

H1 2016 Operational and Financial Results

DISCLAIMER

The information contained herein pertaining to SIBUR (the "Company") has been provided by the Company solely for use at this presentation. By attending this presentation, or by reading these presentation slides, you agree to be bound by the limitations set out below. This presentation does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall any part of it nor the fact of its distribution form part of, or be relied on in connection with, any contract or investment decision relating thereto.

No representation or warranty, either express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or reliability of the information contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. The Company accepts no responsibility for any losses howsoever arising, directly or indirectly, from this presentation or its contents. The material contained in this presentation is presented solely for information purposes and is not to be construed as providing investment advice. As such, it has no regard to the specific investment objectives, financial situation or particular needs of any recipient. There may be material variances between estimated data set forth in this presentation and actual results, and between the data set forth in this presentation and corresponding data previously published by or on behalf of the Company.

This presentation contains forward-looking statements, including (without limitation) statements containing the words "anticipates," "expects," "intends," "may," "plans," "forecasts," "projects," "will," "would", "targets," "believes" and similar words. These statements are based on the current expectations and projections of the Company about future events and are subject to change without notice. All statements, other than statements of historical fact, contained herein are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, such that future events and actual results may differ materially from those set forth in, contemplated by or underlying such forward-looking statements. The Company may not actually achieve or realize its plans, intentions or expectations. There can be no assurance that the Company's actual results will not differ materially from the expectations set forth in such forward-looking statements. Factors that could cause actual results to differ from such expectations include, but are not limited to, the state of the global economy, the ability of the petrochemical sector to maintain levels of growth and development, risks related to petrochemical prices and regional political and security concerns. The above is not an exhaustive list of the factors that could cause actual results to differ materially from the expectations set forth in such forward-looking statements. The Company and its Affiliates are under no obligation to update the information, opinions or forward-looking statements in this presentation.

H1 2016 KEY HIGHLIGHTS

Operational Results

- **APG processing** volumes increased by **5.6%** y-o-y to **10.9 bcm⁽¹⁾**
- **Natural gas** production increased by **6.3%** y-o-y to **9.5 bcm⁽¹⁾**
- **Raw NGL fractionation** volumes increased by **3.6%** y-o-y to **3.3 mt**
- **LPG** production increased by **7.0%** y-o-y to **2.8 mt**
- **Petchem** production increased by **3.6%** y-o-y to **3.8 mt**
- **Petchem** sales volumes increased by **3.8%** y-o-y to **1.4 mt**

Financial Results

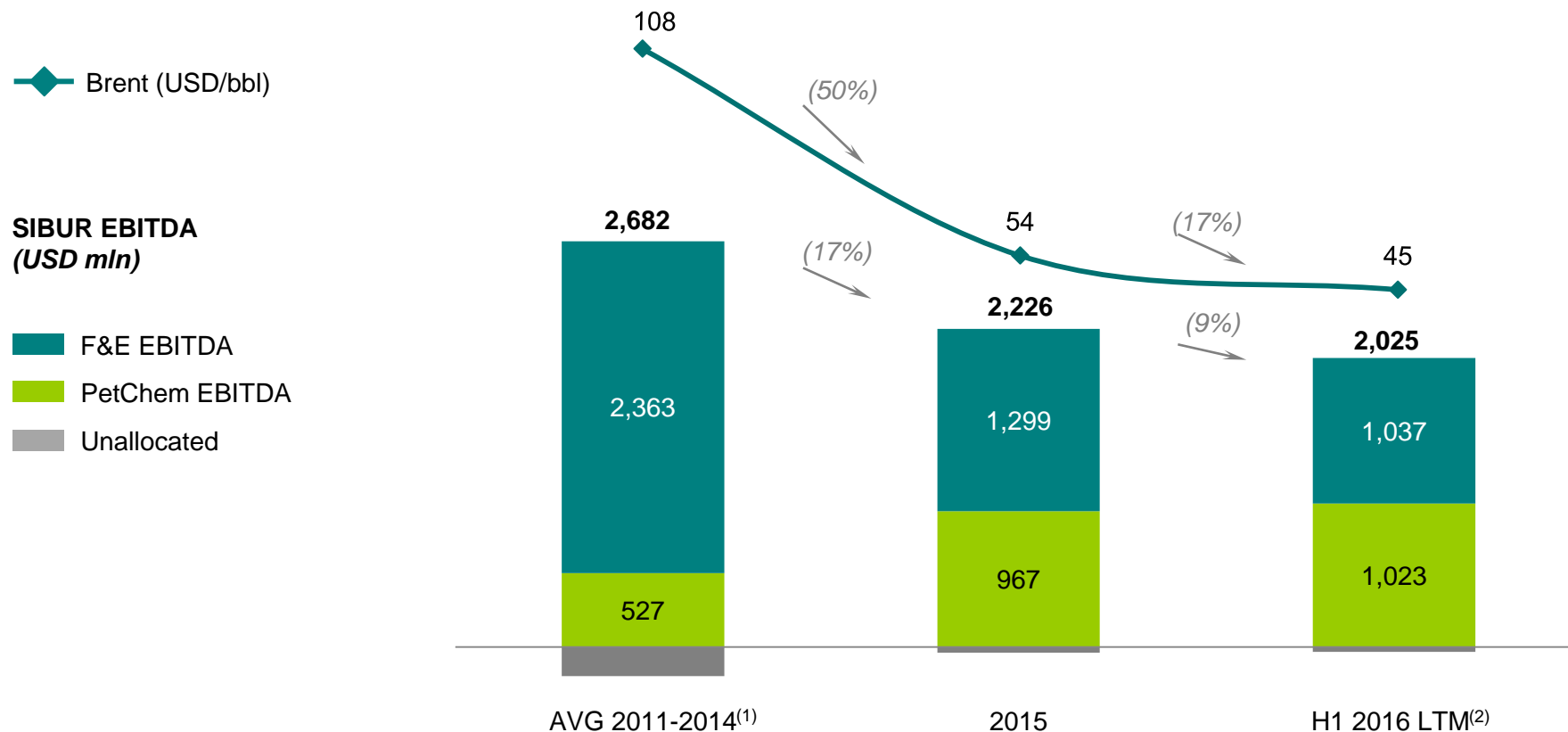
- **Revenue** reached **RR 196.1 bln**, an increase of **8.1%** y-o-y
- **EBITDA** at **RR 65.4 bln**, an increase of **1.2%** y-o-y, **EBITDA margin** at **33.3%**
 - **Record high** contribution of **petchem EBITDA** to Group EBITDA
 - **Petchem EBITDA** increased by **36.8%** to **RR 39.6 bln**
 - **Petchem EBITDA margin** up to **38.7%** from **31.4%**
- **Net cash from operating activities** totaled **RR 59.9 bln**
- **Net cash used in investing activities** totaled **RR 88.9 bln**
 - **CapEx** totaled **RR 83.6 bln**
- **Net Debt to EBITDA** at **2.2x** as of **30 Jun'16**

Progress on ZapSib

- **ZapSibNeftekhim financing** totaled **RR 73.5 bln** in H1 2016
- **Overall completion 28.3%**, including FEED stage as of 1 Aug'16

(1) Including Gazprom Neft's share in the processing / production volumes of Yuzhno-Priobskiy GPP starting September 2015.

REBALANCING OF EBITDA COMPOSITION: PROVED RESISTANCE TO OIL SHOCKS



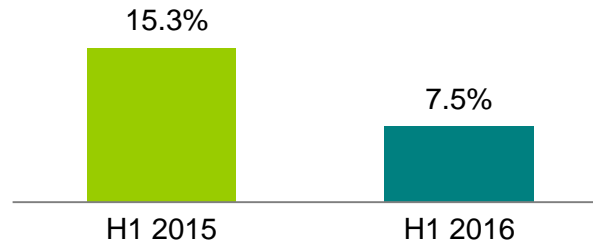
SIBUR EBITDA margin	30.7%	35.7%	34.6%
F&E	44.1%	37.1%	32.9%
Petchem	12.7%	31.4%	34.8%
Volumes, '000 tonnes			
Raw NGL fractionation	5,256	6,573	6,687
% growth		25%	2%
Petchem production	5,421	6,941	7,073
% growth		28%	2%

MACRO ENVIRONMENT

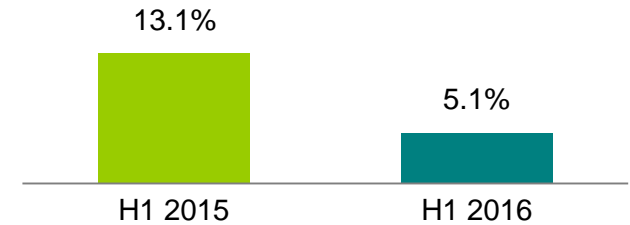
Russian GDP Growth⁽¹⁾



Consumer Price Index (y-o-y)⁽¹⁾

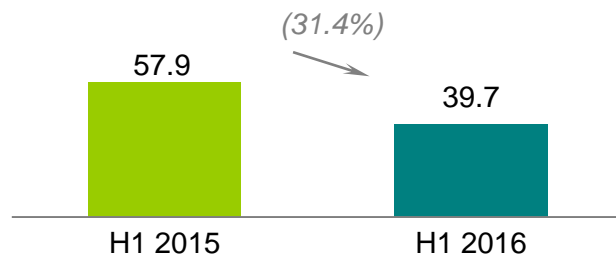


Producer Price Index (y-o-y)⁽¹⁾



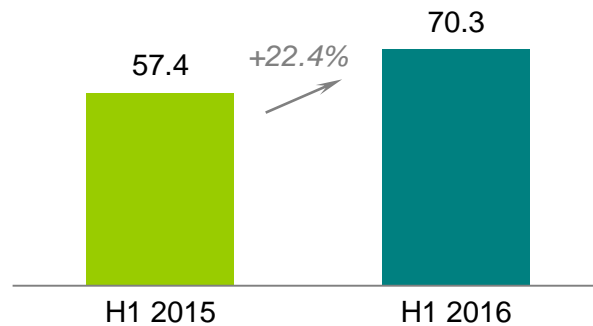
Average Oil Price (Brent)

USD per bbl



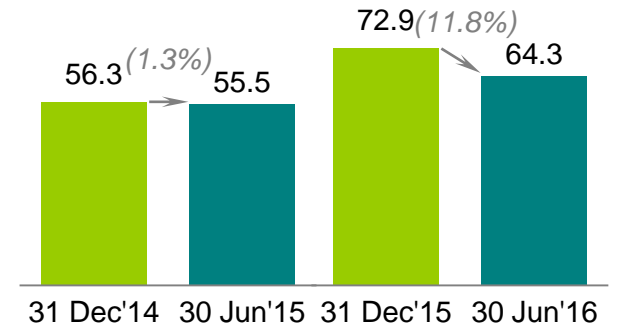
Average Exchange Rate⁽³⁾

RR / USD



EOP Exchange Rate⁽³⁾

RR / USD



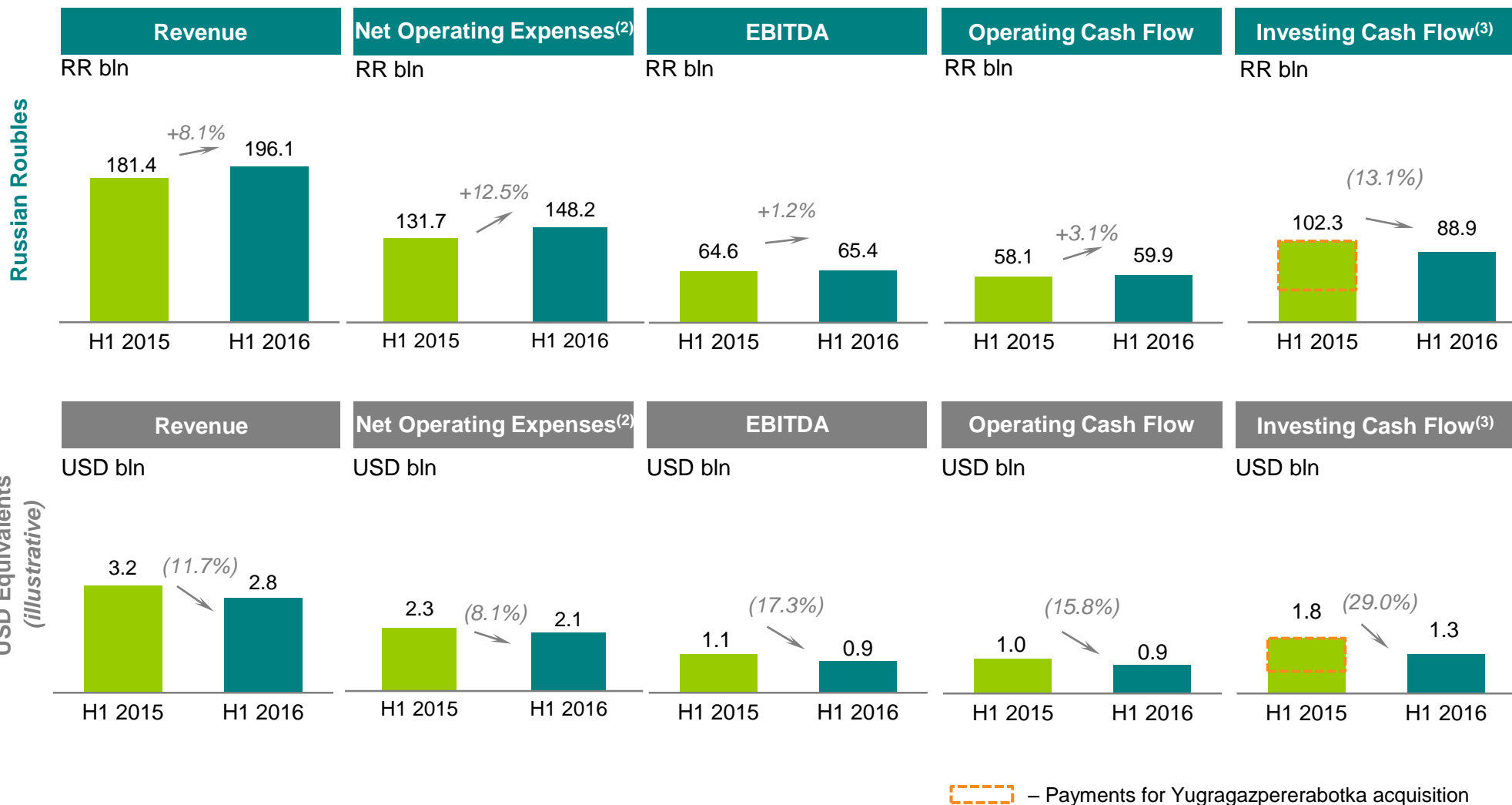
Source:

(1) Russian Federal State Statistics Service

(2) Preliminary Data

(3) CBR

SIBUR FINANCIAL SUMMARY⁽¹⁾



(1) Values in USD estimated based on average RR/USD rate of 70.2583 and 57.3968 in H1 2016 and H1 2015, respectively.

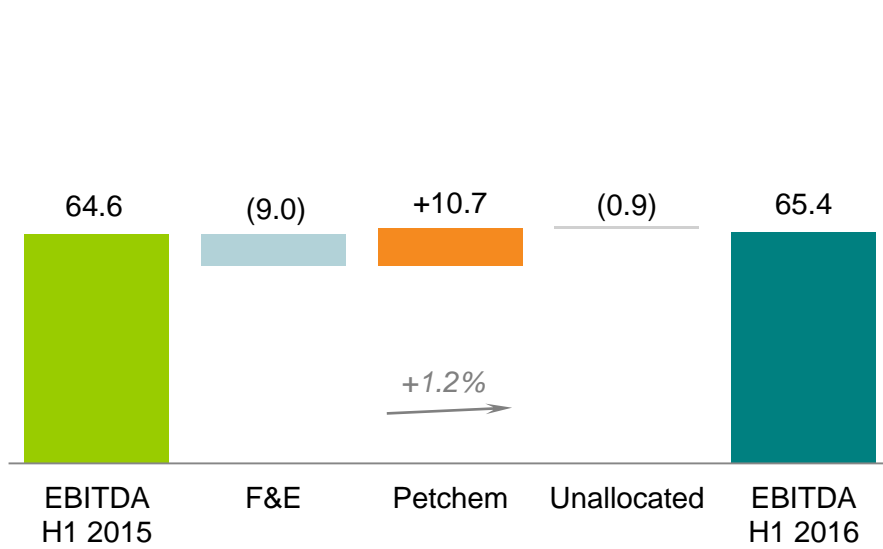
(2) Operating expenses before equity-settled share-based payment plans.

(3) Includes CapEx and M&A.

EBITDA DYNAMICS AND STRUCTURE

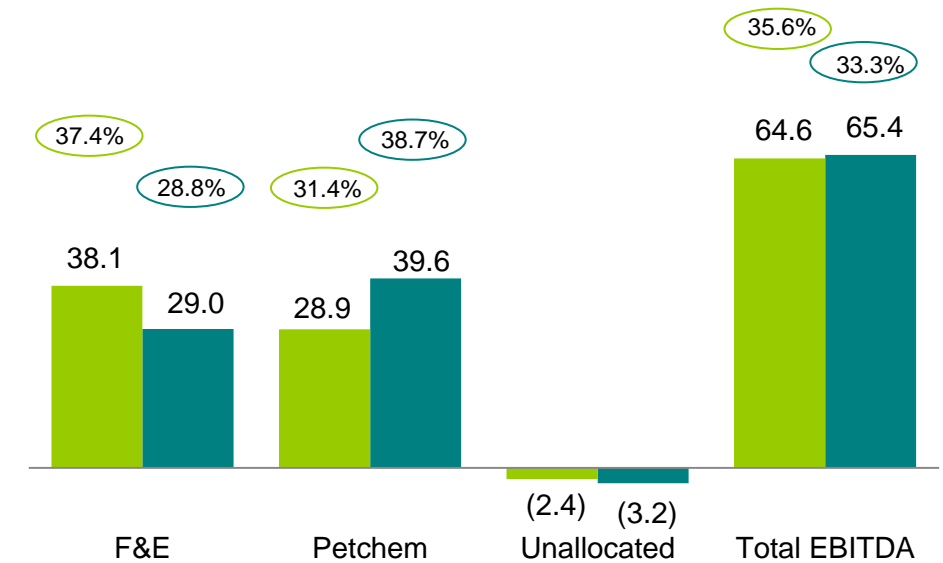
EBITDA Dynamics

RR bln



EBITDA and EBITDA Margin by Segment

RR bln

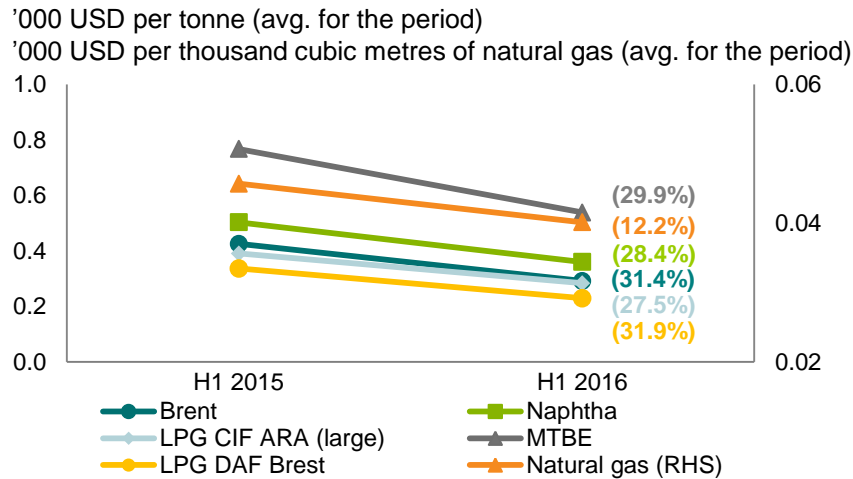


■ H1 2016 ■ H1 2015

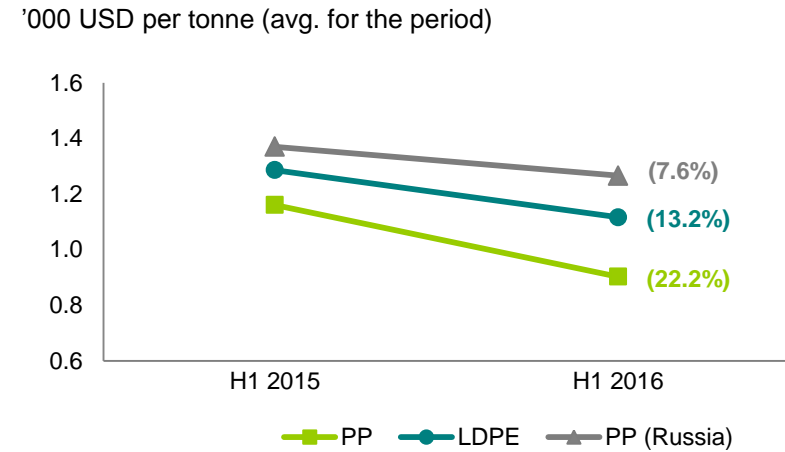
○ x% – EBITDA margin

PRICING ENVIRONMENT IN USD TERMS⁽¹⁾

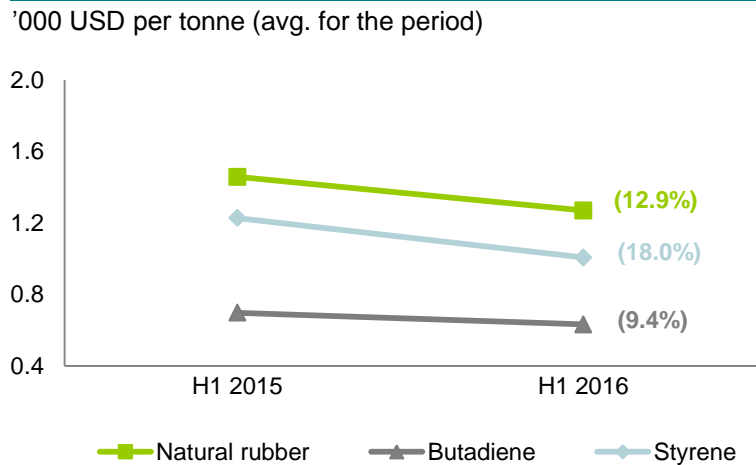
Energy Products



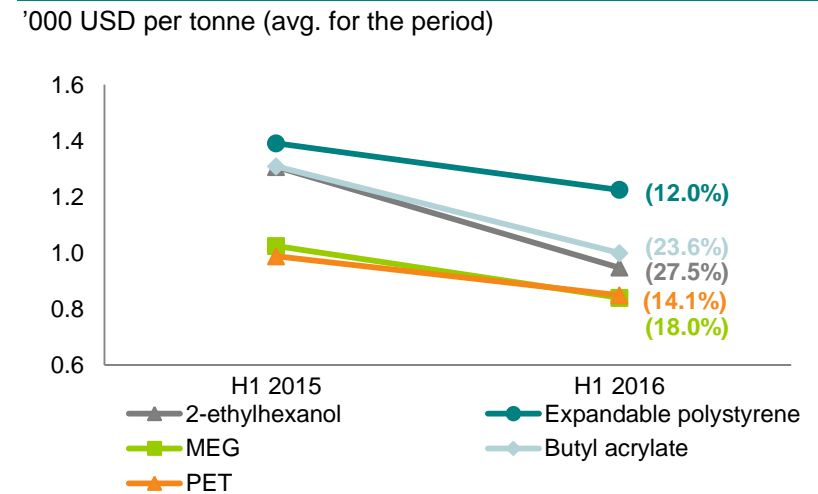
Basic Polymers



Synthetic Rubbers



Plastics & Organic Synthesis

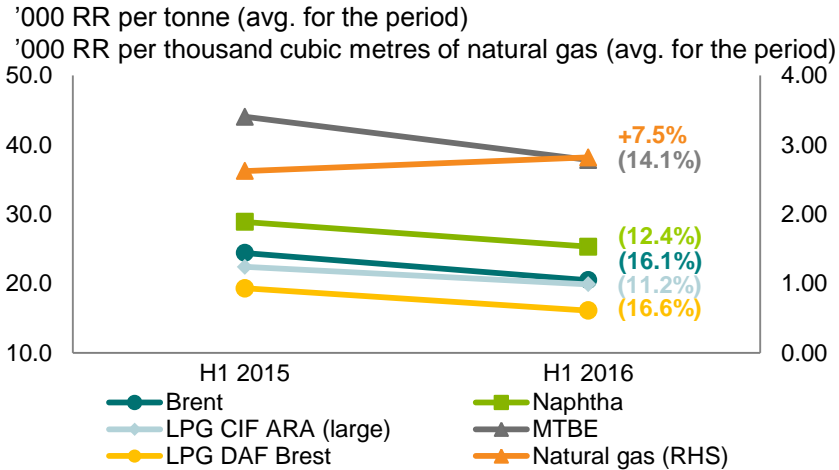


Source: Argus, Platts, Bloomberg, ICIS, Chemease, Malaysian Rubber Board, Federal Antimonopoly Service of Russian Federation

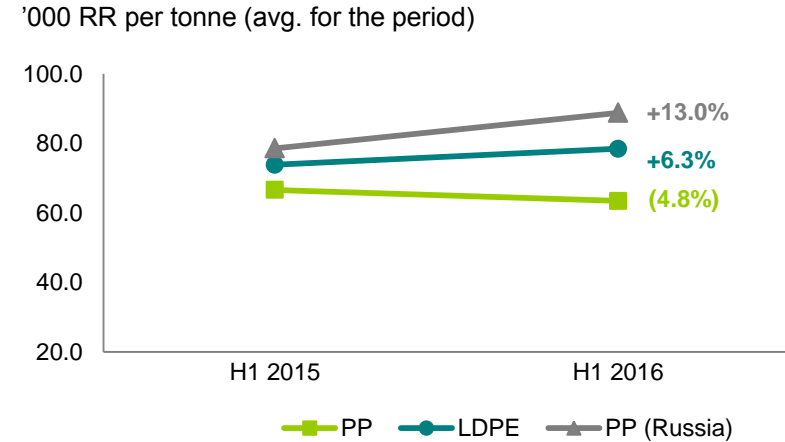
(1) For detailed market data statistics please refer to Appendix. Prices quoted in EUR or RR are converted to USD at average FX rates for the respective periods.

PRICING ENVIRONMENT IN RR TERMS⁽¹⁾

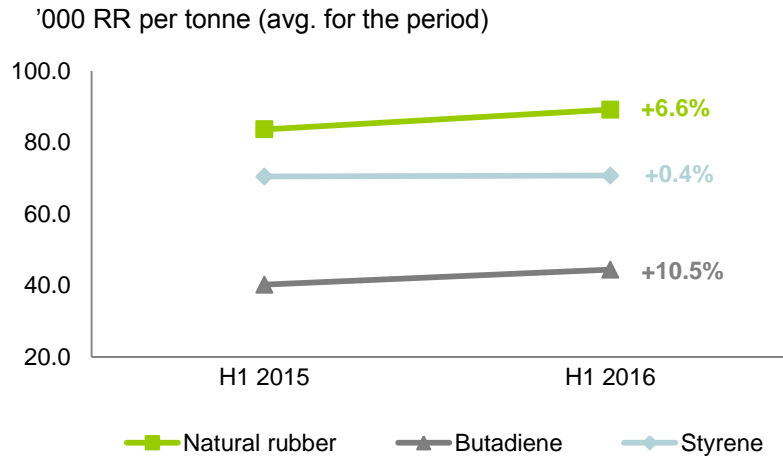
Energy Products



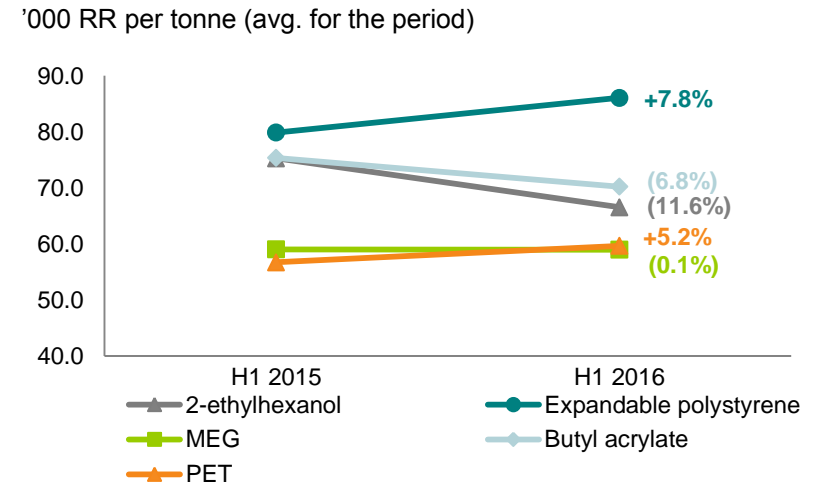
Basic Polymers



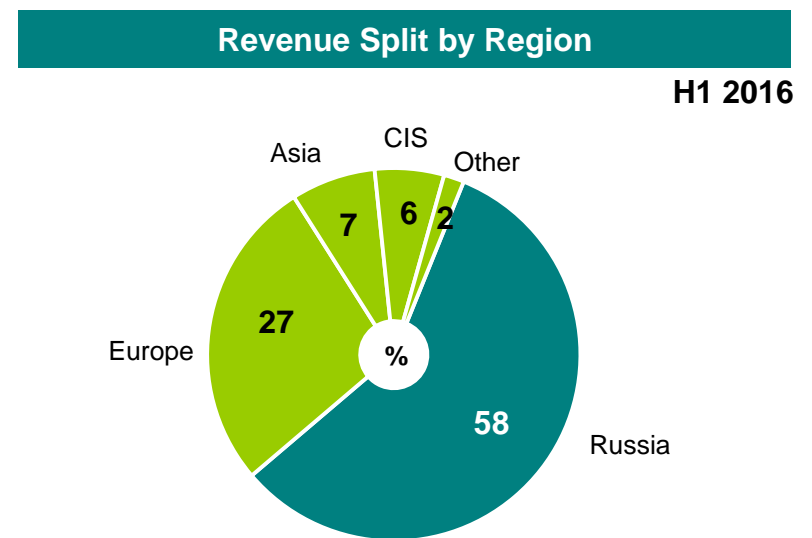
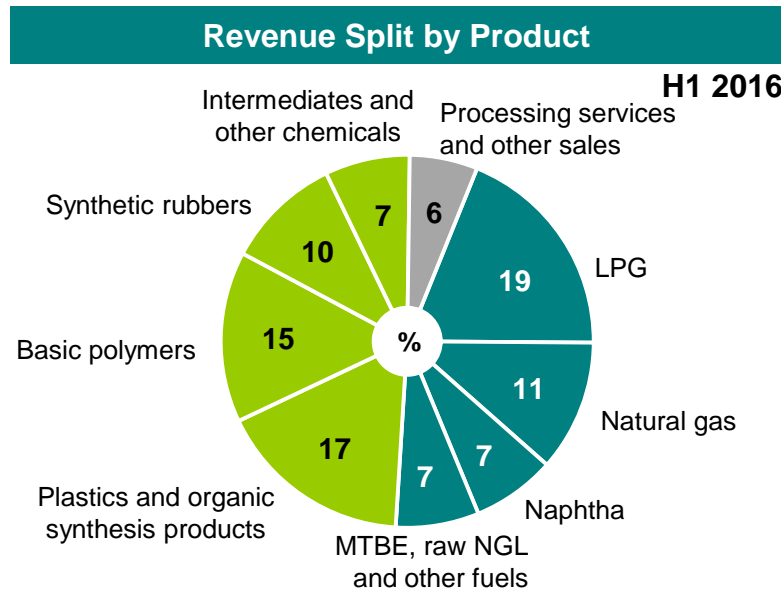
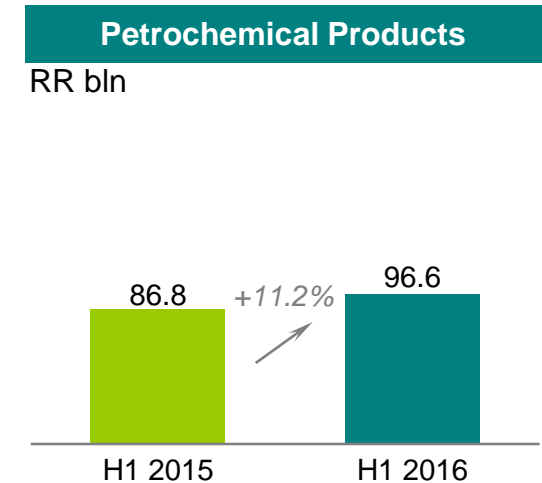
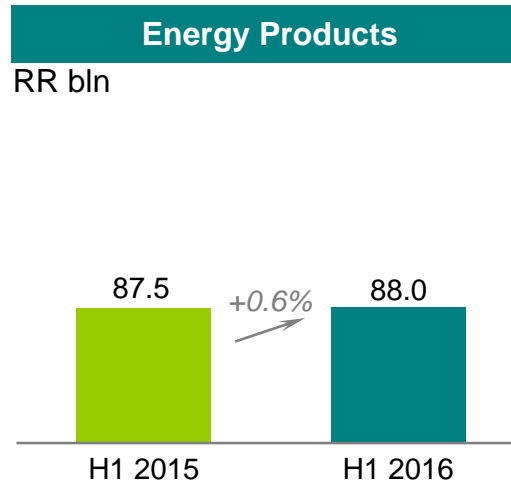
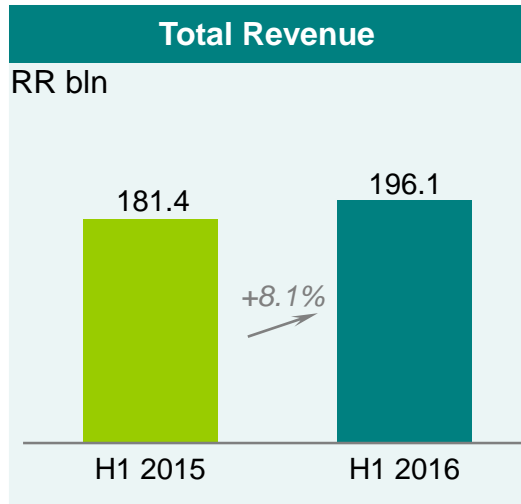
Synthetic Rubbers



Plastics & Organic Synthesis



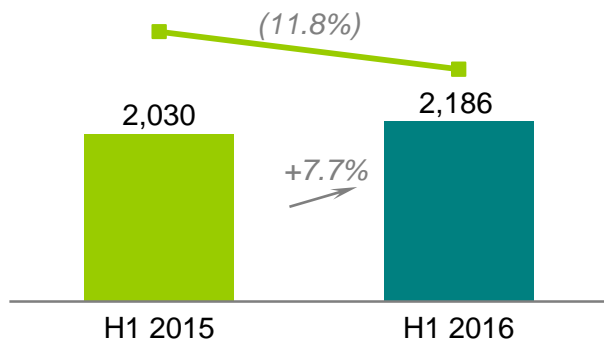
REVENUE STRUCTURE AND DYNAMICS



KEY ENERGY PRODUCTS: SALES VOLUMES AND PRICE DYNAMICS

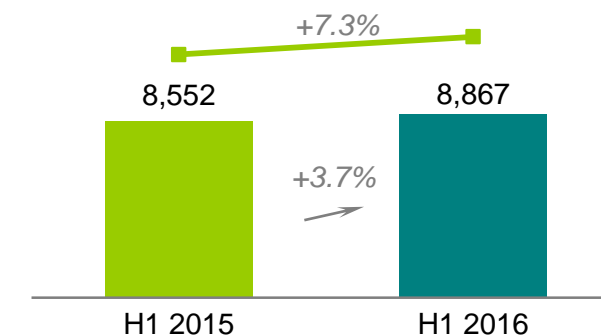
LPG

■ Sales volumes, '000 tonnes
 ■ Change in effective avg. selling price, %



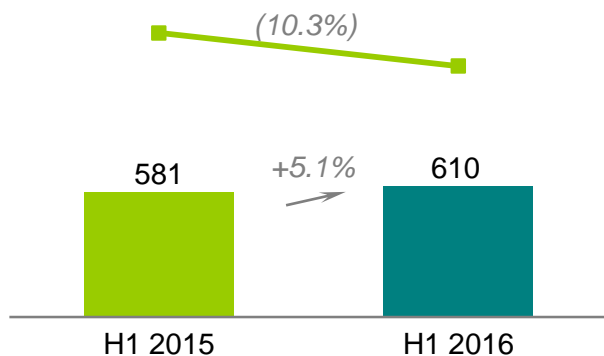
Natural Gas

■ Sales volumes, mln cubic metres
 ■ Change in effective avg. selling price, %



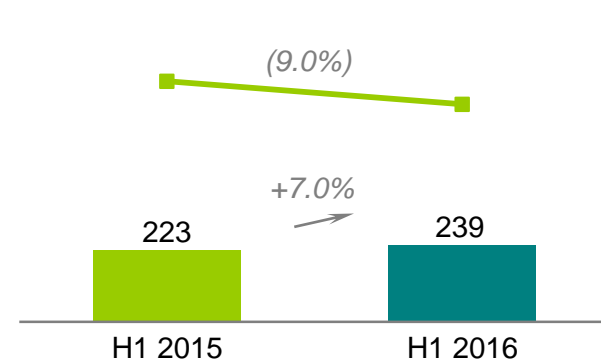
Naphtha

■ Sales volumes, '000 tonnes
 ■ Change in effective avg. selling price, %



MTBE

■ Sales volumes, '000 tonnes
 ■ Change in effective avg. selling price, %



Key Factors

LPG:

- Lower selling prices due to negative dynamics of international market prices across all products, partially mitigated by RR depreciation
- Higher sales volumes on 7% growth in production on higher purchases of raw NGL, as well as lower supplies to our petrochemicals business

Natural gas:

- Higher selling price on average 7.5% y-o-y indexation of regulated prices
- Higher sales volumes on 4.4% growth in production due to higher volumes of APG processing following recent capacity expansions

Naphtha:

- Lower selling prices due to decrease in market prices partially mitigated by RR depreciation and further reduction in export duties
- Higher sales volumes on a temporary trading arrangement

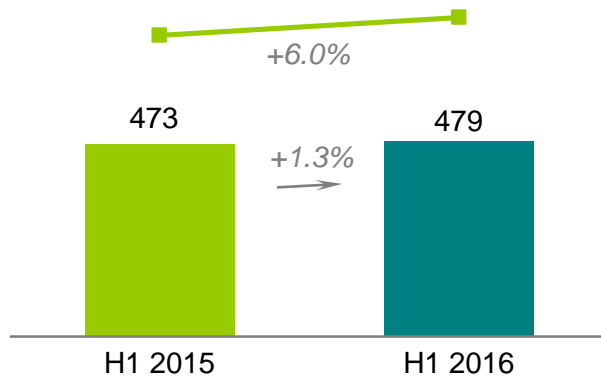
MTBE:

- Lower selling price due to decrease in market prices partially mitigated by RR depreciation and favorable domestic market environment
- Higher sales volumes on capacity expansion in Togliatti, as well as higher feedstock availability due to shutdowns at the production of feedstock for MTBE a year earlier

PETROCHEMICALS: SALES VOLUMES AND PRICE DYNAMICS

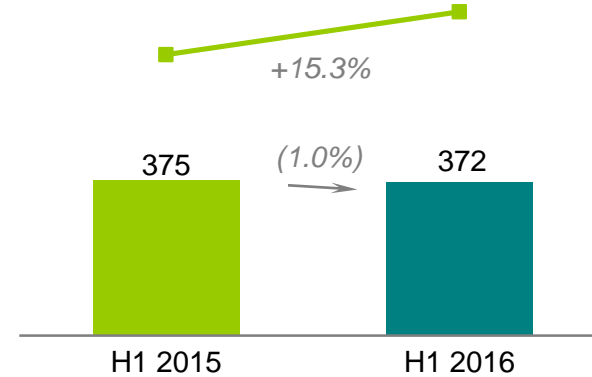
Plastics & Organic Synthesis

- Sales volumes, '000 tonnes
- Change in effective avg. selling price, %



Basic Polymers

- Sales volumes, '000 tonnes
- Change in effective avg. selling price, %



Key Factors

- Decline in international market prices for majority of products mitigated by RR depreciation

Plastics & organic synthesis:

- Higher sales volumes largely due to
 - growth in glycols production following capacity expansion and BOPP-films production on higher capacity utilisation

Basic polymers:

- Higher PP and LDPE prices largely attributable to
 - weak RR despite lower international market prices
 - ...and favourable market environment on the domestic market
- Sales volumes remained largely flat as growth in PP sales volumes on higher production was offset by substantial LDPE inventory accumulation

Synthetic rubbers:

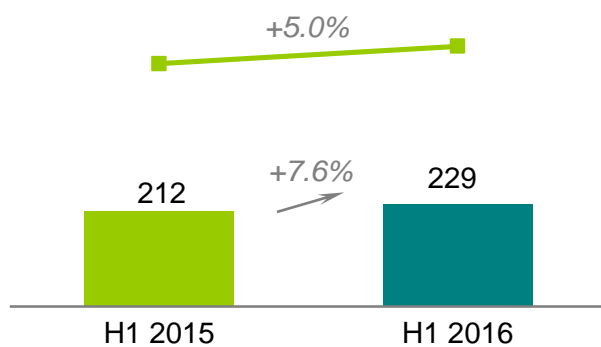
- Increase in sales volumes primarily due to
 - material inventory sales and completed thermoplastic elastomers homologation

Intermediates & other chemicals:

- Increase in sales volumes due to
 - higher styrene sales following capacity expansion and increased volumes under processing arrangement with Plastic
 - higher ethylene supplies to our JV RusVinyl

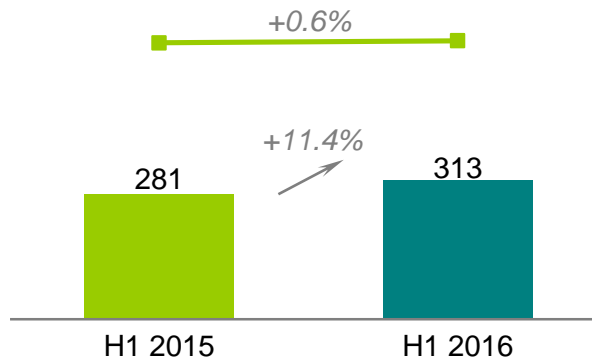
Synthetic Rubbers

- Sales volumes, '000 tonnes
- Change in effective avg. selling price, %

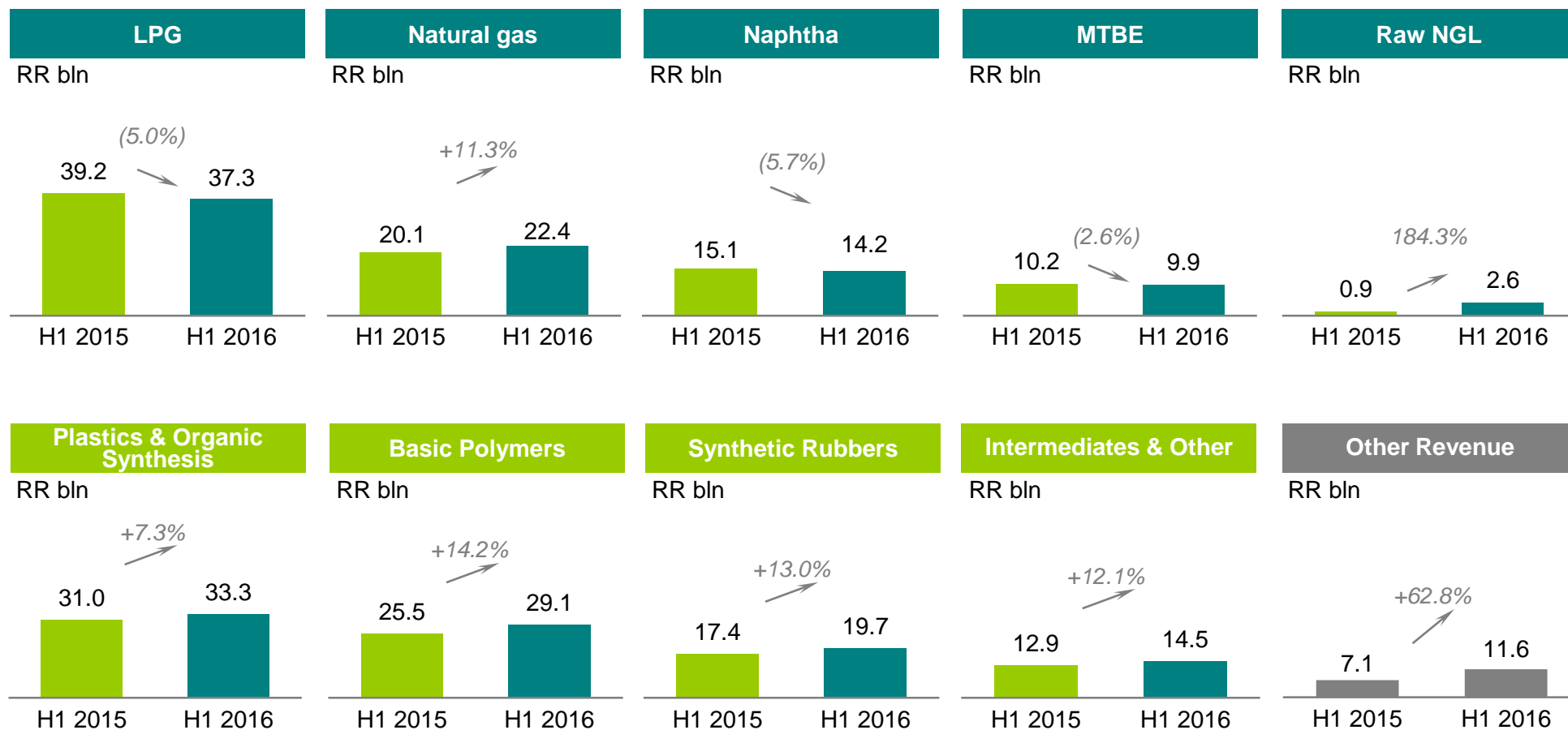


Intermediates & Other

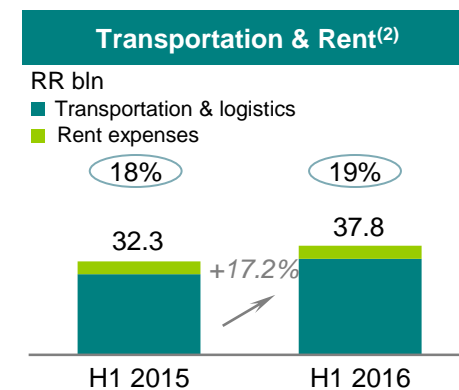
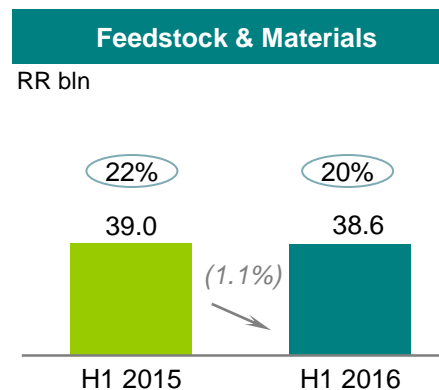
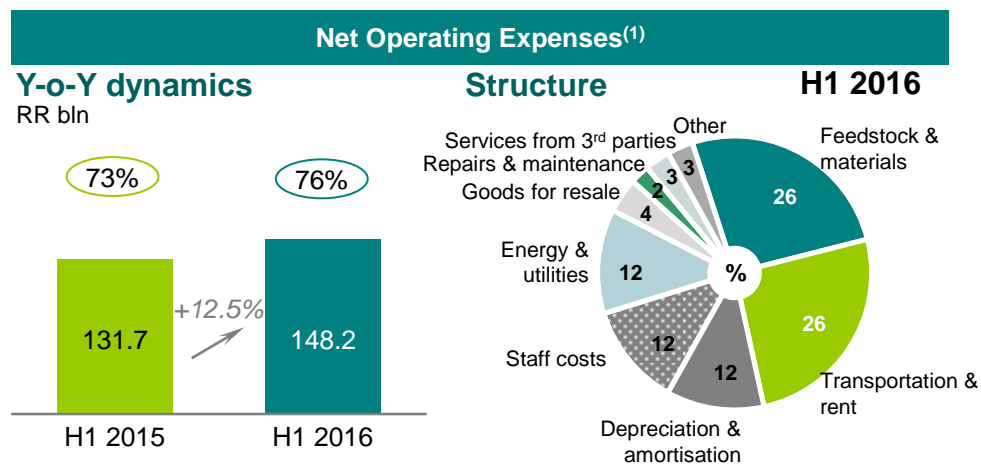
- Sales volumes, '000 tonnes
- Change in effective avg. selling price, %



REVENUE DYNAMICS BY PRODUCT GROUP

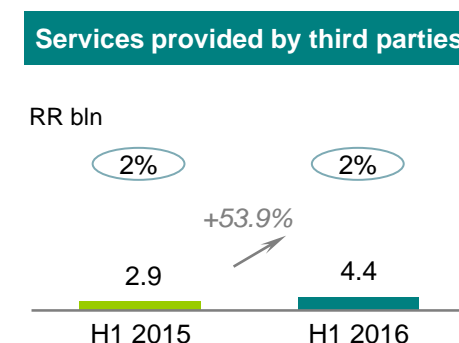
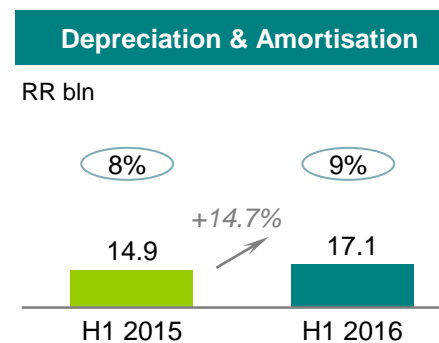
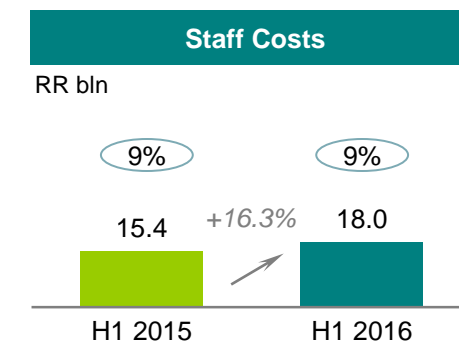
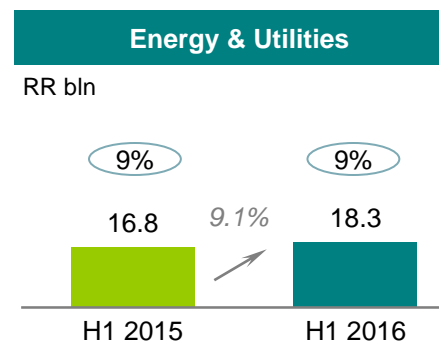


NET OPERATING EXPENSES STRUCTURE AND DYNAMICS



Key Factors

- Higher **transportation & rent** expenses on RR depreciation, railway tariff indexation and higher transported volumes
- Higher **staff costs** due to (i) growth in headcount of NIPIGAZ, (ii) changes in the perimeter, and (iii) movements in bonus provision
- Higher **D&A** due to higher depreciation of new catalysts at our petchem production sites, as well as higher depreciation and amortisation related to acquisition of Tobolsk HPP
- Higher **services provided by third parties** due to increase in expenses on NIPIGAZ subcontractors, which was offset by higher external revenue
- Increase in energy & utilities expenses** due to acquisition of Tobolsk HPP due to higher fuel and electricity consumption volumes despite lower consumption of heat, which was offset by higher external revenue from heat and electricity sales.
- Lower feedstock & materials** on somewhat lower expenses related to purchases of hydrocarbon feedstock, as well as increased stock of feedstock and materials



CASH FLOW STATEMENT HIGHLIGHTS

Key Developments

- Net cash from operating activities increased by 3.1% y-o-y on
 - largely flat EBITDA adjusted for the movements in certain provisions
 - marginally positive impact from WC changes
 - ...partially offset by higher income tax paid
- Net cash used in investing activities decreased by 13.1% y-o-y on
 - final tranche payment for the acquisition of Rosneft's 49% stake in Yugragazpererabotka in H1 2015 compared to only RR 2,013 mln paid for acquisition of subsidiaries in H1 2016
 - ...substantially offset by 3x increase in CapEx
- Net cash used in financing activities attributable to
 - substantial net debt repayment
 - interests paid

Key Highlights

<i>RR mln, except as stated</i>	Six months ended 30 June		Change
	2016	2015	%
Net cash from operating activities	59,865	58,059	3.1%
<i>Operating cash flows before WC changes</i>	65,012	63,219	2.8%
<i>Changes in working capital</i>	329	(3,100)	n/m
<i>Income tax paid</i>	(5,476)	(2,060)	165.8%
Net cash used in investing activities, including	(88,867)	(102,288)	(13.1%)
<i>Purchase of PPE</i>	(83,558)	(30,537)	173.6%
<i>Acquisition of interest in subsidiaries, net of cash acquired</i>	(2,013)	(61,727)	(96.7%)
<i>Placement of deposits</i>	(3,343)	(8,520)	(60.8%)
Net cash (used in) / from financing activities, including	(76,680)	28,750	n/m
<i>Net (repayment of) / proceeds from debt</i>	(53,775)	52,458	n/m
<i>Dividends paid</i>	(7,058)	(9,629)	(26.7%)
<i>Interest paid</i>	(12,310)	(7,092)	73.6%
<i>Bank fees paid</i>	(2,562)	(7,964)	(67.8%)
Effect of exchange rate changes on cash and cash equivalents	(237)	(2,291)	(89.7%)
Net decrease in cash and cash equivalents	(105,919)	(17,770)	496.1%

DEBT STRUCTURE

Key Highlights

- Total debt decreased by 19.5% YTD mainly due to:
 - repayment of debt denominated primarily in foreign currencies
 - RR appreciation vs 31 Dec'15
- Net debt increased by 4.8% mainly due to utilisation of funds provided by the NWF for ZapSibNeftekhim capital expenditures financing
- Net leverage marginally increased to 2.2x from 2.1x (2.3x from 1.7x in USD terms)
 - conventional net leverage decreased to 1.6x from 1.8x on recent debt repayments
 - ZapSibNeftekhim net leverage increased to 0.6x from 0.3x on on-going project financing
- As of 30 June 2016, all of the debt was unsecured

Key Figures

<i>RR bln, except as stated</i>	30 Jun 2016	31 Dec 2015	Change, %
Total debt	368.0	457.1	(19.5%)
Cash & cash equivalents	66.2	172.1	(61.6%)
Bank deposits	3.2	-	n/m
Net debt	298.6	285.1	4.8%
WA loan tenor (years)	6.5	6.3	
<i>WA Conventional debt</i>	2.6	2.7	
<i>WA ZSN related debt</i>	12.3	13.0	
Available credit lines	239.5	287.7	(16.8%)
Debt / EBITDA	2.7x	3.4x	
Net debt / EBITDA, <i>including</i> :	2.2x	2.1x	
<i>Conventional net debt</i>	1.6x	1.8x	
<i>ZSN related net debt</i>	0.6x	0.3x	
Net debt / EBITDA (in \$)	2.3x	1.7x	

<i>RR bln, except as stated</i>	1 Aug 2016 ⁽¹⁾	30 Jun 2016	Change, %
Total debt	385.8	368.0	4.8%
Cash & cash equivalents	76.8	66.2	16.0%
Bank deposits	3.4	3.2	6.3%
Net debt	305.6	298.6	2.3%

Maturity profile

<i>Short-term</i>	32.1	43.1	(25.5%)
<i>Long-term</i>	353.7	324.9	8.9%

Currency split

<i>USD</i>	252.7	248.4	1.7%
<i>RR</i>	94.2	94.7	(0.5%)
<i>EUR</i>	38.9	24.9	56.2%

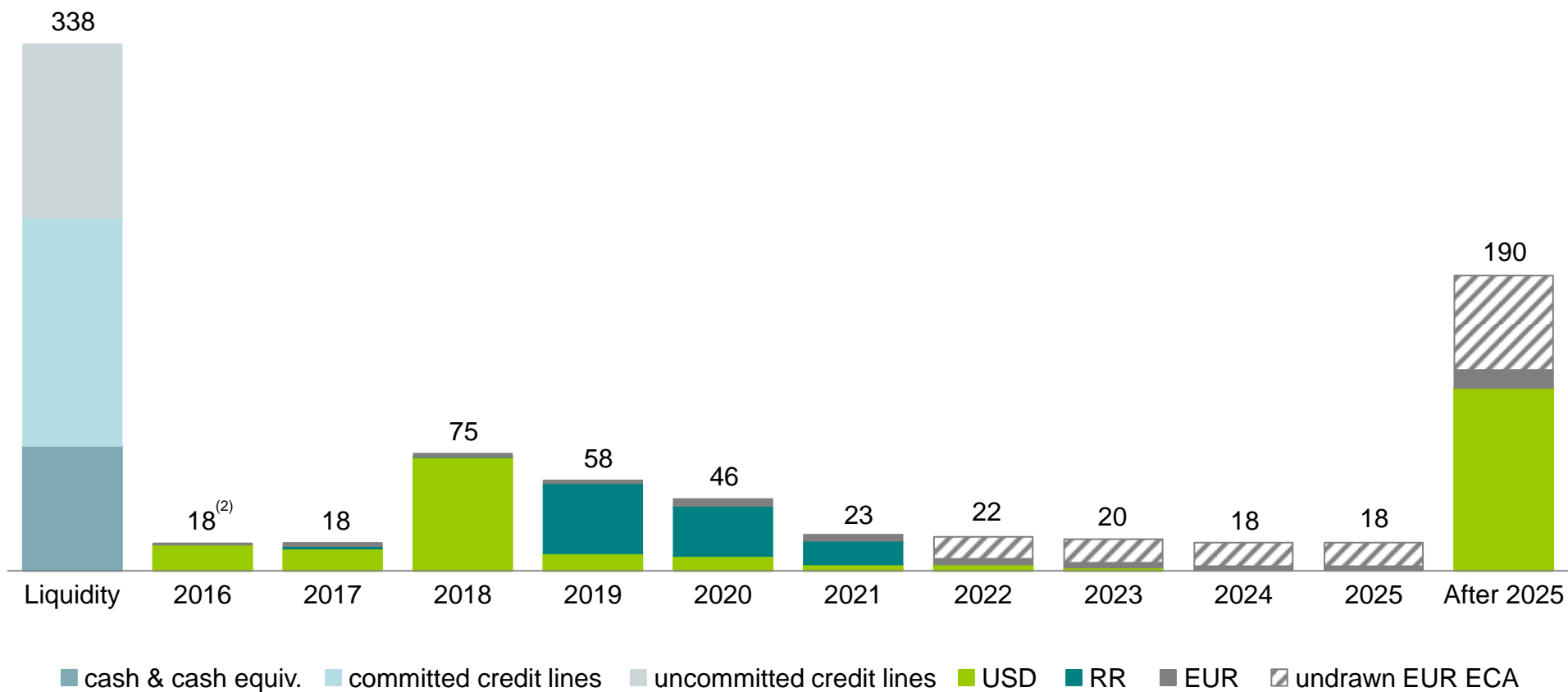
Credit lines

<i>Committed</i>	146.7	154.6	(5.1%)
<i>Uncommitted</i>	111.3	84.9	31.1%

(1) Loans denominated in USD and EUR are converted into RR at RR/USD and RR/EUR FX rates as of 1 August 2016.

LIQUIDITY AND DEBT MATURITY PROFILE⁽¹⁾

As of 1 August 2016, RR bln

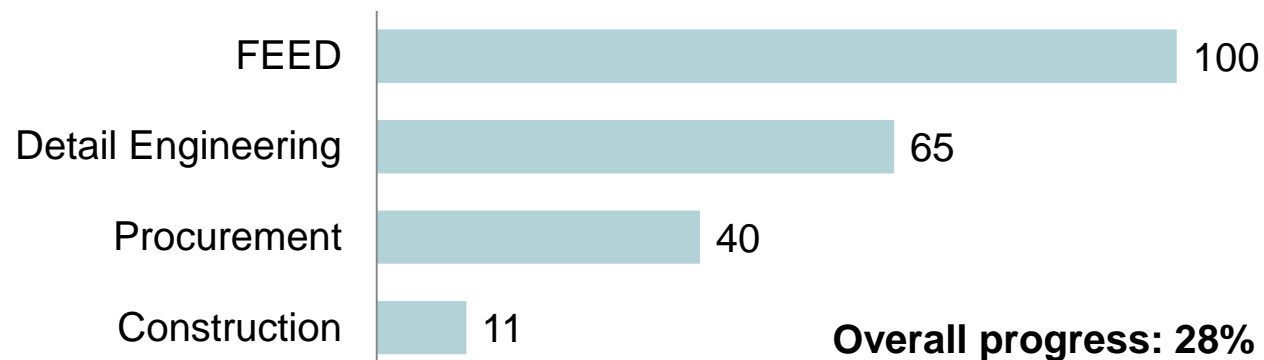


FINANCIAL CALENDAR – 2016

Event	Date
FY 2015 Operational and Financial Results	7 April 2016
Q1 2016 Limited Operational Update	June 2016
H1 2016 Operational and Financial Results	26 August 2016
9M 2016 Limited Operational Update	November 2016

ZAPSIBNEFTEKHIM: PROGRESS UPDATE

Progress Update as of 1 August 2016, %



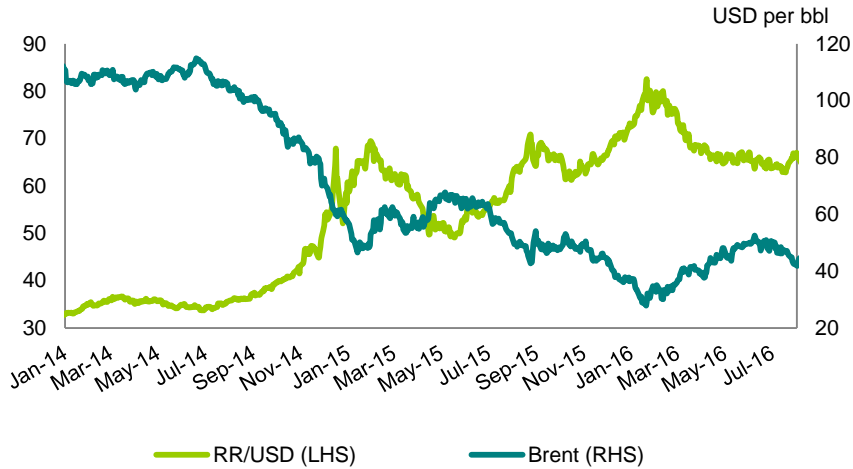
Please follow the link to see the video of the construction site:

<https://www.sibur.ru/press-center/video/>

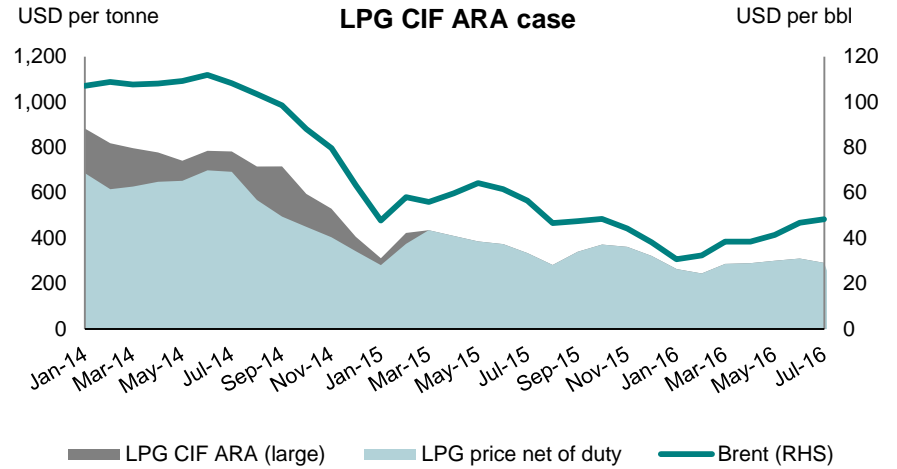
Appendix

LOWER EXPORT DUTIES AND RR DEPRECIATION SUPPORT ENERGY PRODUCT REVENUES ON DECREASING OIL

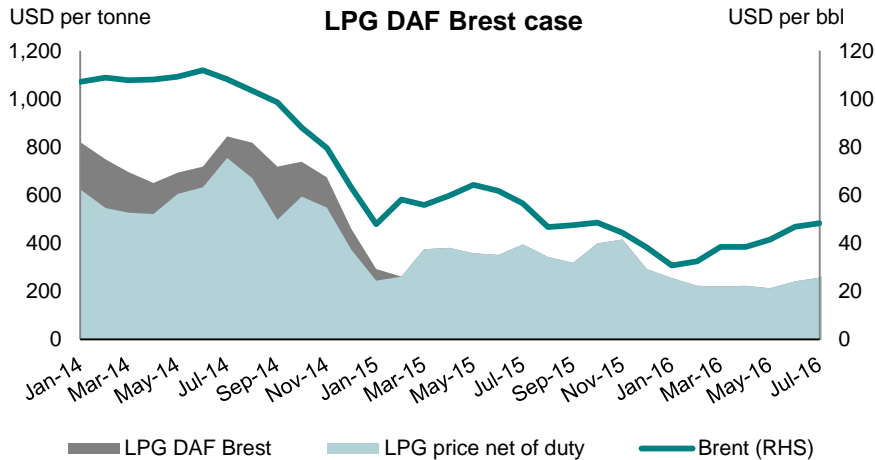
RR / USD – oil price negative correlation



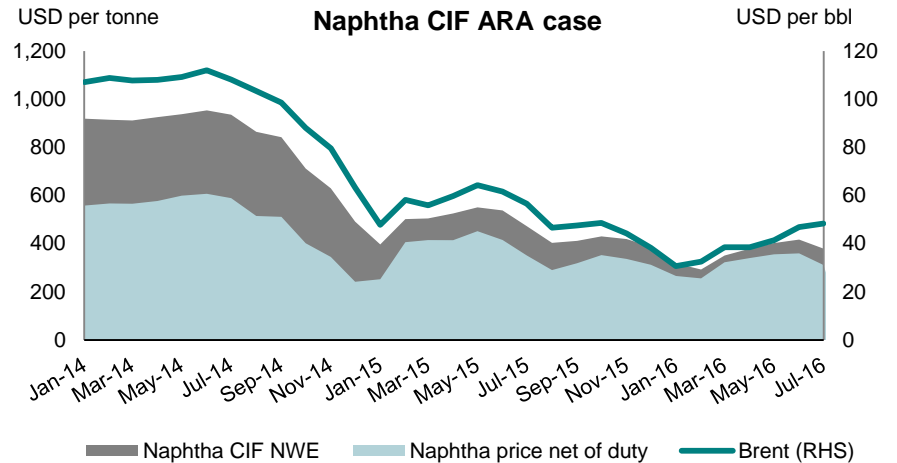
Oil price and export duties impact on product price



Oil price and export duties impact on product price



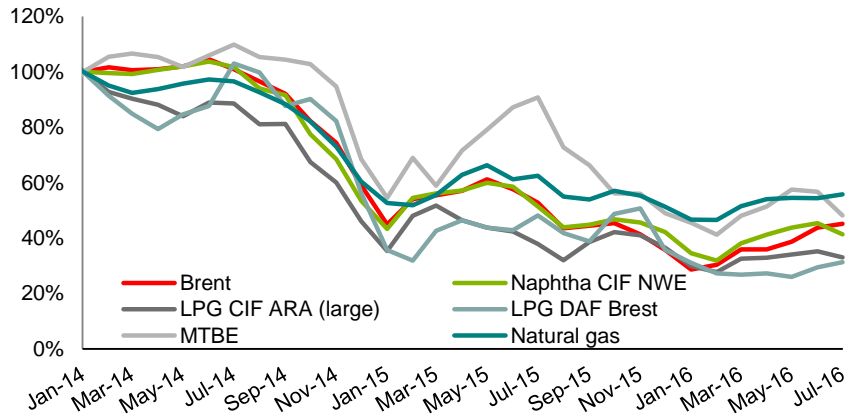
Oil price and export duties impact on product price



MARKET PRICES VS OIL PRICE

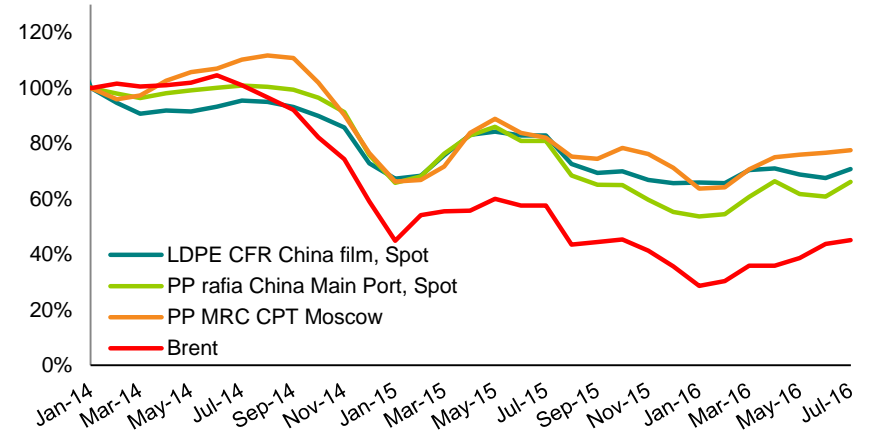
Energy Products

Rebased to 100



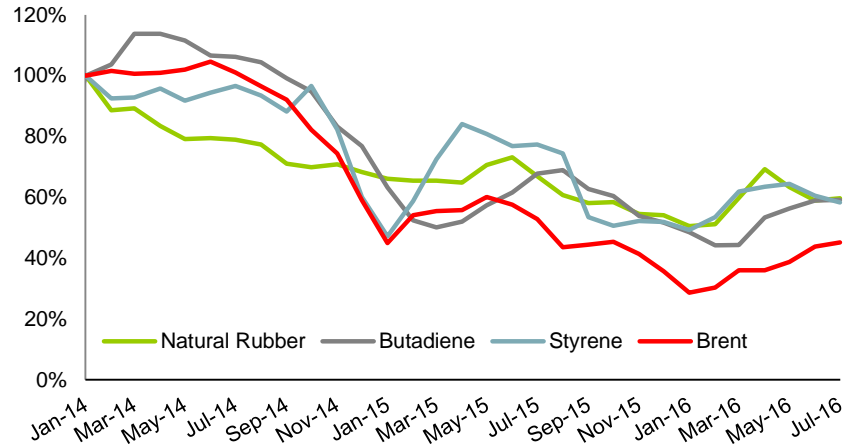
Basic Polymers

Rebased to 100



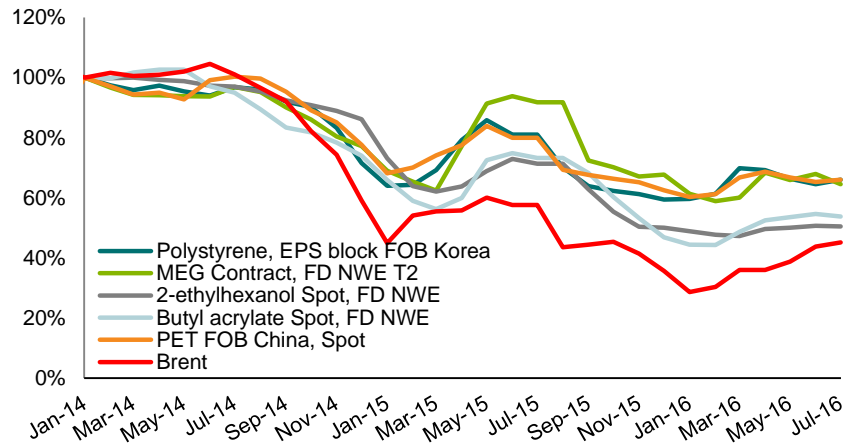
Synthetic Rubbers

Rebased to 100



Plastics & Organic Synthesis Products

Rebased to 100



Source: Argus, Platts, Bloomberg, ICIS, Malaysian Rubber Board, Chemease, Federal Antimonopoly Service of Russian Federation

MARKET PRICES

PRODUCT	QUOTE	SOURCE
ENERGY PRODUCTS		
Oil	Brent (USD per bbl)	Bloomberg
Naphtha	Naphtha CIF NWE	Argus
LPG	LPG CIF ARA (large)	Argus
	LPG DAF Brest	Argus
MTBE	MTBE FOB Rotterdam / FOB ARA	Platts
Natural gas	Natural gas wholesale price	Federal Antimonopoly Service
BASIC POLYMERS		
LDPE	LDPE CFR China film, Spot	ICIS
PP	PP rafia China Main Port, Spot	ICIS
PP (Russia)	MRC CPT Moscow	Market Report
SYNTHETIC RUBBERS		
Natural rubber	NR SMR 20	Malaysian Rubber Board
Butadiene	Butadiene Contract, FD NWE	ICIS
Styrene	Styrene Spot, FOB Rotterdam	ICIS
PLASTICS & ORGANIC SYNTHESIS PRODUCTS		
PET	PET FOB China, Spot	ICIS
Monoethylene glycol (MEG)	MEG Contract, FD NWE T2	ICIS
2-ethylhexanol (alcohol)	2-ethylhexanol Spot, FD NWE	ICIS
Butyl acrylate	Butyl acrylate Spot, FD NWE	ICIS
Expandable polystyrene	Polystyrene, EPS block FOB Korea	ICIS