



Press Release

SIBUR REPORTS Q3 AND 9M 2013 IFRS RESULTS

Moscow, 12 December 2013. OAO SIBUR Holding, an integrated gas processing and petrochemicals company, today published its operational and financial results for the three and nine months ended 30 September 2013 in accordance with International Financial Reporting Standards (IFRS).

Operational Results

For the first nine months of 2013, SIBUR's gas processing plants (GPPs), including GPPs operated by OOO Yugragazpererabotka, processed 14.5 billion cubic metres of associated petroleum gas (APG)⁽¹⁾, an increase of 5.8% year-on-year. As a result, production of natural gas⁽²⁾ rose 4.6% year-on-year to 12.5 billion cubic metres⁽¹⁾. Raw natural gas liquid (raw NGL) production increased by 15.3% year-on-year to 3.9 million tonnes⁽¹⁾.

For the first nine months of 2013, SIBUR increased sales volumes of the majority of its energy products primarily due to increased hydrocarbon feedstock processing. Natural gas sales volumes rose by 16.5% year-on-year to 8.9 billion cubic metres. External sales of natural gas liquids (NGLs), including liquefied petroleum gases (LPG), naphtha and raw NGL, rose 20.1% year-on-year to 3.5 million tonnes. Sales volumes of petrochemical products totaled 1.6 million tonnes, a decrease of 5% year-on-year.

Operating results

| <i>Tonnes, except as stated</i> | Nine months ended 30 September | | <i>Change, %</i> |
|--|--------------------------------|------------|----------------------|
| | 2013 | 2012 | |
| Processing and production volumes | | | |
| APG processing (thousand cubic metres) ⁽¹⁾ | 14,476,701 | 13,680,113 | 5.8% |
| APG processing, SIBUR's share (thousand cubic metres) ⁽³⁾ | 10,217,641 | 9,456,036 | 8.1% |
| Natural gas production (thousand cubic metres) ⁽¹⁾ | 12,535,823 | 11,985,166 | 4.6% |
| Natural gas production, SIBUR's share (thousand cubic metres) ⁽³⁾ | 8,520,960 | 8,008,717 | 6.4% |
| Raw NGL production ⁽¹⁾ | 3,878,475 | 3,365,234 | 15.3% |
| Raw NGL production, SIBUR's share ⁽³⁾ | 2,738,512 | 2,218,216 | 23.5% |
| Basic polymers production | 275,076 | 283,401 | (2.9%) |
| Synthetic rubbers production | 304,983 | 302,030 | 1.0% |
| Plastics and organic synthesis production | 638,255 | 606,009 | 5.3% |
| Intermediates and other chemicals production | 2,314,526 | 2,519,283 | (8.1%) |
| Sales volumes | | | |
| Natural gas sales volumes (thousand cubic metres) | 8,929,111 | 7,664,686 | 16.5% |
| NGLs sales volumes | 3,501,430 | 2,914,497 | 20.1% |
| MTBE, other fuels & fuel additives sales volumes | 482,327 | 436,762 | 10.4% |
| Petrochemical products sales volumes | 1,607,021 | 1,690,967 | (5.0%) |

Financial Results

For the nine months ended 30 September 2013 SIBUR's revenue remained largely flat at RR 197,598 million compared to RR 198,957 million for the nine months ended 30 September 2012. The Company's energy product group delivered strong performance on higher sales volumes. Improved performance of our plastics & organic synthesis products group was supported by production growth following the

commercial launch of the second production line of expandable polystyrene in Perm and consolidation of the BIAXPEN Group, both completed in 2012, as well as favourable price environments for certain products.

This was offset by lower revenue from sales of synthetic rubbers, intermediates & other chemicals, processing services, trading and other sales. Our synthetic rubber business remained under significant pressure due to weak demand in our key markets and continued price correction for the majority of our synthetic rubber grades. The decline in revenue from sales of intermediates & other chemicals was primarily attributable to decommissioning of an outdated chlorine and caustic soda production facility Caprolactam completed in April 2013.

Lower revenue from other sales was attributable to discontinuation of trading activities in favour of the mineral fertilisers business, which was divested by SIBUR at the end of 2011. Additionally, following the deconsolidation of OOO Yugragazpererabotka (SIBUR's joint venture with RN Holding⁽⁴⁾) starting from Q2 2013 the JV's gas processing revenue is no longer included in SIBUR's results.

The Group's EBITDA for the nine months ended 30 September 2013 amounted to RR 56,985 million, down by 5.4% year-on-year from RR 60,240 million for the corresponding period of 2012. The EBITDA margin totaled 28.8% compared to 30.3% reported in the corresponding period of 2012. The year-on-year decrease in EBITDA and EBITDA margin was primarily attributable to tighter margins between feedstock and end-product prices in the petrochemical segment, particularly in the synthetic rubber product group.

SIBUR's profit for the reporting period, net of equity-settled share-based payment plans⁽⁵⁾, amounted to RR 38,537 billion, a 14.7% year-on-year decline. The profit was adversely affected by the foreign currency loss.

In the nine months ended 30 September 2013, the Group recorded a non-cash charge related to the equity-settled share-based payment plans. Under the IFRS standards, following the increase in the Group's directors and key management stake and the respective grant of equity-settled share-based payment plans, the Group has to recognise current and past service costs associated with the plans in the statement of profit or loss. Accounting for the non-cash charge related to the equity-settled share-based payment plans, SIBUR's profit decreased by 23.8% year-on-year to RR 34,410 million.

Net cash from operating activities increased by 4.2% year-on-year to RR 57,175 million, as the decline in EBITDA was largely offset by the positive impact of changes in working capital.

For the nine months ended 30 September 2013, capital expenditures increased by 9.2% year-on-year to RR 52,605 million. Growth was attributable to the completion of major investment projects including the Purovsk – Pyt-Yakh – Tobolsk pipeline, Tobolsk-Polymer, the second GFU at Tobolsk-Neftekhim and Ust-Luga LPG and the light oils transshipment facility.

Financial results

| <i>RR millions, except as stated</i> | Nine months ended 30 September | | <i>Change, %</i> |
|---|--------------------------------|----------|----------------------|
| | 2013 | 2012 | |
| Revenue (net of VAT and export duties) | 197,598 | 198,957 | (0.7%) |
| <i>Energy products</i> | 103,169 | 92,409 | 11.6% |
| <i>Petrochemical products</i> | 87,491 | 94,565 | (7.5%) |
| <i>Other</i> | 6,938 | 11,983 | (42.1%) |
| EBITDA | 56,985 | 60,240 | (5.4%) |
| <i>EBITDA margin, %</i> | 28.8% | 30.3% | |
| Profit for the reporting period | 34,410 | 45,176 | (23.8%) |
| Profit for the reporting period net of equity-settled share-based payment plans | 38,537 | 45,176 | (14.7%) |
| Net cash from operating activities | 57,175 | 54,896 | 4.2% |
| Net cash used in investing activities, including: | (55,642) | (29,707) | 87.3% |
| <i>Capital expenditures</i> | (52,605) | (48,165) | 9.2% |

Borrowings

As of 30 September 2013, total debt amounted to RR 94,296 million, a decrease of 1.8% compared to 31 December 2012.

Net debt⁽⁶⁾ totaled RR 88,450 million and the net debt to EBITDA ratio stood at 1.12x as of 30 September 2013, demonstrating the company's strong financial position.

Borrowings

| <i>RR millions, except as stated</i> | As of 30 September 2013 | As of 31 December 2012 | Change, % |
|--------------------------------------|------------------------------------|-----------------------------------|----------------------|
| Total debt | 94,296 | 95,994 | (1.8%) |
| Cash and cash equivalents | 5,846 | 13,570 | (56.9%) |
| Net debt ⁽⁶⁾ | 88,450 | 82,424 | 7.3% |
| Key ratios | | | |
| Debt / EBITDA | 1.19x | 1.17x | |
| Net debt ⁽⁶⁾ / EBITDA | 1.12x | 1.00x | |

Borrowings by scheduled maturities

| <i>RR millions, except as stated</i> | As of 30 September 2013 | % of total borrowings | As of 31 December 2012 | % of total borrowings | Change, % |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------|
| Due for repayment: | | | | | |
| Within one year | 37,814 | 40.1% | 54,936 | 57.2% | (31.2%) |
| Between one and two years | 5,969 | 6.3% | 15,175 | 15.8% | (60.7%) |
| Between two and five years | 42,450 | 45.0% | 12,679 | 13.2% | 234.8% |
| After five years | 8,063 | 8.6% | 13,204 | 13.8% | (38.9%) |
| Total debt | 94,296 | 100.0% | 95,994 | 100.0% | (1.8%) |

The full version of the unaudited consolidated interim condensed financial information as of and for the three and nine months ended 30 September 2013 in accordance with IFRS is available on our [website](#).

About SIBUR

SIBUR is a uniquely positioned vertically integrated gas processing and petrochemicals company. We own and operate Russia's largest gas processing business in terms of associated petroleum gas processing volumes and are the leader in the Russian petrochemicals industry.

As of 30 September 2013, SIBUR operated 27⁽⁷⁾ production sites across Russia and employed more than 28,000⁽⁸⁾ personnel. We serve over 1,500 large customers operating in the energy, automotive, construction, fast moving consumer goods (FMCG), chemical and other industries in approximately 60 countries.

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⁽¹⁾ Including RN Holding's (formerly TNK-BP Holding) share in processing / production volumes of OOO Yugragazpererabotka

⁽²⁾ An equivalent to dry gas, a product of APG processing.

⁽³⁾ Excluding RN Holding's (formerly TNK-BP Holding) share in processing / production volumes of OOO Yugragazpererabotka.

⁽⁴⁾ Formerly TNK-BP Holding. Renamed RN Holding as of 30 July 2013 following the acquisition by Rosneft.

⁽⁵⁾ Following an increase in the Group's directors and key management stake as of 28 June 2013 and the respective grant of equity-settled share-based payment plans, the Group has to recognise current and past service costs associated with the payment plans as operating expenses in the statement of profit or loss, and also record the corresponding amounts as an increase in equity in the statement of changes in equity and the statement of financial

position in accordance with IFRS 2 “Share-based Payment”. There are no current or future cash payments or liabilities under both plans.

⁽⁶⁾ Net debt is calculated as total debt less cash and cash equivalents.

⁽⁷⁾ Including three gas processing plants (GPPs) operated by OOO Yugragazpererabotka, SIBUR’s JV with RN Holding (formerly TNK-BP Holding), which is no longer consolidated as of the second quarter of 2013.

⁽⁸⁾ Excluding personnel of non-consolidated joint ventures.