



## PRESS RELEASE

### SIBUR REPORTS H1 2016 IFRS RESULTS

**Moscow, 26 August 2016.** PAO SIBUR Holding, an integrated gas processing and petrochemicals company, today published its operational and financial results for the six months ended 30 June 2016 in accordance with International Financial Reporting Standards (IFRS).

#### Operational highlights

- *Associated petroleum gas (APG) processing volumes increased by 5.6%<sup>1</sup> year-on-year*
- *Natural gas production volumes increased by 6.3%<sup>1</sup> year-on-year*
- *Gas fractionation volumes increased by 3.6% year-on-year*
- *Liquefied petroleum gases (LPG) production volumes increased by 7% year-on-year*
- *Petrochemicals production volumes increased by 3.6% year-on-year*
- *Petrochemical products sales volumes increased by 3.8% year-on-year*

#### Financial highlights

- *EBITDA increased by 1.2% year-on-year*
- *Revenue increased by 8.1% year-on-year*
- *Revenue from sales of energy products increased by 0.6% year-on-year*
- *Revenue from sales of plastics and organic synthesis products increased by 7.3% year-on-year*
- *Revenue from sales of basic polymers increased by 14.2% year-on-year*
- *Revenue from sales of synthetic rubbers increased by 13% year-on-year*

#### Operational results

In the first half of 2016, SIBUR's gas processing plants (GPPs) processed 10.9 billion cubic metres of APG, an increase of 5.6%<sup>1</sup> year-on-year. As a result, production of natural gas rose by 6.3% year-on-year to 9.5<sup>1</sup> billion cubic metres. Raw NGL fractionation volumes increased by 3.6% year-on-year to 3.3 million tonnes.

In the first half of 2016, SIBUR increased sales volumes of majority of its energy products. External LPG sales volumes increased by 7.7% year-on-year to 2 million tonnes. Natural gas sales volumes increased by 3.7% year-on-year to 8.9 billion cubic metres. The increase of sales volumes in energy products group was mainly attributable to the expansion of gas processing capacities and increase of raw NGL feedstock purchases for gas fractionation.

We increased sales volumes of petrochemical products. Sales volumes of polypropylene increased by 5.6% year-on-year to 258.2 thousand tonnes mainly following the growth of production at previously launched facilities in Tobolsk. The growth of polypropylene production also drove the increase of BOPP-films' production and sales volumes, mainly at previously launched facilities in Tomsk and Novokuybyshevsk. This was the main growth driver of sales volumes in the group of plastics and organic synthesis products that increased by 1.3% year-on-year to 478.8 thousand tonnes. We increased the sales volumes of polypropylene and

BOPP-films mainly on the domestic market as a result of import substitution in polymers industry, as well as in end-customer industries, such as food production. Sales volumes of synthetic rubbers increased by 7.6% year-on-year to 228.6 thousand tonnes largely attributable to completion of thermoplastic elastomers homologation with key clients. Our sales of intermediates and other chemicals increased by 11.4% year-on-year to 313.1 thousand tonnes following the increase of styrene production and higher ethylene sales to RusVinyl that resulted in increased PVC production volumes.

## Operational results

<i>Tonnes, except as stated</i>	Six months ended 30 June		<i>Change%</i>
	2016	2015	
<b>Processing and production volumes</b>			
APG processing <sup>1</sup> (thousand cubic metres)	10,910,688	10,331,481	5.6%
APG processing, SIBUR's share <sup>2</sup> (thousand cubic metres)	10,667,869	10,300,488	3.6%
Natural gas production <sup>1</sup> (thousand cubic metres)	9,464,480	8,907,047	6.3%
Natural gas production, SIBUR's share <sup>2</sup> (thousand cubic metres)	9,276,914	8,884,131	4.4%
Raw NGL production <sup>1</sup>	2,561,130	2,548,157	0.5%
Raw NGL production, SIBUR's share	2,488,620	2,540,268	(2.0%)
<b>Sales volumes</b>			
Natural gas sales volumes (thousand cubic metres)	8,867,239	8,551,695	3.7%
LPG sales volumes	2,186,386	2,030,027	7.7%
MTBE, other fuels & fuel additives sales volumes	316,328	298,506	6.0%
Petrochemical products sales volumes	1,392,292	1,341,642	3.8%
Basic polymers	371,772	375,496	(1.0%)
Synthetic rubbers	228,642	212,476	7.6%
Plastics and organic synthesis products	478,754	472,569	1.3%
Intermediates and other chemicals	313,124	281,101	11.4%

## Financial results

In the first half of 2016, SIBUR demonstrated strong financial results despite the general decrease of prices for its energy products.

Our revenue increased by 8.1% year-on-year to RR 196.1 billion attributable to strong results demonstrated by petrochemicals product group. Our revenue from sales of basic polymers increased by 14.2% year-on-year to RR 29.1 billion. Our revenue from sales of plastics and organic synthesis products increased by 7.3% year-on-year to RR 33.3 billion. Revenue from sales of synthetic rubbers increased by 13% year-on-year to RR 19.7 billion attributable to the increase of sales volumes following the completion of thermoplastic elastomers homologation with key clients. Revenue from sales of petrochemical products increased by 11.2% to RR 96.6 billion.

Negative pricing trends in hydrocarbons fully offset the positive effect from sales volumes growth. As a result, our revenue from sales of energy products remained largely flat year-on-year at RR 88 billion.

Our EBITDA increased by 1.2% year-on-year to RR 65.4 billion attributable to the increase of petrochemicals segment EBITDA by 36.8% year-on-year to RR 39.6 billion that compensated for the decline in feedstock & energy segment EBITDA by 23.7% year-on-year to RR 29 billion. The EBITDA composition rebalanced with the contribution of petrochemicals segment taking over the feedstock & energy segment first time in the history of SIBUR. Our total EBITDA margin decreased to 33.3%.

In the first half of 2016, our profit increased threefold year-on-year to RR 63.3 billion. Distributable profit<sup>3</sup> decreased by 14.7% to RR 29 billion.

Our capital expenditures increased three times year-on-year to RR 83.6 billion as we continued the active implementation of ZapSibNeftekhim in the first half of 2016.

## Financial results

<i>RR millions, except as stated</i>	Six months ended 30 June		Change %
	2016	2015	
Revenue (net of VAT and export duties):	196,124	181,397	8.1%
<i>Energy products</i>	88,018	87,459	0.6%
<i>Petrochemical products</i>	96,552	86,841	11.2%
<i>Other</i>	11,554	7,097	62.8%
EBITDA	65,380	64,622	1.2%
<i>EBITDA margin</i>	33.3%	35.6%	
Profit for the reporting period	63,273	21,331	196.6%
Distributable profit <sup>3</sup>	29,012	33,992	(14.7%)
Net cash from operating activities	59,865	58,059	3.1%
Net cash used in investing activities, including:	(88,867)	(102,288)	(13.1%)
<i>Capital expenditures</i>	(83,558)	(30,537)	173.6%

## Borrowings

As of 30 June 2016, our net debt<sup>4</sup> amounted RR 298.6 billion. Our net debt to EBITDA ratio was 2.2x.

Our total debt decreased by 19.5% to RR 368 billion comparing to 31 December 2015. The decrease is attributable to the revaluation of loans denominated in foreign currencies and repayment of debt denominated primarily in foreign currencies.

## Borrowings

<i>RR millions, except as stated</i>	As of 30 June 2016	As of 31 December 2015	Change %
Total debt	367,984	457,149	(19.5%)
Net debt <sup>4</sup>	298,607	285,066	4.8%

*Full version of the Consolidated Interim Condensed Financial Information (unaudited) as of and for the six months ended 30 June 2016 in accordance with International Financial Reporting Standards (IFRS) is available on our website (<http://investors.sibur.com/results-centre/financial-results.aspx>).*

## About SIBUR

*SIBUR is a uniquely positioned vertically integrated gas processing and petrochemicals company. SIBUR owns and operates Russia's largest gas processing business in terms of associated petroleum gas processing volumes, and is a leader in the Russian petrochemicals industry.*

*SIBUR operates 26 production sites located all over Russia, serving over 1,400 large customers engaged in the energy, chemical, fast moving consumer goods (FMCG), automotive, construction and other industries in approximately 75 countries worldwide and employed over 28,000 personnel.*

International Media Relations

SIBUR LLC

Phone.: +7 (495) 937-17-26

E-mail: [press@sibur.ru](mailto:press@sibur.ru)

[www.sibur.com](http://www.sibur.com)

Investor Relations

Phone: + 7 (495) 777-55-00 (\*39-47)

---

<sup>1</sup> Including Gazprom Neft's share in the processing / production volumes of Yuzhno-Priobskiy GPP starting September 2015

<sup>2</sup> Excluding Gazprom Neft's share in the processing / production volumes of Yuzhno-Priobskiy GPP starting September 2015.

<sup>3</sup> Distributable profit is calculated as profit for the reporting period attributable to SIBUR shareholders adjusted for exceptional non-cash income and expenses. In the first half of 2016, the adjustment was made for the foreign exchange differences from revaluation of debt portfolio. In the first half of 2015, the adjustment was made for the equity-settled share-based payment plans.

<sup>4</sup> Net debt represents total debt less cash and cash equivalents and bank deposits.