



PRESS RELEASE

SIBUR REPORTS FY 2015 IFRS RESULTS

Moscow, 7 April 2016. PAO SIBUR Holding, an integrated gas processing and petrochemicals company, today published its operational and financial results for the full year 2015 in accordance with International Financial Reporting Standards (IFRS).

Operational highlights

- *Associated petroleum gas (APG) processing volumes increased by 3%¹ year-on-year*
- *Raw natural gas liquids (raw NGL) fractionation increased by 23.1%² year-on-year*
- *LPG sales volumes increased by 23.1% year-on-year*
- *Synthetic rubbers sales volumes increased by 14.2% year-on-year*
- *Polypropylene production volumes increased by 30.6% year-on-year*

Financial highlights:

- *EBITDA increased by 32% year-on-year*
- *EBITDA margin increased by 35.7% year-on-year - the highest result for the Company*
- *Revenue from sales of energy products increased by 6.2%³ year-on-year*
- *Revenue from sales of plastics and organic synthesis products increased by 39.3% year-on-year*
- *Revenue from sales of basic polymers increased by 32.6% year-on-year*
- *Revenue from sales of synthetic rubbers increased by 26%*

Operational results

In 2015 SIBUR's gas processing plants (GPPs) processed 21.5 billion cubic metres of APG, an increase of 3%¹ year-on-year. As a result, production of natural gas rose by 2.4%¹ year-on-year to 18.5 billion cubic metres. Raw NGL fractionation volumes increased by 23.1% year-on-year to 7.8 million tonnes following the capacity expansion in Tobolsk.

Natural gas sales volumes increased by 10.1% year-on-year to 17.6 billion cubic metres. External LPG sales volumes increased by 23.1% year-on-year to 4.3 million tonnes.

In 2015 SIBUR increased sales volumes of all types of petrochemical products. Production volumes of polypropylene increased by 30.6% year-on-year to 516 thousand tonnes. Sales of plastics and organic synthesis products increased by 17% year-on-year to 921.6 thousand tonnes. Sales of synthetic rubbers increased by 14.2% year-on-year to 411.1 thousand tonnes largely attributable to improved economics for commodity and specialty rubbers, completion of continued thermoplastic elastomers homologation with key clients by the end of 2014, and respective increase of export sales. Our sales of intermediates and other chemicals increased by 22.4% to 549.8 thousand tonnes following the expansion of the production facilities of the Group.

Operational results

<i>Tonnes, except as stated</i>	Year ended 31 December		<i>Change %</i>
	2015	2014	
Processing and production volumes			
APG processing (thousand cubic metres) ¹	21,466,977	20,834,647	3.0%
APG processing, SIBUR's share (thousand cubic metres) ⁴	21,227,997	19,397,321	9.4%
Natural gas production(thousand cubic metres) ¹	18,470,903	18,034,813	2.4%
Natural gas production, SIBUR's share (thousand cubic metres) ⁴	18,342,824	16,657,211	10.1%
Raw NGL production ³	5,265,436	5,165,247	1.9%
Raw NGL production, SIBUR's share	5,222,799	4,822,694	8.3%
Basic polymers	764,090	655,590	16.5%
Synthetic rubbers	409,345	353,257	15.9%
Plastics and organic synthesis products	1,022,927	900,118	13.6%
Intermediates and other chemicals	4,744,748	4,232,671	12.1%
Sales volumes			
Natural gas sales volumes (thousand cubic metres)	17,624,726	16,004,874	10.1%
LPG sales volumes	4,267,750	3,468,260	23.1%
MTBE, other fuels & fuel additives sales volumes	603,018	603,830	(0.1%)
Petrochemical products sales volumes	2,587,445	2,246,660	15.2%

Financial results

In 2015, SIBUR demonstrated strong financial results despite the challenging external environment primarily on the back of the expansion of our petrochemical business.

Our revenue increased by 5.2% year-on-year to RR 380 billion, while revenue adjusted for trading operations via the Ust-Luga transshipment facility ceased in 2015, increased by 18.9%.

SIBUR demonstrated the significant growth in revenue and sales volumes of petrochemical products attributable to capacity expansions in PET and BOPP-films, as well as an increase in glycols production due to low base of 2014 as a result of the shutdowns at our production sites in 2014. Our revenue from sales of plastics and organic synthesis products increased by 39.3% year-on-year to RR 63.7 billion. We also increased our revenue from sales of basic polymers by 32.6% year-on-year to RR 50.9 billion following an increase in the average capacity utilisation rate of our polypropylene production in Tobolsk. Our revenue from sales of synthetic rubbers increased by 26% year-on-year to RR 35 billion on the back of improved market environment. In 2015, revenue from sales of petrochemical products increased by 32.7% year-on-year to RR 175.8 billion.

In 2015, our EBITDA increased by 32% year-on-year to RR 135.6 billion driven by a threefold growth in EBITDA in petrochemical segment. We recorded the historically high EBITDA margin of 35.7% for the Group that was largely attributable to the cost saving, production efficiency, and gradual increase in capacity utilization rate of our polypropylene production in Tobolsk.

Our adjusted profit⁵ decreased by 9.9% year-on-year to RR 62.4 billion.

In 2015, our capital expenditures⁶ increased by 17.9% year-on-year to RR 84.4 billion. SIBUR's Board of Directors has approved the 2016 capital expenditures budget in the amount of RR 147.5 billion⁷. The increase is attributable to the start of the implementation of ZapSibNeftekhim project.

Financial results

RR millions, except as stated	Year ended 31 December		Change %
	2015	2014	
Revenue (net of VAT and export duties):	379,852	361,000	5.2%
Energy products	186,497	217,233	(14.1%)
Energy products, excluding naphtha trading operations	186,497	175,653	6.2%
Petrochemical products	175,802	132,513	32.7%
Other	17,554	11,254	55.8%
EBITDA	135,635	102,767	32.0%
EBITDA margin	35.7%	28.5%	
EBITDA margin, excluding naphtha trading operations		32.2%	
Profit for the reporting period	6,505	25,071	(74.1%)
Adjusted profit ⁵	62,437	69,311	(9.9%)
Net cash from operating activities	119,078	91,052	30.8%
Net cash used in investing activities, including:	(121,741)	(97,370)	25.0%
Capital expenditures ⁶	(84,391)	(71,550)	17.9%

Borrowings

As of 31 December 2015, our net debt⁸ amounted to RR 285 billion (USD 3.9 billion). Our net debt to EBITDA ratio was 2.10x (1.76x in USD). As of 31 December 2015 our cash balance totaled RR 172 billion and decreased to RR 94.6 billion by 31 March 2016.

As of 31 December 2015 our total debt increased by 121.6% year-on-year to RR 457.1 billion. The increase was attributable to the funding for ZapSibNeftekhim, the new borrowings to fund the acquisition of a 49% stake in OOO Yugragazpererabotka, and the revaluation of loans denominated in foreign currencies. The share of short-term debt decreased by 15.1%.

Borrowings

RR millions, except as stated	As of 31 December 2015	As of 31 December 2014	Change %
Total debt	457,149	206,294	121.6%
Net debt ⁸	285,066	178,627	59.6%

Borrowings by scheduled maturities

RR millions, except as stated	As of 31 December 2015	% of total borrowings	As of 31 December 2014	% of total borrowings	Change %
Due for repayment:					
Within one year	47,745	10.4%	56,240	27.3%	(15.1%)
Between one and two years	48,794	10.7%	31,500	15.3%	54.9%
Between two and five years	212,286	46.4%	105,062	50.9%	102.1%
After five years	148,324	32.4%	13,492	6.5%	-
Total debt	457,149	100.0%	206,294	100.0%	121.6%

The full version of the audited consolidated financial statements as of and for the year ended 31 December 2015 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.

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¹ Including Rosneft's share in the processing / production volumes of Yugragazpererabotka in the first quarter of 2014.

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

² Including fractionation volumes under processing arrangements.

³ Excluding naphtha trading operations, ceased in 2015.

⁴ Excluding Rosneft's share in the processing / production volumes of Yugragazpererabotka in the first quarter of 2014.

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

⁵ Profit for the reporting period net of the realised foreign exchange loss in 2015 and foreign exchange loss in 2014, the equity-settled share-based payment plans, and the non-cash gains on acquisition of OOO Yugragazpererabotka in March 2014.

⁶ Includes purchase of property, plant and equipment, intangible assets and other non-current assets.

⁷ The Board of Directors will review the capital expenditures budget later in the year 2016.

⁸ Net debt represents total debt less cash and cash equivalents.