

### SIBUR reports revenue growth of 12.6% for H1 2012

**Moscow, 12 October 2012.** OAO SIBUR Holding today published its combined interim condensed financial information<sup>(1)</sup> as of and for the three and six months ended 30 June 2012 and 2011, prepared in accordance with International Financial Reporting Standards (IFRS).

#### Operational Performance

In the first half 2012, SIBUR's gas processing plants (GPPs) processed 9.1 billion<sup>(2)</sup> cubic meters of associated petroleum gas (APG), an increase of 1.5% year-on-year. As a result, production of natural gas<sup>(3)</sup> rose 1.4% year-on-year to 8.0 billion cubic meters<sup>(2)</sup>. Natural gas liquids (NGL) production remained unchanged compared to the same period a year ago at 2.1 million metric tons<sup>(2)</sup>.

In the first half 2012, SIBUR's natural gas sales volume increased by 12.1% year-on-year to 5.2 billion cubic meters. External sales volumes of liquid hydrocarbons, which comprise liquefied petroleum gases (LPG), naphtha and an insignificant portion of NGL, rose 1.5% year-on-year to 2.0 million metric tons. In the first six months 2012, sales volumes of MTBE and other fuels and fuel additives amounted to 304.7 thousand metric tons, flat year-on-year. Sales volumes of petrochemical products reached 1.2 million metric tons, an increase of 9.7% compared to the first half 2011.

#### Operating results

	Six months ended		Change %
	30 June 2012	30 June 2011	
APG processing <sup>(2)</sup> (thousand cubic meters)	9,140,248	9,006,158	1.5%
APG processing, SIBUR's share <sup>(4)</sup> (thousand cubic meters)	6,301,268	6,353,960	(0.8%)
Natural gas production <sup>(2)</sup> (thousand cubic meters)	8,008,428	7,900,462	1.4%
Natural gas production, SIBUR's share <sup>(4)</sup> (thousand cubic meters)	5,323,616	5,437,933	(2.1%)
NGL production <sup>(2)</sup> (metric tons)	2,052,198	2,059,952	(0.4%)
NGL production, SIBUR's share <sup>(4)</sup> (metric tons)	1,379,469	1,409,859	(2.2%)
Natural gas sales volumes (thousand cubic meters)	5,244,367	4,677,843	12.1%
Hydrocarbon liquids sales volumes (metric tons)	1,993,041	1,963,363	1.5%
MTBE, other fuel additives & fuels sales volumes (metric tons)	304,692	305,545	(0.3%)
Petrochemical products sales volumes (metric tons)	1,154,083	1,051,716	9.7%

<sup>(1)</sup> The combined financial information for the three and six months ended 30 June 2012 and 2011 excludes the results of the mineral fertilizers and tires businesses, which were divested by SIBUR in December 2011. SIBUR's management believes that the combined financial information provides a proper basis for analysis of the underlying performance of the Company based on fully comparable data for the three and six months ended 30 June 2012 and 2011. SIBUR also publishes consolidated financial statements that include the results of the mineral fertilizers and tires businesses up to the date of their respective divestitures

<sup>(2)</sup> Includes TNK-BP's share in processing/production volumes of OOO Yugragazpererabotka

<sup>(3)</sup> An equivalent to dry gas, a product of APG processing

<sup>(4)</sup> Excludes TNK-BP's share in processing/production volumes of OOO Yugragazpererabotka

## Financial Results

In the first half 2012, our revenues increased by 12.6% year-on-year to RR 136,926 million. Our EBITDA declined by 5.1% compared to the same period a year ago to RR 42,562 million. The decrease in EBITDA is primarily attributable to a reduction in spreads between feedstock and petrochemicals prices, a non-recurring change in treatment of provisions related to staff costs, higher transportation costs, as well as repairs and maintenance expenses. EBITDA margin equaled 31.1%. Our profit for the reporting period totaled RR 29,662 million, a decrease of 8.7% year-on-year. The profit for the reporting period was additionally affected by a foreign exchange loss attributable to the revaluation of our USD and EUR-denominated debt. Net margin for the first six months 2012 amounted to 21.7%. Net of foreign exchange loss our net profit for the first half 2012 declined 3.5% year-on-year to RR 31,928 million. Net margin for the first six months 2012 (net of foreign exchange loss) amounted to 23.3%.

### Financial results

<i>RR million except as stated</i>	Six months ended		Change %
	30 June 2012	30 June 2011	
Revenue	136,926	121,586	12.6%
<i>Energy products (natural gas, LPG, naphtha, MTBE, etc.)</i>	63,441	54,907	15.5%
<i>Petrochemical products</i>	64,426	59,735	7.9%
<i>Other revenue</i>	9,059	6,943	30.5%
EBITDA	42,562	44,836	(5.1%)
<i>EBITDA margin, %</i>	31.1%	36.9%	
Operating profit	37,845	41,464	(8.7%)
<i>Operating margin, %</i>	27.6%	34.1%	
Profit for the reporting period	29,662	32,499	(8.7%)
<i>Profit margin, %</i>	21.7%	26.7%	

## Borrowings

As of 30 June 2012, our total debt stood at RR 83,374 million, remaining largely flat compared to 31 December 2011, as net repayment of debt by SIBUR was offset by the consolidation of BIAXPLEN group of companies debt at the end of March 2012.

Our net debt<sup>(1)</sup> increased by 16.9% from 31 December 2011 to RR 79,419 million. The growth is attributable to a decrease in cash and cash equivalents due to funding of our capital expenditure program and a dividend payment in the second quarter 2012.

As of 30 June 2012, our net debt to EBITDA ratio was 0.94x, which underlines the Company's stable financial position. SIBUR's financial policy is to maintain a net debt to EBITDA ratio of no higher than 2.5x, which is stricter than bank covenants stipulated in our credit agreements.

### Debt, cash and cash equivalents and net debt position

<i>RR million except as stated</i>	As of 30 June 2012	As of 31 December 2011
Total debt	83,374	82,910
Cash and cash equivalents	3,955	14,971
Net debt	79,419	67,939
<b>Key ratios</b>		
Debt/EBITDA	0.99x	0.96x
Net debt/EBITDA	0.94x	0.78x

<sup>(1)</sup> Net debt is calculated as total debt less cash and cash equivalents

## Scheduled maturities of our outstanding debt

<i>RR million except as stated</i>	<b>As of 30 June 2012</b>	<b>% of total borrowings</b>	<b>As of 31 December 2011</b>	<b>% of total borrowings</b>	<b>Change, %</b>
<b>Due for repayment:</b>					
Within one year	29,430	35.3%	31,194	37.6%	(5.7%)
Between one and two years	24,473	29.4%	16,364	19.7%	49.6%
Between two and five years	15,045	18.0%	22,636	27.3%	(33.5%)
After five years	14,426	17.3%	12,716	15.3%	13.4%
<b>Total borrowings</b>	<b>83,374</b>	<b>100%</b>	<b>82,910</b>	<b>100%</b>	<b>0.6%</b>

Full version of the combined interim condensed financial information as of and for the three and six months ended 30 June 2012 and 2011, prepared in accordance with International Financial Reporting Standards (IFRS) is available on our website at

[http://www.sibur.com/disclosure\\_info/statements/financial\\_statements](http://www.sibur.com/disclosure_info/statements/financial_statements)

## About SIBUR

SIBUR is the largest integrated gas processing and petrochemicals company in Russia and CIS as well as Central and Eastern Europe as measured by revenues. We purchase associated petroleum gas and liquid hydrocarbon feedstock from major Russian oil and gas companies and process them into energy products, including liquefied petroleum gases, natural gas<sup>(1)</sup> and naphtha and further into various petrochemical products, including basic polymers, synthetic rubbers, plastics, products of organic synthesis, intermediates and other chemicals. We sell to around 1,500 customers in the energy, automotive, construction, retail and other industries in 60 countries. As of 30 June 2012, SIBUR owned and operated 27 production sites across Russia and employed approximately 31,800 people.

Since September 2011, Leonid Mikhelson, CEO and founder of NOVATEK, has been the ultimate controlling shareholder of the Group. 100% of the share capital of OAO SIBUR Holding is owned by Sibur Limited.

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<sup>(1)</sup> An equivalent to dry gas, a product of APG processing