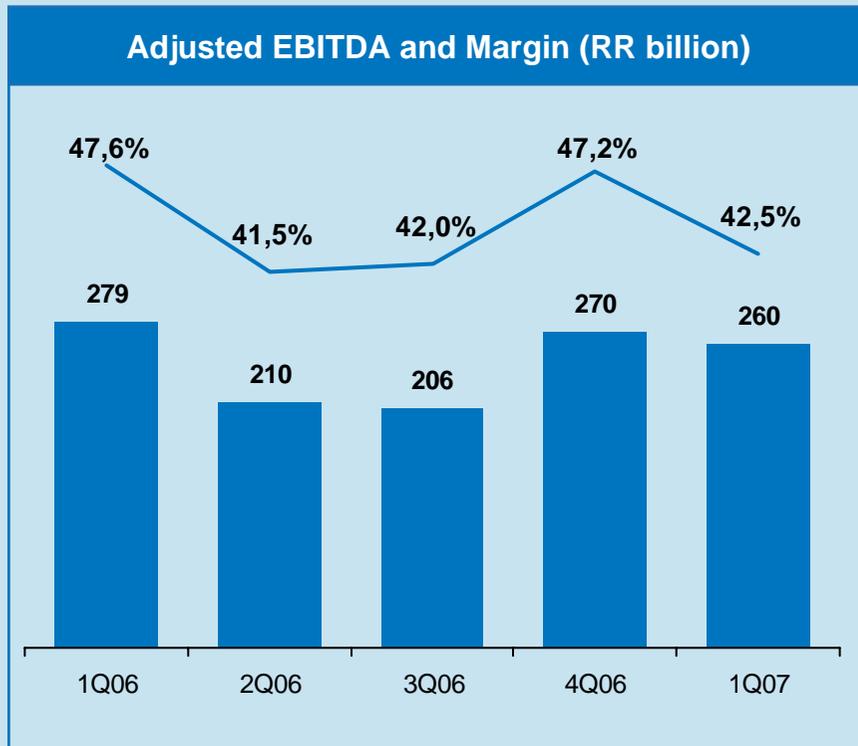
\* Other consists of: Other revenues and Revenues from transportation

# Operating Expenses

Operating Expenses, RR million	1Q 2007	1Q 2006	% Increase	% of Total increase	Commentary
Purchased oil and gas	104 272	59 895	74%	95.5%	Primary due to increase of volumes and price of gas purchased in Central Asia for resell.
Staff costs	55 311	49 288	12%	13.0%	Without pension provisions grew by 10.6% - inline with inflation
Taxes other than on income	50 509	53 891	(6%)	(7.3%)	Primary due to decrease in oil taxes following the decrease in world oil products prices
Depreciation	50 090	46 487	8%	7.8%	Increase of fixed assets
Transit of gas, oil and refined products	37 747	42 447	(11%)	(10.1%)	Decrease in transit volumes through the territory of Ukraine and Eastern Europe
Materials	22 592	17 247	31%	11.5%	Increase of prices and volumes of materials purchased in "Transport" and "Refining" segments
Repairs and maintenance	16 476	17 129	(4%)	(1.4%)	Decrease in repair services provided by third-parties
Cost of goods for resale	13 734	14 663	(6%)	(2%)	Decrease in expenses for purchase oil and gas refined products in Gazprom нефт Group
Electricity and heating expenses	12 322	12 065	2%	0.6%	-
Research and development	3 852	1 928	100%	4.1%	-
Social expenses	3 384	4 569	(26%)	(2.6%)	-
Insurance	3 204	3 019	6%	0.4%	-
Charges for impairment provisions	996	5 450	(82%)	(9.6%)	-
Other	27 244	27 189	0%	0.1%	Includes bank charges, security services, legal and consulting services and advertising
<b>Total operating expenses</b>	<b>401 733</b>	<b>355 267</b>	<b>13%</b>	<b>100%</b>	

- Opex in the 1Q2007 increased by 13% comparing with the 1Q2006
- 96% of total Opex growth is due to the increase in purchased oil and gas expenses
- Costs under management control (without purchased oil and gas) grew by 2.8%

# EBITDA and Net Profit



- Decrease in EBITDA was primary due to warm weather conditions in Europe and Russia comparing with the previous winter

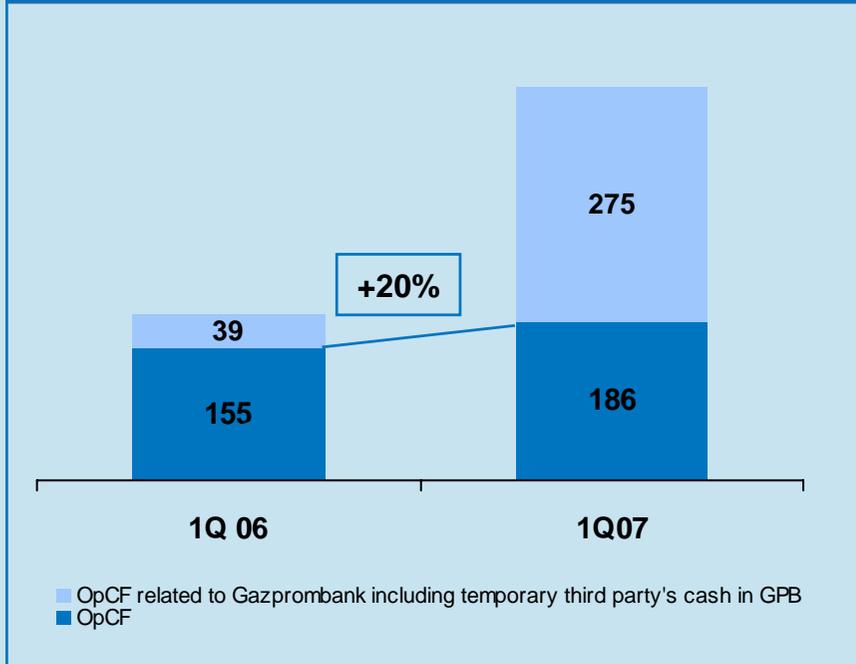
- Net profit has increased by 14% for the quarter ended March 31, 2007 and by 23% comparing with the previous quarter

**Notes:**

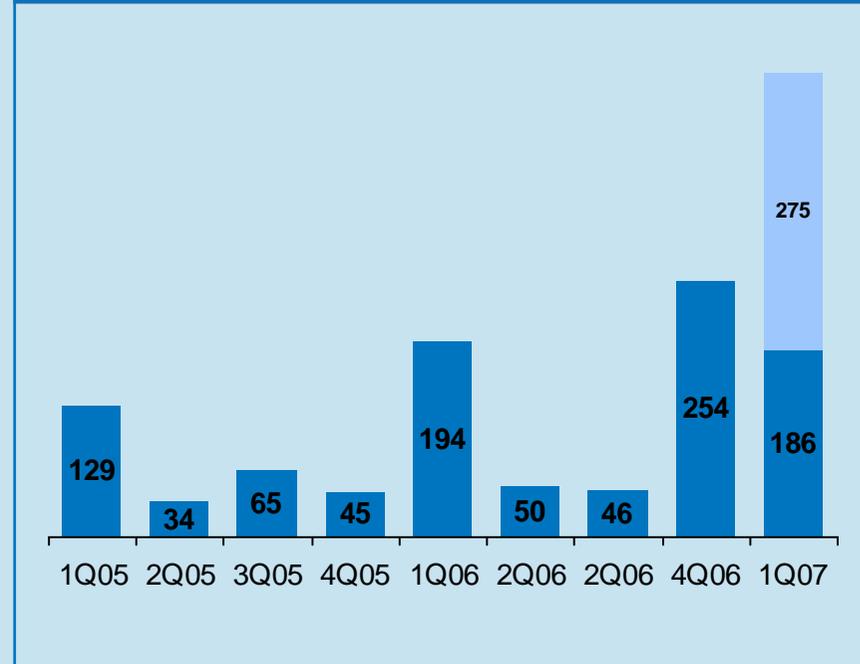
1. EBITDA calculated as operating profit plus depreciation and impairment provisions for assets (includes impairment provisions of accounts receivable and prepayments, assets under construction, investments and other long-term assets and inventory obsolescence) except for impairment provisions for accounts receivable and prepayments.  
 2. Net Profit equals net profit attributable to shareholders

# Operating Cash Flow

Net Cash Flow from Operations (RR billions)



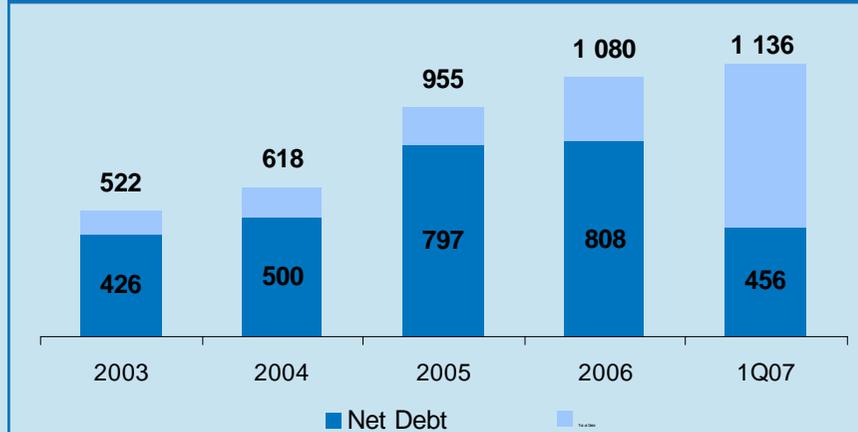
Quarter Net Cash Flow from Operations (RR billion)



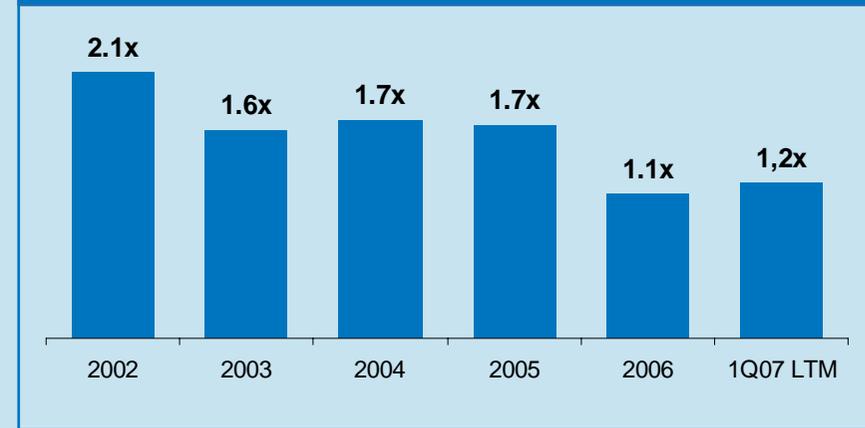
- Strong cash flow generation despite unfavorable market conditions

# Debt structure

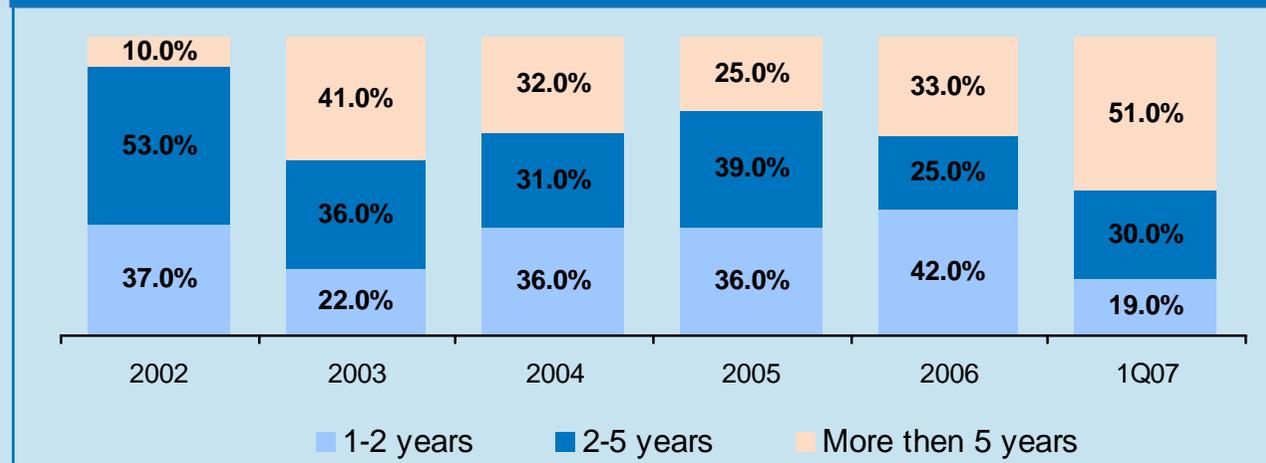
Total Debt\*, RR billion



Total Debt / Adjusted EBITDA



Maturity profile



\* Total debt: Short-term borrowings and current portion of long-term borrowings, short-term promissory notes payable, long-term borrowings, long-term promissory notes payable and restructured tax liabilities.

# Financial results – Statement of Income

Statement of Income, RR million	1Q2006	1Q2007	Change, +/-%
Sales	585 777	611 528	4%
Operating expenses	(355 267)	(401 733)	13%
<b>Operating profit / EBIT</b>	<b>230 510</b>	<b>209 795</b>	<b>(9%)</b>
Deconsolidation of NPF Gazfund		44 692	
Finance items <sup>(1)</sup>	18 017	5 379	(70%)
Other <sup>(2)</sup>	7 203	19 639	173%
<b>Profit before profit tax</b>	<b>255 730</b>	<b>279 505</b>	<b>9%</b>
Profit tax expense <sup>(3)</sup>	(64 831)	(62 368)	(4%)
Minority interest	(5 742)	(6 825)	19%
<b>Shareholders' profit</b>	<b>185 157</b>	<b>210 312</b>	<b>14%</b>

- >4% revenue growth over the period
- Profit growth of 14%

1. Finance items include Finance income, Finance expense

2. Other: Share of net income of associated undertakings and jointly controlled entities, Gains on disposal of available-for-sale financial assets

3. Profit tax expense: Current tax expense, Deferred tax expense

# Balance sheet (RR million)

RR million	March 31, 2006	March 31, 2007	Change, RR million	Change, +/(-)%
Total current assets, of which	1 030 187	1 820 078	789 891	77%
Cash and cash equivalents and restricted cash	190 813	680 298	489 485	257%
Accounts receivable and prepayments	430 189	704 712	274 523	64%
Total long-term assets, of which	3 404 951	4 218 783	813 832	24%
Property, plant and equipment	2 794 898	3 066 393	271 495	10%
Long-term accounts receivable and prepayments	208 338	283 805	75 467	36%
Total assets	4 435 138	6 038 861	1 603 723	36%
Total current liabilities, of which	531 870	1 135 753	603 883	114%
Taxes payable	94 163	60 645	-33 518	-36%
Short-term interest bearing debt <sup>(1)</sup>	205 558	393 219	187 661	91%
Total long term liabilities, of which	1 000 144	1 089 250	89 106	9%
Long-term interest bearing debt <sup>(2)</sup>	644 607	742 943	98 336	15%
Total liabilities	1 532 014	2 225 003	692 989	45%
Total equity (including minority interest)	2 903 124	3 813 858	910 734	31%
Total liabilities and equity	4 435 138	6 038 861	1 603 723	36%

1. Short-term interest bearing debt: Short-term borrowings and current portion of long-term debt, Short-term promissory notes payable

2. Long-term interest bearing debt: Long-term borrowings, Long-term promissory notes payable, Restructured tax liabilities